



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

OVERSEAS REGULATORY ANNOUNCEMENT

SELECTIVE CAPITAL REDUCTION PROPOSAL — EXPLANATORY MEMORANDUM BY CITIC AUSTRALIA TRADING LIMITED

Please refer to the attached announcement of CITIC Australia Trading Limited (“**CAL**”) which is listed on the Australian Securities Exchange (the “**ASX**”) and a 76.35% indirectly owned subsidiary of CITIC Resources Holdings Limited (the “**Company**”). References in the attached announcement to “**A\$**” are to Australian dollars.

The announcement was released by CAL through the ASX website: www.asx.com.au on 19 November 2008.

Hong Kong, 19 November 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.

Selective Capital Reduction Proposal — Explanatory Memorandum

On 3 November 2008, CITIC Australia Trading Limited (*CAL*) announced a proposal to undertake a selective capital reduction of all the shares held by its shareholders other than CITIC Resources Australia Pty Limited (*CRA*) in return for a cash payment of A\$0.75 per CAL share (*Proposed Capital Return*).

Details of the meetings to approve the Capital Return are as follows:

- a special meeting of all CAL shareholders except CRA (*Minority Shareholders*) to be held on Friday, 19 December 2008 commencing at 11:00 am; and
- a general meeting of all CAL shareholders to be held on Friday, 19 December 2008 commencing at 1:00 pm or the conclusion or adjournment of the special meeting,

to be held at CITIC House, Level 7, 99 King Street, Melbourne, Victoria.

Attached is a copy of the explanatory memorandum (*Explanatory Memorandum*) which includes a copy of the Independent Expert's Report and Tax Adviser's Report. The Explanatory Memorandum explains the effect of the Proposed Capital Return and provides information material to CAL shareholders in making a decision whether or not to vote in favour of the Proposed Capital Return. The Explanatory Memorandum can also be found on CAL's website at www.citictrading.com.au. A copy of the Explanatory Memorandum, which includes the relevant notices of meeting, will be sent to shareholders shortly.

If you have questions about the Proposed Capital Return, please call the information line on 1800 095 654 (within Australia) or +61 2 8280 7114 (outside Australia) or visit CAL's website at www.citictrading.com.au.

Proposed Capital Return

Under the terms of the Proposed Capital Return, all Minority Shareholders will receive a total consideration of A\$0.75 per CAL share, which comprises a capital component of A\$0.17 and a fully franked dividend of A\$0.58. Depending on individual circumstances, Minority Shareholders may therefore receive additional value in the form of franking credits. CAL has applied for a Class Ruling from the Australian Taxation Office to confirm the tax consequences of the Proposed Capital Return for the Minority Shareholders and anticipates receiving a definitive response shortly. Further information about the tax consequences for Minority Shareholders is also included in the Tax Adviser's Report, a copy of which is included in the Explanatory Memorandum.

All CAL shares held by the Minority Shareholders at the record date, expected to be 13 January 2009, will be cancelled. If CAL shareholders approve the Proposed Capital Return, CAL will become a wholly owned subsidiary of CRA and will de-list from the ASX.

Independent Expert's Report

The Independent Expert, Deloitte Corporate Finance Pty Limited, has considered the Proposed Capital Return and has concluded that the Proposed Capital Return is “fair and reasonable to the Minority Shareholders as a whole”. However Minority Shareholders on a marginal tax rate of 45% may be able to realise a superior outcome by selling their Shares on market, as CAL shares have traded above A\$0.70 on the ASX since the announcement of the Capital Return.

Independent Directors' Recommendation

CAL's independent directors, Bruce Foy and Roger Marshall, recommend that Minority Shareholders vote in favour of the Proposed Capital Return.

CAL shareholders are encouraged to read the Explanatory Memorandum in its entirety, including the Independent Expert's Report and the Tax Adviser's Report, and to vote at the meetings.

For further information contact:

Mr. Irwin Kam
Company Spokesman
+61 3 9614 8000

Or visit: www.citictrading.com.au