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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

MAJOR TRANSACTION

ACQUISITION AND INCREASE OF INTEREST IN MACARTHUR COAL LIMITED

RESUMPTION IN TRADING OF SHARES

Acquisition of Macarthur Shares

CACL, an indirect wholly-owned subsidiary of the Company, has agreed to purchase 15,683,735 existing fully paid Macarthur Shares from Talbot Group. Following completion of the Acquisition, CACL will increase its shareholding in Macarthur Coal from 11.62% to 19.99% of the total Macarthur Shares in issue on the Last ASX Trading Day.

As the Acquisition constitutes a major transaction for the Company under the Listing Rules, the Acquisition is conditional upon the approval of Shareholders. No Shareholder is required to abstain from voting if the Company were to convene a special general meeting to approve the Acquisition. On 2 July 2007, the Company received a written approval from Keentech and CA to the Acquisition. Keentech and CA are wholly-owned subsidiaries of CITIC Group. Keentech and CA are the registered and beneficial holders of 1,990,180,588 Shares and 750,413,793 Shares respectively. The total number of Shares in issue is 5,129,684,381. The aggregate amount of 2,740,594,381 Shares held by Keentech and CA represent more than 50% of the nominal value of securities of the Company giving the right to attend and vote if a special general meeting of the Company were to be convened to approve the Acquisition. Accordingly, pursuant to Rule 14.44 of the Listing Rules, no special general meeting of the Company will be convened in respect of the Acquisition.

A circular containing, amongst other things, information about the Acquisition will be despatched to Shareholders as soon as practicable.

Suspension and Resumption of Trading in Shares

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 3 July 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in the Shares with effect from 9:30 a.m. on 4 July 2007.

INTRODUCTION

The Directors are pleased to announce that CACL, an indirect wholly-owned subsidiary of the Company, has agreed to purchase 15,683,735 existing fully paid Macarthur Shares from Talbot Group. Following completion of the Acquisition, CACL will increase its shareholding in Macarthur Coal from 11.62% to 19.99% of the total Macarthur Shares in issue on the Last ASX Trading Day.

SHARE PURCHASE AGREEMENT

Date

2 July 2007

Parties

- (1) CACL
- (2) Talbot Group

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

Macarthur Sale Shares

15,683,735 existing fully paid Macarthur Shares, representing 8.37% of the total Macarthur Shares in issue on the Last ASX Trading Day.

Sale Price

A\$7.20 (HK\$43.92) per Macarthur Sale Share and is payable in cash at completion of the Acquisition.

The Sale Price represents (i) a premium of 6.19% to the closing price of A\$6.78 (HK\$41.36) per Macarthur Share as quoted on the ASX on the Last ASX Trading Day; (ii) a premium of 5.11% to the average closing price of A\$6.85 (HK\$41.79) per Macarthur Share as quoted on the ASX for the five trading days immediately prior to and including the Last ASX Trading Day; and (iii) a premium of 6.98% to the average closing price of A\$6.73 (HK\$41.10) per Macarthur Share as quoted on the ASX for the ten trading days immediately prior to and including the Last ASX Trading Day.

The Sale Price was agreed following arm's length negotiations between CACL and Talbot Group.

The aggregate Sale Price of A\$112,922,892.00 (HK\$688,829,641.20) will be financed from internal resources of the Company.

Each of CACL and Talbot Group will bear its own costs and expenses incurred in respect of the Acquisition.

Conditions of the Acquisition

As the Acquisition constitutes a major transaction for the Company under the Listing Rules, the Acquisition is conditional upon the approval of Shareholders. This condition may be satisfied by way of a written approval of a Shareholder or closely allied group of Shareholders who hold more than 50% in nominal value of the securities of the Company giving the right to attend and vote if a special general meeting of Shareholders were to be convened to approve the Acquisition.

No Shareholder is required to abstain from voting if the Company were to convene a special general meeting to approve the Acquisition. On 2 July 2007, the Company received a written approval from Keentech and CA to the Acquisition. Keentech and CA are wholly-owned subsidiaries of CITIC Group (and therefore a closely allied group of Shareholders). Keentech and CA are the registered and beneficial holders of 1,990,180,588 Shares and 750,413,793 Shares respectively. The total number of Shares in issue is 5,129,684,381. The aggregate amount of 2,740,594,381 Shares held by Keentech and CA represent more than 50% of the nominal value of securities of the Company giving the right to attend and vote if a special general meeting of the Company were convened to approve the Acquisition. Keentech, CA and their respective associates do not have any interest in the Share Purchase Agreement, and Keentech and CA are not interested in the Acquisition other than through their holding of Shares. Accordingly, pursuant to Rule 14.44 of the Listing Rules, no special general meeting of the Company will be convened in respect of the Acquisition.

Completion of the Acquisition

Completion of the Acquisition will take place on 6 July 2007.

REASON FOR THE ACQUISITION

The Company is a diversified energy and natural resources investment holding company.

The Group holds interests in coal mining through a 7% interest in the Coppabella and Moorvale Joint Venture and an existing 11.62% shareholding interest in Macarthur Coal. Through the Coppabella and Moorvale Joint Venture, the Group produces low volatile pulverized coal injection (“PCI”) coal. Macarthur Coal is also a partner in the Coppabella and Moorvale Joint Venture and has other coal interests in the Bowen Basin in the State of Queensland, Australia and its principal product is PCI coal. Macarthur Coal’s operations supply about 35% of the seaborne global demand for PCI coal.

It is part of the Group’s long term business strategy to enhance its interests in the coal industry. The Acquisition represents a unique opportunity to increase the Group’s shareholding in a company with coal assets that are in strong demand particularly from steel mills in Asia, Europe and the Americas and a management team that the Group knows well. The further investment in Macarthur Coal provides the Company with a stronger strategic position in Macarthur Coal. By increasing its investment in Macarthur Coal to 19.99%, the Company will increase its influence in Macarthur Coal. There will not be an appointment of a director by the Company to the board of Macarthur Coal as a result of the Acquisition.

The Directors believe the terms of the Acquisition are fair and reasonable and in the interests of Shareholders as a whole.

INFORMATION ON THE COMPANY

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

INFORMATION ON TALBOT GROUP

Talbot Group is a Queensland owned and operated investment group focusing on the resource sector with an asset base in excess of A\$450,000,000 (HK\$2,745,000,000). Its activities include minerals exploration, mine and market development and financial investments as well as a substantial property and share portfolio.

INFORMATION ON MACARTHUR COAL

Macarthur Coal is a public company listed on the ASX.

It is involved in operation, exploration, development and mining activities in the Bowen Basin in the State of Queensland, Australia. Macarthur Coal's principal product is low volatile PCI coal for use in the production of steel. Macarthur Coal is a key supplier of low volatile PCI coal to steel mills in Asia, Europe and the Americas, providing about 44% of the low volatile PCI coal exported from Australia.

Macarthur Coal has interests in two open-cut coal mines, the Coppabella Mine and the Moorvale Mine and plans to develop up to five new mines in Australia by 2010. The projects proposed for development are Olive Downs Open-cut Project, Moorvale Underground Project, Moorvale West Project, Vermont East/Wilunga Project and Burton West and North Underground Project.

The consolidated net profits of Macarthur Coal (both before and after taxation and extraordinary items) for the two financial years immediately preceding the date of the Share Purchase Agreement are set out below:

	Year ended 30 June	
	2006	2005
	A\$	A\$
	(HK\$)	(HK\$)
Profit before taxation and extraordinary items	214,045,000	89,640,000
	(1,305,674,500)	(546,804,000)
Profit after taxation and extraordinary items	149,589,000	64,147,000
	(912,492,900)	(391,296,700)

The consolidated net profits of Macarthur Coal (both before and after taxation and extraordinary items) for the six months ended 31 December 2005 and 2006 are set out below:

	Six months ended 31 December	
	2006	2005
	A\$ (HK\$)	A\$ (HK\$)
Profit before taxation and extraordinary items	59,846,000 (365,060,600)	116,781,000 (712,364,100)
Profit after taxation and extraordinary items	42,416,000 (258,737,600)	82,148,000 (501,102,800)

The consolidated total assets of Macarthur Coal as at 30 June 2005 and 2006 were A\$440,662,000 (HK\$2,688,038,200) and A\$592,116,000 (HK\$3,611,907,600) respectively and as at 31 December 2006 was A\$596,455,000 (HK\$3,638,375,500).

The consolidated net assets of Macarthur Coal as at 30 June 2005 and 2006 were A\$236,088,000 (HK\$1,440,136,800) and A\$391,173,000 (HK\$2,386,155,300) respectively and as at 31 December 2006 was A\$406,674,000 (HK\$2,480,711,400).

CIRCULAR

A circular containing, amongst other things, information about the Acquisition will be despatched to Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 3 July 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in the Shares with effect from 9:30 a.m. on 4 July 2007.

DEFINITIONS

For the purposes of this announcement, the following words and phrases shall have the meanings assigned to them below:

“Acquisition”	the acquisition of the Macarthur Sale Shares by CACL from Talbot Group pursuant to the Share Purchase Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“ASX”	the Australian Stock Exchange

“CA”	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability and a direct wholly-owned subsidiary of CITIC Group
“CACL”	CITIC Australia Coal Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“CITIC Group”	CITIC Group, a state-owned enterprise incorporated in, and under the direct supervision 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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Coppabella and Moorvale Joint Venture”	an unincorporated co-operative joint venture which operates the Coppabella and Moorvale coal mines in the State of Queensland, Australia
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Keentech”	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CITIC Group
“Last ASX Trading Day”	2 July 2007, being the trading day on the ASX on which the Share Purchase Agreement was entered into between CACL and Talbot Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macarthur Coal”	Macarthur Coal Limited, a company incorporated in Australia with limited liability and whose shares are listed on the ASX
“Macarthur Sale Shares”	15,683,735 existing fully paid Macarthur Shares
“Macarthur Shares”	ordinary shares in the share capital of Macarthur Coal
“Sale Price”	the price of A\$7.20 per Macarthur Sale Share
“Share Purchase Agreement”	the share purchase agreement dated 2 July 2007 signed between CACL and Talbot Group in respect of the Acquisition
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Talbot Group”	Talbot Group Investments Pty Limited, a company incorporated in Australia with limited liability
“A\$”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

In this announcement, amounts in A\$ have been converted into HK\$ or vice-versa at the rate of A\$1=HK\$6.1 for illustration purposes only. No representation is made that any amounts in A\$ 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, 3 July 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.