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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

REVISED ANNUAL CAPS FOR EXISTING GUANGXI LIUZHOU TRANSACTIONS AND NEW MANGANESE TRANSACTIONS

Revised Annual Caps for Existing Guangxi Liuzhou Transactions

In January 2008, the Existing Guangxi Liuzhou Transactions subject to the Existing Guangxi Liuzhou Transactions Caps were approved by independent shareholders of the Company.

Since approval of the Existing Guangxi Liuzhou Transactions, commodity and base metal prices and the cost of raw materials and other associated costs have increased significantly. These increases will have an impact on the aggregate value of sales of metallurgical manganese ore and purchases of negative plate and vertical mill arising under the Existing Guangxi Liuzhou Transactions and as a result are expected to lead to annual revenue and costs from such transactions exceeding the Existing Guangxi Liuzhou Transactions Caps for the three years ending 31 December 2010.

The Company proposes to increase the annual caps in respect of the Existing Guangxi Liuzhou Transactions for the three years ending 31 December 2010 to the Revised Guangxi Liuzhou Transactions Caps.

The entering into of the Existing Guangxi Liuzhou Transactions subject to the Revised Guangxi Liuzhou Transactions Caps are subject to the reporting and announcement requirements of the Listing Rules but not the shareholder approval requirement of the Listing Rules.

New Manganese Transactions

CITIC Dameng JV proposes to enter into the New Manganese Transactions subject to the New Manganese Transaction Caps. The New Manganese Transactions will involve the sale by CITIC Dameng JV of metallurgical manganese ore powder, natural discharge manganese dioxide sand and natural discharge manganese dioxide to, and the purchase by CITIC Dameng JV of electrolytic bath from, the Guangxi Dameng Associates.

The New Manganese Transactions will be conducted subject to the New Manganese Transactions Caps. The entering into of the New Manganese Transactions subject to the New Manganese Transactions Caps are subject to the reporting and announcement requirements of the Listing Rules but not the shareholder approval requirement of the Listing Rules.

BACKGROUND

In January 2008, the Existing Guangxi Liuzhou Transactions subject to the Existing Guangxi Liuzhou Transactions Caps were approved by independent shareholders of the Company. Further details of the Existing Guangxi Liuzhou Transactions and the Existing Guangxi Liuzhou Transactions Caps are set out in the 2008 Announcement. The Company proposes to increase the annual caps in respect of the Existing Guangxi Liuzhou Transactions for the three years ending 31 December 2010 to the Revised Guangxi Liuzhou Transactions Caps.

In addition, CITIC Dameng JV proposes to enter into the New Manganese Transactions subject to the New Manganese Transactions Caps.

REVISED ANNUAL CAPS RELATING TO EXISTING GUANGXI LIUZHOU TRANSACTIONS

The Guangxi Liuzhou Contract was entered into on 10 January 2008 between CITIC Dameng JV and Guangxi Liuzhou and facilitates, amongst other things, the Existing Guangxi Liuzhou Transactions during the three years ending 31 December 2010 subject to the Existing Guangxi Liuzhou Transactions Caps.

Since approval of the Existing Guangxi Liuzhou Transactions, commodity and base metal prices and the cost of raw materials and other associated costs have increased significantly. These increases will have an impact on the aggregate value of sales of metallurgical manganese ore and purchases of negative plate and vertical mill arising under the Existing Guangxi Liuzhou Transactions and as a result are expected to lead to annual revenue and costs from such transactions exceeding the Existing Guangxi Liuzhou Transactions Caps for the three years ending 31 December 2010.

In relation to the sale of metallurgical manganese ore by CITIC Dameng JV to Guangxi Liuzhou arising under the Existing Guangxi Liuzhou Transactions, the Existing Guangxi Liuzhou Transactions Cap for the year ending 31 December 2008 is RMB7,500,000 (HK\$8,250,000) and the amount of revenue derived from such sales for the four months ended 30 April 2008 is RMB6,000,000 (HK\$6,600,000). The Company proposes to revise the annual caps in respect of such transactions for the three years ending 31 December 2010 as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
30,000,000 (33,000,000)	24,000,000 (26,400,000)	24,000,000 (26,400,000)

In relation to the purchase of negative plate and vertical mill by CITIC Dameng JV from Guangxi Liuzhou arising under the Existing Guangxi Liuzhou Transactions, the Existing Guangxi Liuzhou Transactions Cap for the year ending 31 December 2008 is RMB24,650,000 (HK\$27,115,000) and the amount of purchases for the four months ended 30 April 2008 is RMB7,300,000 (HK\$8,030,000). The Company proposes to revise the annual caps in respect of such transactions for the three years ending 31 December 2010 as follows:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
43,000,000 (47,300,000)	36,000,000 (39,600,000)	25,000,000 (27,500,000)

The revised annual caps described above have been determined by reference 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 and anticipated future demand of CITIC Dameng JV for and projected future prices of negative plate and vertical mill.

NEW MANGANESE TRANSACTIONS

CITIC Dameng JV proposes to enter into the New Manganese Transactions during the three years ending 31 December 2010 by: (i) amending the Guangxi Guilin Contract to include the sale of metallurgical manganese ore powder by CITIC Dameng JV to Guangxi Guilin, (ii) amending the Guangxi Liuzhou Contract to include the sale of natural discharge manganese dioxide sand and the purchase of electrolytic bath by CITIC Dameng JV to and from Guangxi Liuzhou, (iii) entering into the Guangxi Hezhou Contract which will facilitate the sale of natural discharge manganese dioxide by CITIC Dameng JV to Guangxi Hezhou, and (iv) entering into the Guangxi Wuzhou Contract which will facilitate the sale of natural discharge manganese dioxide by CITIC Dameng JV to Guangxi Wuzhou.

Guangxi Guilin Contract

CITIC Dameng JV will amend the Guangxi Guilin Contract to include the sale of metallurgical manganese ore powder to Guangxi Guilin during the three years ending 31 December 2010. These sales will be conducted subject to the following annual caps:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
8,000,000 (8,800,000)	8,000,000 (8,800,000)	8,000,000 (8,800,000)

These annual caps have been determined by reference to assumed demand for metallurgical manganese ore powder produced by CITIC Dameng JV particularly in the PRC market and the potential price of metallurgical manganese ore powder.

Guangxi Liuzhou Contract

CITIC Dameng JV will amend the Guangxi Liuzhou Contract to include the sale of natural discharge manganese dioxide sand to Guangxi Liuzhou and the purchase of electrolytic bath from Guangxi Liuzhou during the three years ending 31 December 2010.

Natural discharge manganese dioxide sand will be sold by CITIC Dameng JV to Guangxi Liuzhou during the three years ending 31 December 2010 subject to the following annual caps:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
24,000,000 (26,400,000)	21,000,000 (23,100,000)	21,000,000 (23,100,000)

These annual caps have been determined by reference to assumed demand for natural discharge manganese dioxide sand produced by CITIC Dameng JV particularly in the PRC market and the potential price of natural discharge manganese dioxide sand.

Electrolytic bath will be purchased by CITIC Dameng JV from Guangxi Liuzhou during the three years ending 31 December 2010 subject to the following annual caps:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
3,000,000 (3,300,000)	Nil (Nil)	Nil (Nil)

These annual caps have been determined by reference to anticipated future demand of CITIC Dameng JV for and projected future prices of electrolytic bath.

Guangxi Hezhou Contract

The Guangxi Hezhou Contract will facilitate the sale of natural discharge manganese dioxide by CITIC Dameng JV to Guangxi Hezhou during the three years ending 31 December 2010. These sales will be conducted subject to the following annual caps:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
11,000,000 (12,100,000)	18,000,000 (19,800,000)	18,000,000 (19,800,000)

These annual caps have been determined by reference to assumed demand for natural discharge manganese dioxide produced by CITIC Dameng JV particularly in the PRC market and the potential price of natural discharge manganese dioxide.

Guangxi Wuzhou Contract

The Guangxi Wuzhou Contract will facilitate the sale of natural discharge manganese dioxide by CITIC Dameng JV to Guangxi Wuzhou during the three years ending 31 December 2010. These sales will be conducted subject to the following annual caps:

2008	2009	2010
RMB (HK\$)	RMB (HK\$)	RMB (HK\$)
25,000,000 (27,500,000)	32,000,000 (35,200,000)	32,000,000 (35,200,000)

These annual caps have been determined by reference to assumed demand for natural discharge manganese dioxide produced by CITIC Dameng JV particularly in the PRC market and the potential price of natural discharge manganese dioxide.

TERMS OF THE MANGANESE CONTRACTS, REVISED MANGANESE ANNUAL CAPS AND NEW MANGANESE ANNUAL CAPS

Each of the Manganese Contracts provides a framework for the entering into from time to time of the Existing Guangxi Liuzhou Transactions and the New Manganese Transactions on normal commercial terms and subject to prevailing market prices.

The terms of the Manganese Contracts have been negotiated on an arm's length basis and each of them has a term of three years or less expiring on 31 December 2010.

The Directors, including the independent non-executive Directors, are of the view that the Existing Guangxi Liuzhou Transactions and the New Manganese Transactions are and will be entered into on normal commercial terms and in the ordinary course of business of CITIC Dameng JV and the entering into of the Existing Guangxi Liuzhou Transactions subject to the Revised Guangxi Liuzhou Transactions Caps and the New Manganese Transactions subject to the New Manganese Transactions Caps are in the interests of the Company and Shareholders as a whole.

REASONS AND BENEFITS FOR THE EXISTING GUANGXI LIUZHOU TRANSACTIONS AND THE NEW MANGANESE TRANSACTIONS

The sale of products such as metallurgical manganese ore powder, metallurgical manganese ore, natural discharge manganese dioxide sand and natural discharge manganese dioxide to the Guangxi Dameng Associates will have a positive contribution to the operating revenue of CITIC Dameng JV. In the ordinary course of its business, CITIC Dameng JV purchases raw materials and equipment and tools from entities controlled by Guangxi Dameng and they have proven to be reliable suppliers to CITIC Dameng JV at competitive prices which is important to the operations and business of CITIC Dameng JV. The purchase of negative plate, vertical mill and electrolytic bath from the Guangxi Dameng Associates is in line with this policy and is viewed as being in the interests of CITIC Dameng JV.

The Existing Guangxi Liuzhou Transactions and the New Manganese Transactions are consistent with the Group's business strategy and objectives.

The Directors consider that the entering into of the Existing Guangxi Liuzhou Transactions subject to the Revised Guangxi Liuzhou Transactions Caps are fair and reasonable so far as Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

The Directors also consider the entering into of the New Manganese Transactions subject to the New Manganese Transactions Caps to be fair and reasonable so far as Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

INFORMATION ON THE COMPANY

The Company is a diversified energy and natural resources investment holding company and has interests in aluminium smelting, coal mining, import and export of commodities, manganese mining and processing and the exploration and development of oil.

INFORMATION ON CITIC DAMENG JV

CITIC Dameng JV is a non-wholly owned subsidiary of the Company. The Company holds its interest in CITIC Dameng JV through CITIC Dameng Investments Limited, an 80% non-wholly owned subsidiary of the Company.

INFORMATION ON GUANGXI DAMENG AND GUANGXI DAMENG ASSOCIATES

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.

Each of the Guangxi Dameng Associates is controlled by Guangxi Dameng.

CLASSIFICATION AS CONTINUING CONNECTED TRANSACTIONS AND LISTING RULES IMPLICATIONS

Guangxi Dameng is a substantial shareholder of CITIC Dameng JV, a non-wholly owned subsidiary of the Company. Each of the Guangxi Dameng Associates is an associate of Guangxi Dameng and a connected person of the Company. The Existing Guangxi Liuzhou Transactions and the New Manganese Transactions constitute or will constitute continuing connected transactions of the Company under the Listing Rules.

The entering into of the Existing Guangxi Liuzhou Transactions subject to the Revised Guangxi Liuzhou Transactions Caps and the entering into of the New Manganese Transactions subject to the New Manganese Transactions Caps are subject to the reporting and announcement requirements of the Listing Rules but not the shareholder approval requirement of the Listing Rules.

DEFINITIONS

The following defined terms are used in this announcement:

“associates”	has the meaning given to it in the Listing Rules
“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
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning given to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Guangxi Liuzhou Transactions”	the existing continuing connected transactions between CITIC Dameng JV and Guangxi Liuzhou pursuant to the Guangxi Liuzhou Contract, as described in the section “Revised Annual Caps relating to Existing Guangxi Liuzhou Transactions” of this announcement
“Existing Guangxi Liuzhou Transactions Caps”	the existing annual caps relating to the Existing Guangxi Liuzhou Transactions for the three years ending 31 December 2010, details of which are disclosed in the 2008 Announcement
“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”	Guangxi Guilin, Guangxi Liuzhou, Guangxi Hezhou and Guangxi Wuzhou
“Guangxi Guilin”	廣西桂林大錳錳業投資有限責任公司 (Guangxi Guilin Dameng Manganese Investment Co., Ltd.), a company incorporated in the PRC
“Guangxi Guilin Contract”	the contract dated 10 January 2008 and made between CITIC Dameng JV and Guangxi Guilin
“Guangxi Hezhou”	廣西賀州大錳銀鶴電池工業有限公司 (Guangxi Hezhou Dameng Yinhe Battery Industry Co., Ltd.), a company incorporated in the PRC
“Guangxi Hezhou Contract”	the contract dated 20 May 2008 and made between CITIC Dameng JV and Guangxi Hezhou
“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
“Guangxi Liuzhou Contract”	the contract dated 10 January 2008 and made between CITIC Dameng JV and Guangxi Liuzhou
“Guangxi Wuzhou”	廣西梧州新華電池股份有限公司 (Guangxi Wuzhou Sunwatt Battery Co., Ltd.), a company incorporated in the PRC
“Guangxi Wuzhou Contract”	the contract dated 20 May 2008 and made between CITIC Dameng JV and Guangxi Wuzhou
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders who do not have a material interest in the Existing Guangxi Liuzhou Transactions and the New Manganese Transactions
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manganese Contracts”	the Guangxi Guilin Contract, the Guangxi Liuzhou Contract, the Guangxi Hezhou Contract and the Guangxi Wuzhou Contract
“New Manganese Transactions”	the new continuing connected transactions between CITIC Dameng JV and the Guangxi Dameng Associates as described in the section “New Manganese Transactions” of this announcement
“New Manganese Transactions Caps”	the annual caps relating to the New Manganese Transactions for the three years ending 31 December 2010 as described in the section “New Manganese Transactions” of this announcement

“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Revised Guangxi Liuzhou Transactions Caps”	the revised annual caps for the Existing Guangxi Liuzhou Transactions as described in the section “Revised Annual Caps relating to Existing Guangxi Liuzhou Transactions” of this announcement
“Shareholder(s)”	holder(s) of shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning given to it in the Listing Rules
“2008 Announcement”	the announcement of the Company dated 10 January 2008
“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\$1.1 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, 20 May 2008

As at the date hereof, 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. Wong Kim Yin, and the independent non-executive directors are Mr. Fan Ren Da, Anthony; Mr. Ngai Man and Mr. Tsang Link Carl, Brian.