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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

CONTINUING CONNECTED TRANSACTIONS RELATING TO CITIC DAMENG JV

CITIC Dameng JV, an indirect non wholly-owned subsidiary of the Company, has entered into the Relevant Contracts with Guangxi Dameng, a substantial shareholder of CITIC Dameng JV, and the Guangxi Dameng Associates, which constitute or will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Details of the Relevant Contracts, the Continuing Connected Transactions and the Annual Caps for the three years ending 31 December 2010 are set out in this announcement.

The Continuing Connected Transactions and the Annual Caps are subject to the reporting, announcement and shareholders' approval requirements of Chapter 14A of the Listing Rules.

As no Shareholder would be required to abstain from voting if the Company were to convene a special general meeting to approve the Continuing Connected Transactions and the Annual Caps, the Company has received written approval from Keentech and CA to the Continuing Connected Transactions and the Annual Caps. 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 as at the date of this announcement. The total number of Shares in issue is 5,257,884,381. 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 Continuing Connected Transactions and the Annual Caps. Accordingly, pursuant to Rule 14A.43 of the Listing Rules, no special general meeting of the Company will be convened in respect of the Continuing Connected Transactions and the Annual Caps.

A circular containing, amongst other things, information about the Continuing Connected Transactions and the Annual Caps, the advice of the Independent Board Committee and the advice of the Independent Financial Adviser will be despatched to Shareholders as soon as practicable.

BACKGROUND

Reference is made to the announcement by the Company dated 20 November 2007 in relation to continuing connected transactions between CITIC Dameng JV and Guangxi Dameng and the Guangxi Dameng Associates.

CITIC Dameng JV is an indirect non wholly-owned subsidiary of the Company and is engaged in the mining and processing of manganese and sale of manganese products.

Guangxi Dameng owns 40% of the equity of CITIC Dameng JV, and each of the Guangxi Dameng Associates is an associate of Guangxi Dameng.

CITIC Dameng JV has entered into the Relevant Contracts with Guangxi Dameng and the Guangxi Dameng Associates pursuant to which CITIC Dameng JV will, amongst other things, purchase raw materials, manganese products, tools and equipment from or sell manganese products and raw materials to Guangxi Dameng and the Guangxi Dameng Associates in the ordinary course of its business.

Details of the Relevant Contracts, the Continuing Connected Transactions and the Annual Caps for the three years ending 31 December 2010 are set out below in this announcement.

DESCRIPTION OF RELEVANT CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS

(A) Daxin Guinan Contracts

(1) Daxin Guinan Contracts Details

Date:

10 January 2008

Parties:

- (a) CITIC Dameng JV
- (b) Daxin Guinan

Subject matter:

Purchase of sulphuric acid and steam from and sale of sulphur to Daxin Guinan by CITIC Dameng JV.

(2) Annual Caps

In relation to the purchase of sulphuric acid and steam from Daxin Guinan, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
81,536,000 (84,797,440)	94,280,000 (98,051,200)	94,280,000 (98,051,200)

In relation to the sale of sulphur to Daxin Guinan, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
25,500,000 (26,520,000)	25,500,000 (26,520,000)	25,500,000 (26,520,000)

The Annual Caps are determined by reference to anticipated future demand of CITIC Dameng JV for and projected future prices of sulphuric acid and steam and an assumed sustained demand for sulphur by Daxin Guinan particularly in the PRC market and the potential price of sulphur.

(B) Guangxi Dameng Contract

(1) Guangxi Dameng Contract Details

Date:

10 January 2008

Parties:

- (a) CITIC Dameng JV
- (b) Guangxi Dameng

Subject matter:

Sale of natural discharge manganese dioxide by CITIC Dameng JV to Guangxi Dameng.

(2) Annual Caps

In relation to the sale of natural discharge manganese dioxide, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
6,475,000 (6,734,000)	6,475,000 (6,734,000)	6,475,000 (6,734,000)

The Annual Caps are determined by reference to anticipated future sales of natural discharge manganese dioxide and an assumed sustained demand for natural discharge manganese dioxide particularly in the PRC market and the potential price of natural discharge manganese dioxide.

(C) Guangxi Guilin Dameng Contract

(1) Guangxi Guilin Dameng Contract Details

Date:

10 January 2008

Parties:

- (a) CITIC Dameng JV
- (b) Guangxi Guilin Dameng

Subject matter:

Purchase of electrolytic manganese metal from, sale of manganese carbonate powder to and provision of services including mine selection, powder milling and manganese carbonate powder processing to Guangxi Guilin Dameng by CITIC Dameng JV.

(2) Annual Caps

In relation to the purchase of electrolytic manganese metal from Guangxi Guilin Dameng, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
400,000,000 (416,000,000)	400,000,000 (416,000,000)	400,000,000 (416,000,000)

In relation to the sale of manganese carbonate powder to Guangxi Guilin Dameng, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
19,200,000 (19,968,000)	19,200,000 (19,968,000)	19,200,000 (19,968,000)

In relation to the provision of services including mine selection, powder milling and manganese carbonate powder processing to Guangxi Guilin Dameng, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
1,400,000 (1,456,000)	1,400,000 (1,456,000)	1,400,000 (1,456,000)

The Annual Caps are determined by reference to anticipated future demand of CITIC Dameng JV for and projected future prices of electrolytic manganese metal and projected future sales of manganese carbonate powder and an assumed sustained demand for manganese carbonate powder particularly in the PRC market and the potential price of manganese carbonate powder.

(D) Guangxi Liuzhou Contract

(1) Guangxi Liuzhou Contract Details

Date:

10 January 2008

Parties:

- (a) CITIC Dameng JV
- (b) Guangxi Liuzhou

Subject matter:

Purchase of negative plate and vertical mill from and sale of metallurgical manganese ore to Guangxi Liuzhou by CITIC Dameng JV.

(2) Annual Caps

In relation to the purchase of negative plate and vertical mill from Guangxi Liuzhou, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
24,650,000 (25,636,000)	17,550,000 (18,252,000)	7,000,000 (7,280,000)

In relation to the sale of metallurgical manganese ore to Guangxi Liuzhou, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
7,500,000 (7,800,000)	Nil (Nil)	Nil (Nil)

The Annual Caps are determined by reference to anticipated future demand of CITIC Dameng JV for and projected future prices of negative plate and vertical mill and to historical sales and assumed sustained demand for metallurgical manganese ore produced by CITIC Dameng JV particularly in the PRC market and the potential price of metallurgical manganese ore.

(E) Nanning Battery Plant Contract

(1) Nanning Battery Plant Contract Details

Date:

10 January 2008

Parties:

- (a) CITIC Dameng JV
- (b) Nanning Battery Plant

Subject matter:

Purchase of packaging bags for manganese products produced by CITIC Dameng JV from Nanning Battery Plant.

(2) Annual Caps

In relation to the purchase of packaging bags, the Annual Caps are as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
7,297,900 (7,589,816)	7,761,900 (8,072,376)	7,877,900 (8,193,016)

The Annual Caps are determined by reference to anticipated future demand of CITIC Dameng JV for and projected future prices of packaging bags.

TERMS OF THE RELEVANT CONTRACTS AND ANNUAL CAPS

Each of the Relevant Contracts provides a framework for the entering into from time to time of the Continuing Connected Transactions by CITIC Dameng JV and Guangxi Dameng and the Guangxi Dameng Associates on normal commercial terms and subject to prevailing market prices. The terms of the Relevant Contracts have been negotiated on an arm's length basis.

Each of the Relevant Contracts is a new agreement and effective up to and including 31 December 2010.

The Directors, including the independent non-executive Directors, are of the view that the Continuing Connected Transactions are and will be entered into on normal commercial terms and in the ordinary course of business of CITIC Dameng JV and the terms of the Relevant Contracts and the amount of the Annual Caps are fair and reasonable and the Continuing Connected Transactions are in the interests of the Company and Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The sale of products such as sulphur, natural discharge manganese dioxide, manganese carbonate powder, metallurgical manganese ore and the provision of processing services to Guangxi Dameng and the Guangxi Dameng Associates have a positive contribution to the operating revenue of CITIC Dameng JV and increase the number of purchasers and customers and demand for CITIC Dameng JV's products and services at market prices. In relation to sulphuric acid, steam, electrolytic manganese metal, negative plate, vertical mill and packaging bags which CITIC Dameng JV acquires from the Guangxi Dameng Associates, the Guangxi Dameng Associates have proven to be reliable suppliers to CITIC Dameng JV at competitive prices which are important to the continuing operations and business of CITIC Dameng JV.

INFORMATION ON THE COMPANY

The Company is a diversified energy and natural resources investment holding company and has interests in oil, aluminium smelting, coal, import and export of commodities and manganese business through its subsidiaries. The current principal operating businesses of the Group are located in Australia, the PRC and Indonesia.

The Company has a 60% interest in CITIC Dameng JV which is held through a 80% non wholly-owned subsidiary of the Company.

The Continuing Connected Transactions are consistent with the Group's business strategy and objectives.

INFORMATION ON GUANGXI DAMENG

Guangxi Dameng is a state-owned limited liability company established under the laws of the PRC. The principal business activities of Guangxi Dameng and its subsidiaries include mining, selection, refining and processing of manganese and the sale of parts for motor vehicles.

IMPLICATIONS UNDER THE LISTING RULES

CITIC Dameng JV is an indirect non wholly-owned subsidiary of the Company.

Guangxi Dameng owns 40% of the equity of CITIC Dameng JV and is a substantial shareholder of CITIC Dameng JV, and each of the Guangxi Dameng Associates is an associate of Guangxi Dameng. Accordingly, Guangxi Dameng and each of the Guangxi Dameng Associates is a connected person of the Company under the Listing Rules and the Continuing Connected Transactions constitute or will constitute continuing connected transactions for the Company under the Listing Rules.

The Continuing Connected Transactions and the Annual Caps are subject to the reporting, announcement and shareholders' approval requirements of Chapter 14A of the Listing Rules.

As no Shareholder would be required to abstain from voting if the Company were to convene a special general meeting to approve the Continuing Connected Transactions and the Annual Caps, the Company has received written approval from Keentech and CA to the Continuing Connected Transactions and the Annual Caps. 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 as at the date of this announcement. The total number of Shares in issue is 5,257,884,381. 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 Continuing Connected Transactions and the Annual Caps. Accordingly, pursuant to Rule 14A.43 of the Listing Rules, no special general meeting of the Company will be convened in respect of the Continuing Connected Transactions and the Annual Caps.

A circular containing, amongst other things, information about the Continuing Connected Transactions and the Annual Caps will be despatched to Shareholders as soon as practicable.

The advice of the Independent Board Committee to Shareholders as to whether the terms and conditions of the Relevant Contracts in relation to the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as Shareholders are concerned will be set out in the circular.

The advice of the Independent Financial Adviser to the Independent Board Committee and Shareholders concerning, amongst other things, as to whether the terms and conditions of the Relevant Contracts in relation to the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as Shareholders are concerned will also be set out in the circular.

DEFINITIONS

The following defined terms are used in this announcement:

“Annual Caps”	in respect of each Continuing Connected Transaction, the maximum value of the annual sales or purchases of such Continuing Connected Transaction for each year within the period of three years ending 31 December 2010 as set out in this announcement and, where the context admits, all of such Annual Caps
“associates”	has the meaning given to it in the Listing Rules
“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
“CITIC Dameng JV”	CITIC Dameng Mining Industries Limited (中信大錳礦業有限責任公司), a sino-foreign equity joint venture established in Chongzuo City, Guangxi Zhuang Autonomous Region, the PRC
“CITIC Group”	CITIC Group, a state-owned enterprise incorporated in, and under the direct supervision of the State Council of, the PRC
“Company”	CITIC Resources Holdings Limited
“connected person”	has the meaning given to it in the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions between CITIC Dameng JV and (1) Daxin Guinan pursuant to the Daxin Guinan Contracts, (2) Guangxi Dameng pursuant to the Guangxi Dameng Contract, (3) Guangxi Guilin Dameng pursuant to the Guangxi Guilin Dameng Contract, (4) Guangxi Liuzhou pursuant to the Guangxi Liuzhou Contract and (5) Nanning Battery Plant pursuant to the Nanning Battery Plant Contract
“Daxin Guinan”	大新桂南化工有限責任公司(Daxin Guinan Chemical Industrial Limited), a company incorporated in the PRC and an associate of Guangxi Dameng
“Daxin Guinan Contracts”	two contracts dated 10 January 2008 and made between CITIC Dameng JV and Daxin Guinan
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangxi Dameng”	廣西大錳錳業有限公司 (Guangxi Dameng Manganese Industry Co., Ltd.), a PRC state-owned limited liability company and a substantial shareholder of CITIC Dameng JV

“Guangxi Dameng Associates”	Daxin Guinan, Guangxi Guilin Dameng, Guangxi Liuzhou and Nanning Battery Plant
“Guangxi Dameng Contract”	the contract dated 10 January 2008 and made between CITIC Dameng JV and Guangxi Dameng
“Guangxi Guilin Dameng”	廣西桂林大錳業投資有限責任公司(Guangxi Guilin Dameng Manganese Investment Co., Ltd.), a company incorporated in the PRC and an associate of Guangxi Dameng
“Guangxi Guilin Dameng Contract”	the contract dated 10 January 2008 and made between CITIC Dameng JV and Guangxi Guilin Dameng
“Guangxi Liuzhou”	廣西柳州大錳機電設備製造有限公司(Guangxi Liuzhou Dameng Machinery & Electronic Equipment Manufacturer Co., Ltd.), a company incorporated in the PRC and an associate of Guangxi Dameng
“Guangxi Liuzhou Contract”	the contract dated 10 January 2008 and made between CITIC Dameng JV and Guangxi Liuzhou
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the board of Directors comprising all of the independent non-executive directors of the Company
“Independent Financial Adviser”	First Shanghai Capital Limited
“Keentech”	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CITIC Group
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nanning Battery Plant”	南寧市電池廠 (Nanning Battery Plant), a company incorporated in the PRC and an associate of Guangxi Dameng
“Nanning Battery Plant Contract”	the contract dated 10 January 2008 and made between CITIC Dameng JV and Nanning Battery Plant
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Relevant Contracts”	the Daxin Guinan Contracts, the Guangxi Dameng Contract, the Guangxi Guilin Dameng Contract, the Guangxi Liuzhou Contract and the Nanning Battery Plant Contract

“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“substantial shareholder”	has the meaning given to it in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

In this announcement, amounts in RMB have been converted into HK\$ or vice versa at the rates of RMB1=HK\$1.04 for illustration purposes only. No representation is made that any amounts in RMB or HK\$ have been or could have been or can be converted at the above rates or at any other rates or at all.

By order of the Board
CITIC Resources Holdings Limited
Sun Xinguo
Chief Executive Officer

Hong Kong, 10 January 2008

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