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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code : 1205)

INCREASE IN SHAREHOLDING INTEREST IN THE COMPANY BY THE TEMASEK GROUP

SUBSCRIPTION FOR NEW SHARES BY ELLINGTON INVESTMENTS PTE. LTD.

RESUMPTION OF TRADING IN SHARES

Subscription for new Shares by Ellington

Temasek, acting through its wholly-owned subsidiary, Ellington, has agreed to increase its shareholding interest in the Company.

On 15 June 2007, the Company entered into the Subscription Agreement with Ellington, a wholly-owned subsidiary of Temasek, pursuant to which Ellington has conditionally agreed to subscribe for, and the Company has agreed to issue, 101,000,000 new Shares at a subscription price of HK\$4.46 per Subscription Share.

The Subscription Shares represent 2.01% of the total Shares in issue on the Last Trading Day and 1.97% of the total Shares in issue as enlarged by the issue of the Subscription Shares.

The net proceeds from the Subscription are estimated to be HK\$450,000,000 and will be used to strengthen the Company's capital base and support its future development, repay certain debt obligations of the Group and for general working capital requirements.

Ellington shall have the right to nominate a non-executive Director to the Board if the Temasek Group owns or controls, and continues to own and control, not less than 10% of the Shares in issue from time to time. Ellington's right to nominate a Director shall cease, and shall not be re-instated, if the aggregate percentage shareholding of the Temasek Group falls below 10% of the Shares in issue at any time or if Ellington ceases to be a wholly-owned subsidiary of Temasek.

Ellington shall also have the right, subject to certain exceptions, to participate in New Securities Offerings in order to maintain the shareholding interest of the Temasek Group in the Company. Such right will cease, and shall not be reinstated, if the Temasek Group disposes of any of its Shares or if Ellington ceases to be a wholly-owned subsidiary of Temasek.

Purchase of existing Shares by Ellington

The Company has been advised by USI that it has agreed to sell, and Ellington has agreed to purchase, 101,000,000 existing Shares held by USI at HK\$4.46 per Sale Share. The Sale Shares represent 2.01% of the total Shares in issue on the Last Trading Day.

Suspension and Resumption of Trading

Trading in the Shares was suspended at the request of the Company from 9:30 a.m. on 18 June 2007 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares with effect from 9:30 a.m. on 20 June 2007.

INTRODUCTION

The Directors are pleased to announce that, on 15 June 2007, the Company entered into the Subscription Agreement with Ellington, a wholly-owned subsidiary of Temasek, pursuant to which Ellington has conditionally agreed to subscribe for, and the Company has agreed to issue, 101,000,000 new Shares pursuant to the terms of the Subscription Agreement.

In addition, the Company has been advised by USI that it has agreed to sell, and Ellington has agreed to purchase, 101,000,000 existing Shares held by USI.

Assuming completion of the Subscription and the sale and purchase of the Sale Shares, the aggregate shareholding interest of the Temasek Group will increase to 11.06% of the total Shares in issue as enlarged by the issue of the Subscription Shares.

SUBSCRIPTION AGREEMENT

Date

15 June 2007

Parties

- (1) The Company
- (2) Ellington, a wholly-owned subsidiary of Temasek

The Temasek Group currently owns or controls 365,450,000 Shares representing 7.27% of the Shares in issue on the Last Trading Day.

To the best of the Director's knowledge, information and belief and having made all reasonable enquiry, Ellington, and its ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company.

Subscription Shares

101,000,000 new Shares, representing 2.01% of the total Shares in issue on the Last Trading Day and 1.97% of the total Shares in issue as enlarged by the issue of the Subscription Shares.

The Subscription Shares shall be issued pursuant to the General Mandate and shall be issued as fully paid up and rank pari passu in all respects with all other Shares in issue as at the date of allotment of the Subscription Shares. No Shares have been issued or allotted under the General Mandate as at the date of this announcement.

Application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Subscription Shares.

Subscription Price

HK\$4.46 per Subscription Share.

The Subscription Price represents (i) a discount of 0.67% to the closing price of HK\$4.490 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of 0.81% to the average closing price of HK\$4.424 per Share as quoted on the Stock Exchange for the five trading days immediately prior to and including the Last Trading Day; and (iii) a premium of 2.13% to the average closing price of HK\$4.367 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to and including the Last Trading Day.

The net proceeds from the Subscription are estimated to be HK\$450,000,000 and the net issue price per Subscription Share is HK\$4.455.

The Subscription Price was agreed following arm's length negotiations between the Company and Temasek. The Directors believe the terms of the Subscription are fair and reasonable and in the interests of Shareholders as a whole.

Each of the Company and Ellington will bear its own costs and expenses incurred in respect of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon satisfaction of the following conditions on or before the Long Stop Date:

- (A) the Company obtaining all licences, approvals and consents required for the issue and allotment of the Subscription Shares, including but not limited to all consents and approvals required from the Company's board of directors, shareholders, regulatory and governmental authorities (including the Stock Exchange and the Bermuda Monetary Authority);
- (B) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares (and such approval not being subsequently revoked prior to the issue of the Subscription Shares).

The Conditions are not capable of being waived by the Company or Ellington.

Completion of the Subscription

Completion of the Subscription will take place on the third Business Day following satisfaction of the Conditions.

Termination of the Subscription Agreement

Ellington may terminate the Subscription Agreement at any time prior to 8.00 a.m. (Hong Kong time) on the Completion Date if prior to such time:

- (A) any material breach of any of the representations, warranties and undertakings by the Company occurs or comes to the knowledge of Ellington or any event occurs or any matter arises on or after the date of the Subscription Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Subscription Agreement would have rendered any of the representations, warranties and undertakings untrue or incorrect in any material respect or there has been a material breach of or failure to perform any other material provision of the Subscription Agreement on the part of the Company;
- (B) a statute, rule, regulation, order, decree, ruling or injunction has been enacted, entered, promulgated, endorsed or threatened or is pending by or before any governmental authority or body of competent jurisdiction which in any material respect restricts, prohibits or threatens to restrict or prohibit the consummation of any of the transactions contemplated by the Subscription Agreement;
- (C) anything occurs which in Ellington's opinion, acting reasonably, has or could reasonably be expected to have a material adverse effect on the businesses, assets, properties, financial condition, operations or prospects of the Company or any of its subsidiaries;
- (D) there shall develop, occur, exist or come into effect a suspension of dealings in any of the Shares or listing of any of the Shares on the Stock Exchange for a continuous period of three trading days other than any voluntary suspension requested by the Company; or
- (E) there shall develop, occur, exist or come into effect a moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange for a continuous period of five trading days due to exceptional financial circumstances.

Nomination of Non-Executive Director

Ellington shall have the right to nominate a non-executive Director to the Board if the Temasek Group owns or controls, and continues to own and control, not less than 10% of the Shares in issue from time to time. Ellington's right to nominate a Director shall cease, and shall not be re-instated, if the aggregate percentage shareholding of the Temasek Group falls below 10% of the Shares in issue at any time or if Ellington ceases to be a wholly-owned subsidiary of Temasek.

Anti-Dilution Right

Ellington has been granted the Anti-Dilution Right by the Company pursuant to which it shall be entitled to subscribe for New Securities in New Securities Offerings on a pro rata basis by reference to the shareholding interest of the Temasek Group at the time of the New Securities Offering in order to maintain the shareholding interest of the Temasek Group in the Company. Under the Anti-Dilution Right, Ellington will be entitled to subscribe for New Securities in a New Securities Offering on the same terms and conditions, including price, as all other participants of the New Securities Offering. Any New Securities issued to Ellington will only be issued to Ellington subject to and in compliance with all applicable laws and regulations including the Listing Rules (including the independent shareholder approval requirements). The Anti-Dilution Right will cease, and shall not be reinstated, if the Temasek Group disposes of any of its Shares or if Ellington ceases to be a wholly-owned subsidiary of Temasek.

Investment Committee

The Company shall establish an investment committee of the Board to review and recommend for approval investments by members of the Group if the consideration for the investment is in excess of US\$100,000,000 (HK\$780,000,000). The investment committee is expected to comprise of 5 members; three executive Directors, the Director nominated by Ellington and an independent non-executive Director. Apart from the Director nominated by Ellington, none of the Directors are related to Ellington or any other member of the Temasek Group. The Directors, including members of the investment committee, are required to act in the best interests of the Company and Shareholders as a whole.

REASONS FOR THE SUBSCRIPTION

Temasek itself has interests in oil and gas and related investments. The Directors believe that Temasek's position as a substantial shareholder of the Company will aid and support the long term objectives of the Group and will allow the Company and Temasek to explore areas of mutual co-operation in the oil and gas sectors.

USE OF PROCEEDS

The net proceeds from the Subscription are estimated to be HK\$450,000,000 and will be used to strengthen the Company's capital base and support its future development, repay certain debt obligations of the Group and for general working capital requirements.

In the 12 months preceding the date of the Subscription, the Company has raised funds involving the issue of equity through the Top-Up Placing. The net proceeds from the Top-Up Placing were HK\$1,684,000,000 and part of such proceeds were used to repay bank loans borrowed to finance the payment of the deposit paid to CITIC Group in respect of the acquisition of 50% of CITIC Group's interest in certain oilfield assets in Kazakhstan as announced by the Company on 8 May 2007. The remaining balance will be used for general working capital of the Group.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is a diversified energy and natural resources investment holding company and is CITIC Group's flagship resources vehicle and is the only listed subsidiary of CITIC Group engaged in oil and gas investments. Through its subsidiaries, the Company has interests in oil, aluminium smelting, coal mining, import and export of commodities and manganese mining and processing.

INFORMATION ON ELLINGTON

Ellington is an indirectly wholly-owned subsidiary of Temasek. Temasek is an Asian investment company headquartered in Singapore with a diversified global investment portfolio of about US\$80,000,000,000 (HK\$624,000,000,000). Its investments are in a range of industries, including telecommunications & media, financial services, real estate, transportation & logistics, energy, resources, infrastructure & industrial, technology, life sciences, and consumer & lifestyle.

SALE OF SHARES BETWEEN USI AND TEMASEK

The Company has been advised by USI that it has agreed to sell, and Ellington has agreed to purchase, 101,000,000 existing Shares held by USI at HK\$4.46 per Sale Share. The Sale Shares represent 2.01% of the total Shares in issue on the Last Trading Day.

CHANGES IN SHAREHOLDING STRUCTURE

The shareholding interests of CITIC Group, USI and the Temasek Group upon completion of the Subscription and the sale and purchase of the Sale Shares are set out below:

Name of Shareholder	Number of Shares (and percentage shareholding interest) as at the date of this announcement	Number of Shares (and percentage shareholding interest) after completion of the Subscription	Number of Shares (and percentage shareholding interest) after completion of the Subscription and the sale and purchase of the Sale Shares
CITIC Group	2,740,594,381 ⁽¹⁾ (54.50%)	2,740,594,381 ⁽¹⁾ (53.43%)	2,740,594,381 ⁽¹⁾ (53.43%)
CITIC Projects Management (HK) Limited	1,990,180,588 ⁽²⁾ (39.58%)	1,990,180,588 ⁽²⁾ (38.80%)	1,990,180,588 ⁽²⁾ (38.80%)
Keentech Group Limited	1,990,180,588 ⁽³⁾ (39.58%)	1,990,180,588 ⁽³⁾ (38.80%)	1,990,180,588 ⁽³⁾ (38.80%)
CITIC Australia Pty Limited	750,413,793 ⁽⁴⁾ (14.92%)	750,413,793 ⁽⁴⁾ (14.63%)	750,413,793 ⁽⁴⁾ (14.63%)
USI	572,966,000 ⁽⁵⁾ (11.39%)	572,966,000 ⁽⁵⁾ (11.17%)	471,966,000 ⁽⁵⁾ (9.20%)
Temasek	365,450,000 ⁽⁶⁾ (7.27%)	466,450,000 ⁽⁷⁾ (9.09%)	567,450,000 ⁽⁷⁾ (11.06%)
Temasek Capital (Private) Limited	365,450,000 ⁽⁸⁾ (7.27%)	365,450,000 ⁽⁸⁾ (7.12%)	365,450,000 ⁽⁸⁾ (7.12%)
Seletar Investments Pte. Ltd.	365,450,000 ⁽⁹⁾ (7.27%)	365,450,000 ⁽⁹⁾ (7.12%)	365,450,000 ⁽⁹⁾ (7.12%)
Baytree Investments (Mauritius) Pte. Ltd.	365,450,000 (7.27%)	365,450,000 (7.12%)	365,450,000 (7.12%)
Ellington	Nil (0.00%)	101,000,000 (1.97%)	202,000,000 (3.94%)
Public	1,344,646,000 (26.74%)	1,344,646,000 (26.21%)	1,344,646,000 (26.21%)

Notes:

- (1) The figure represents an attributable interest of CITIC Group through its interest in CITIC Projects Management (HK) Limited and CITIC Australia Pty Limited.
- (2) The figure represents an attributable interest of CITIC Projects Management (HK) Limited through its interest in Keentech Group Limited. CITIC Projects Management (HK) Limited, a company incorporated in the British Virgin Islands, is a direct wholly-owned subsidiary of CITIC Group.
- (3) Keentech Group Limited, a company incorporated in the British Virgin Islands, is a direct wholly-owned subsidiary of CITIC Projects Management (HK) Limited.
- (4) CITIC Australia Pty Limited, a company incorporated in Australia, is a direct wholly-owned subsidiary of CITIC Group.
- (5) USI is owned as to 50% each by Mr. Kwok Peter Viem and Mr. Ma Ting Hung, directors of the Company.

- (6) The figure represents an attributable interest of Temasek through its interest in Temasek Capital (Private) Limited.
- (7) The figure represents an attributable interest of Temasek through its interest in Temasek Capital (Private) Limited and Tembusu Capital (Private) Ltd. Tembusu Capital (Private) Ltd. wholly owns Bartley Investment Pte. Ltd., which in turn wholly owns Ellington.
- (8) This figure represents an attributable interest of Temasek Capital (Private) Limited through its interest in Seletar Investments Pte. Ltd.
- (9) This figure represents an attributable interest of Seletar Investments Pte. Ltd. through its interest in Baytree Investments (Mauritius) Pte. Ltd.

Neither Ellington nor any other member of the Temasek Group is acting in concert with any other Shareholder.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company from 9:30 a.m. on 18 June 2007 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares with effect from 9:30 a.m. on 20 June 2007.

DEFINITIONS

As used in this announcement, the following terms and expressions have the following meanings:

“Affiliate”	in relation to a person, any subsidiary or parent undertaking of such person and any subsidiary of such parent undertaking
“Anti-Dilution Right”	the right of Ellington to subscribe for New Securities in New Securities Offerings to maintain the shareholding interest of the Temasek Group in the Company
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general commercial business
“CITIC Group”	CITIC Group, a company incorporated in the People’s Republic of China under the control of the State Council of the People’s Republic of China
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Stock Exchange
“Completion Date”	the third Business Day after the satisfaction of the Conditions
“Conditions”	the conditions described under the section headed “Conditions of the Subscription” of this announcement
“Directors”	the directors of the Company

“Ellington”	Ellington Investments Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of Temasek
“General Mandate”	the general mandate authorising Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as renewed by Shareholders at the special general meeting of the Company on 20 March 2007
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	15 June 2007, being the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 August 2007 (or such other date as the Company and Ellington may agree)
“New Securities”	Shares, options or warrants or other securities which give the holder the right to subscribe for Shares, other than share options issued pursuant to the share option scheme adopted by the Company on 30 June 2004 and any Shares issued upon the exercise of share options issued pursuant to such share option scheme
“New Securities Offering”	the issue or offer of New Securities by the Company after Completion
“parent undertaking”	any undertaking which holds a majority of the voting rights in another undertaking, or which is a member of another undertaking and has the right to appoint or remove a majority of the board of directors, or which is a member of another undertaking and controls a majority of the voting rights in it or under an agreement with the other members, in each case whether directly or indirectly through one or more undertaking
“Sale Shares”	the 101,000,000 Shares that USI has agreed to sell and Ellington has agreed to purchase
“Shareholders”	holders of Shares from time to time
“Shares”	ordinary shares of HK\$0.05 each in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the conditional subscription by Ellington of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 15 June 2007 between the Company and Ellington in respect of the Subscription
“Subscription Price”	the subscription price of HK\$4.46 per Subscription Share

“Subscription Shares”	101,000,000 new Shares to be subscribed for by Ellington pursuant to the Subscription Agreement
“subsidiary”	any undertaking in relation to which another undertaking is its parent undertaking
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Temasek”	Temasek Holdings (Private) Limited, a company incorporated in Singapore
“Temasek Group”	Temasek and its Affiliates
“Top-Up Placing”	the placing and top-up subscription as announced by the Company on 9 February 2007
“USI”	United Star International Inc., a company incorporated in the British Virgin Islands
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, amounts in US\$ have been converted into HK\$ or vice-versa at the rate of US\$1=HK\$7.8 for illustration purposes only. No representation is made that any amounts in US\$ or HK\$ have been or could have been or can be converted at the aforementioned rate or at any other rate or at all.

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

Hong Kong, 18 June 2007

As at 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 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.