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## **CITIC RESOURCES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1205)

### **DISCLOSEABLE AND CONNECTED TRANSACTIONS IN CONNECTION WITH FINANCIAL ASSISTANCE TO CITIC DAMENG INVESTMENTS AND ITS CAPITAL INCREASE IN CITIC DAMENG MINING**

The Company and Apexhill have conditionally agreed to advance the Loan to CITIC Dameng Investments to enable CITIC Dameng Investments to provide additional capital to CITIC Dameng Mining by way of the Capital Increase. The Capital Increase will provide CITIC Dameng Mining with additional capital to finance the capital and operating expenses of the CITIC Dameng Mining Group in respect of the Manganese Business so as to maintain, promote and develop the Manganese Business conducted by the CITIC Dameng Mining Group. Completion of the Capital Increase will result in an increase of the Company's effective equity interest in CITIC Dameng Mining from 48% to 52.4%.

The Loan and the Capital Increase are independent of, and are not conditional on the completion of, the Proposed Spin-off.

With regard to the Proposed Spin-off as mentioned in the announcement of the Company dated 5 September 2008, currently, CITIC Dameng Holdings is still in the process of seeking approval from the Stock Exchange in respect of its application for the listing of, and permission to deal in, the CITIC Dameng Holdings Shares on the Main Board of the Stock Exchange. Shareholders and other investors are reminded that no decision has yet been made by the Company or CITIC Dameng Holdings as to whether and when the Proposed Spin-off will be effected. There is also no assurance that the approval of the Listing Committee of the Stock Exchange to the Proposed Spin-off and listing of, and permission to deal in, the CITIC Dameng Holdings Shares on the Main Board of the Stock Exchange will be granted. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

#### **The Loan**

On 4 February 2009, the Company and Apexhill, a wholly-owned subsidiary of CITIC United Asia, entered into the Loan Agreement pursuant to which the Company and Apexhill have conditionally agreed to advance to CITIC Dameng Investments the amounts of HK\$240.0 million and HK\$60.0 million respectively.

CITIC Dameng Investments will use the Loan to effect the Capital Increase.

## **The Capital Increase**

On 4 February 2009, CITIC Dameng Investments entered into the Capital Increase Agreement with Guangxi Dameng, pursuant to which (i) the registered capital of CITIC Dameng Mining will be increased from RMB500.0 million (HK\$565.0 million) to RMB579.7 million (HK\$655.1 million); and (ii) the original joint venture contract in connection with the establishment of CITIC Dameng Mining and the articles of association of CITIC Dameng Mining will be amended to reflect the Capital Increase.

CITIC Dameng Investments and Guangxi Dameng have agreed that CITIC Dameng Investments shall be solely responsible for contributing the full amount of the Capital Increase, being RMB255.6 million (HK\$288.8 million), in cash, and upon completion of the Capital Increase, CITIC Dameng Investments' equity interest in CITIC Dameng Mining will increase from 60% to 65.5%, and Guangxi Dameng's equity interest in CITIC Dameng Mining will be diluted from 40% to 34.5%. Accordingly, the Company's effective equity interest in CITIC Dameng Mining will increase from 48% to 52.4%.

CITIC Dameng Investments has confirmed that its contribution to the Capital Increase will be funded from the Loan.

## **Listing Rules Implications**

CITIC Dameng Holdings is an indirect non wholly-owned subsidiary of the Company, and is owned as to 20% by Apexhill, a wholly-owned subsidiary of CITIC United Asia which, in turn, is an indirect wholly-owned subsidiary of CITIC Group. CITIC Group through its indirect wholly-owned subsidiaries, Keentech and CA, controls 54.05% of the issued share capital of the Company. Consequently, CITIC Dameng Holdings and its subsidiaries, CITIC Dameng Investments and CITIC Dameng Mining, are connected persons of the Company pursuant to Rule 14A.11(5) of the Listing Rules and Apexhill, being an associate of Keentech and CA, is a connected person of the Company pursuant to Rule 1.01 of the Listing Rules. Accordingly, the CRH Portion and the Capital Increase constitute connected transactions of the Company and are subject to the reporting, announcement and independent shareholders approval requirements of Chapter 14A of the Listing Rules. The Apexhill Portion is a shareholder's loan provided by Apexhill for the benefit of CITIC Dameng Investments, a subsidiary of the Company, on normal or better commercial terms where no security over the assets of the Group is granted pursuant to the Loan Agreement, and is therefore an exempt connected transaction under Rule 14A.65(4) of the Listing Rules.

Keentech and CA, which are indirect wholly-owned subsidiaries of CITIC Group, are required to abstain from voting under Rule 14A.18 of the Listing Rules in respect of the CRH Portion and the Capital Increase. Keentech and CA have confirmed that they will not vote in relation to the CRH Portion and the Capital Increase at the Special General Meeting to be held for approving such transactions. The voting by the Independent Shareholders at the Special General Meeting will be taken on a poll.

In addition, since the applicable percentage ratios calculated with reference to the Capital Increase are more than 5% but less than 25% under Rule 14.08 of the Listing Rules, the Capital Increase also constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements of Chapter 14 of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the CRH Portion and the Capital Increase.

An independent financial adviser shall be engaged to advise the Independent Board Committee and Independent Shareholders in respect of the CRH Portion and the Capital Increase.

A circular of the Company containing, among other things, further details in respect of the CRH Portion and the Capital Increase, the letter from the Independent Board Committee, the advice of the independent financial adviser and notice of the Special General Meeting will be despatched to Shareholders as soon as practicable.

**Shareholders and other investors should note that completion of the Loan and the Capital Increase is subject to a number of conditions which may or may not be fulfilled. Accordingly, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

The Company and Apexhill have conditionally agreed to advance the Loan to CITIC Dameng Investments to enable CITIC Dameng Investments to provide additional capital to CITIC Dameng Mining by way of the Capital Increase. The Capital Increase will provide CITIC Dameng Mining with additional capital to finance the capital and operating expenses of the CITIC Dameng Mining Group in respect of the Manganese Business so as to maintain, promote and develop the Manganese Business conducted by the CITIC Dameng Mining Group. Completion of the Capital Increase will result in an increase of the Company's effective equity interest in CITIC Dameng Mining from 48% to 52.4%.

The Loan and the Capital Increase are independent of, and are not conditional on the completion of, the Proposed Spin-off.

With regard to the Proposed Spin-off as mentioned in the announcement of the Company dated 5 September 2008, currently, CITIC Dameng Holdings is still in the process of seeking approval from the Stock Exchange in respect of its application for the listing of, and permission to deal in, the CITIC Dameng Holdings Shares on the Main Board of the Stock Exchange. Shareholders and other investors are reminded that no decision has yet been made by the Company or CITIC Dameng Holdings as to whether and when the Proposed Spin-off will be effected. There is also no assurance that the approval of the Listing Committee of the Stock Exchange to the Proposed Spin-off and listing of, and permission to deal in, the CITIC Dameng Holdings Shares on the Main Board of the Stock Exchange will be granted. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

## **THE LOAN**

### **(1) Details of the Loan Agreement**

**(a) Date:** 4 February 2009

**(b) Parties:**

- (i) the Company
- (ii) Apexhill
- (iii) CITIC Dameng Investments

**(c) Amount of the Loan**

The aggregate amount of the Loan shall be HK\$300.0 million and shall be lent as follows:

- (i) as to HK\$240.0 million by the Company; and
- (ii) as to HK\$60.0 million by Apexhill.

**(d) Repayment Date**

The Loan is repayable on demand.

**(e) Interest**

No interest is payable on the Loan.

**(f) Conditions**

Completion of the Loan is conditional upon satisfaction of the following conditions:

- (i) approval by ordinary resolution of Shareholders (save for such Shareholders required to abstain from voting (if any) under the Listing Rules) at the Special General Meeting of the Loan Agreement and the transactions contemplated thereby and of the agreements and/or documents necessary for and/or incidental to the performance and completion of the Loan being obtained;
- (ii) all necessary consents and approvals from all relevant PRC regulatory authorities required for the Capital Increase (except for completion of capital verification and business administration registration procedures of CITIC Dameng Mining necessary for completion of the Capital Increase) been obtained by CITIC Dameng Investments and certified copies thereof being provided to the Company and Apexhill;
- (iii) all such other necessary approvals and consents (if any) required for the performance and completion of the transactions contemplated by the Loan Agreement being obtained; and
- (iv) receipt of written confirmation by the Company and Apexhill from each of CITIC Dameng Investments, CITIC Dameng Mining and Guangxi Dameng that all conditions to the Capital Increase Agreement (except for (I) completion of the Loan; and (II) completion of capital verification and business administration registration procedures of CITIC Dameng Mining necessary for completion of the Capital Increase) have been satisfied.

**(g) Immediate prepayment**

In the event the Capital Increase cannot be completed or does not complete by 29 April 2009, upon demand from the Company and Apexhill, CITIC Dameng Investments shall immediately prepay the Loan to the Company and Apexhill in accordance with the terms of the Loan Agreement.

**(2) Information on CITIC Dameng Investments, CITIC Dameng Holdings, Highkeen and Apexhill**

CITIC Dameng Investments is an investment holding company and a wholly-owned subsidiary of CITIC Dameng Holdings.

CITIC Dameng Holdings is an investment holding company and an indirect non wholly-owned subsidiary of the Company. It is owned as to 80% by Highkeen and as to 20% by Apexhill.

Highkeen is an indirect wholly-owned subsidiary of the Company.

Apexhill is a wholly-owned subsidiary of CITIC United Asia which, in turn, is an indirect wholly-owned subsidiary of CITIC Group.

## THE CAPITAL INCREASE

### (1) Details of the Capital Increase Agreement

(a) **Date:** 4 February 2009

(b) **Parties:**

(i) CITIC Dameng Investments

(ii) Guangxi Dameng

(c) **Subject Matter:**

As at the date of this announcement, CITIC Dameng Investments and Guangxi Dameng respectively beneficially own 60% and 40% of the equity interests in CITIC Dameng Mining.

Pursuant to the Capital Increase Agreement, the registered capital of CITIC Dameng Mining will be increased from RMB500.0 million (HK\$565.0 million) to RMB579.7 million (HK\$655.1 million). In addition, CITIC Dameng Investments and Guangxi Dameng have also agreed to amend the original joint venture contract in connection with the establishment of CITIC Dameng Mining and the articles of association of CITIC Dameng Mining to reflect the Capital Increase.

The amount of the Capital Increase is determined with reference to the net asset value of CITIC Dameng Mining as of 30 April 2008 (the “**Appraised Net Asset Value**”), which is RMB1,603.4 million (HK\$1,811.8 million) and which is based on a valuation performed by 中通誠資產評估有限公司 (China Tong Cheng Assets Appraisal Limited Cooperation) in accordance with the applicable valuation principles generally adopted in the PRC. China Tong Cheng Assets Appraisal Limited Cooperation is an independent qualified valuer in the PRC. In order to effect an increase of RMB79.7 million (HK\$90.1 million) in the registered capital of CITIC Dameng Mining with reference to the Appraised Net Asset Value, the amount which must be contributed into CITIC Dameng Mining is calculated based on the formula below:

$$\frac{A}{B} \times C = D$$

A: the proposed amount of the Capital Increase, being RMB79.7 million (HK\$90.1 million)

B: the existing registered capital of CITIC Dameng Mining (i.e. registered capital prior to the Capital Increase), being RMB500.0 million (HK\$565.0 million)

C: the Appraised Net Asset Value, being RMB1,603.4 million (HK\$1,811.8 million)

D: the amount which shall be contributed into CITIC Dameng Mining in order to effect the Capital Increase of RMB79.7 million (HK\$90.1 million)

Based on the above formula, the amount which shall be contributed into CITIC Dameng Mining to effect the Capital Increase is RMB255.6 million (HK\$288.8 million).

CITIC Dameng Investments and Guangxi Dameng have agreed that CITIC Dameng Investments shall be solely responsible for contributing the full amount of the Capital Increase, being RMB255.6 million (HK\$288.8 million), in cash, and upon completion of the Capital Increase, CITIC Dameng Investments' equity interest in CITIC Dameng Mining will increase from 60% to 65.5%, and Guangxi Dameng's equity interest in CITIC Dameng Mining will be diluted from 40% to 34.5%. Accordingly, the Company's effective equity interest in CITIC Dameng Mining will increase from 48% to 52.4%.

CITIC Dameng Investments has confirmed that its contribution to the Capital Increase will be funded from the Loan.

**(d) Conditions**

Completion of the Capital Increase is conditional upon satisfaction of the following conditions:

- (i) approval by ordinary resolution of Shareholders (save for such Shareholders required to abstain from voting (if any) under the Listing Rules) at the Special General Meeting of the Capital Increase Agreement and the transactions contemplated thereby and of the agreements and/or documents necessary for and/or incidental to the performance and completion of the Capital Increase being obtained;
- (ii) all necessary consents and approvals from all relevant PRC regulatory authorities required for the Capital Increase;
- (iii) all such other necessary approvals and consents (if any) required for the execution of the Capital Increase Agreement and the performance and completion of the transactions contemplated thereby being obtained; and
- (iv) completion of the Loan.

**(e) Termination**

In the event that completion of the transactions contemplated by the Capital Increase Agreement fails to take place before 30 April 2009, the Capital Increase Agreement shall be terminated forthwith, and all the sums paid by CITIC Dameng Investments thereunder (if any) shall become immediately repayable to CITIC Dameng Investments.

**(2) Information on CITIC Dameng Mining and Guangxi Dameng:**

CITIC Dameng Mining is a sino-foreign equity joint venture established in the PRC and an indirect non wholly-owned subsidiary of the Company. It is owned as to 60% by CITIC Dameng Investments and as to 40% by Guangxi Dameng. The CITIC Dameng Mining Group is principally engaged in the mining and processing of manganese and the associated production and sale of manganese related products.

Guangxi Dameng is a limited liability company incorporated in the PRC, wholly-owned and controlled by the People's Government of the Guangxi Zhuang Autonomous Region of the PRC. Guangxi Dameng and its subsidiaries are principally engaged in mining, selection, refining and processing of manganese and the sale of parts for motor vehicles.

## COMPLETION OF THE LOAN AND THE CAPITAL INCREASE

Unless otherwise agreed amongst the relevant parties, completion of the Loan shall take place on the fifth Business Day after the satisfaction of all of the conditions precedent set forth in the Loan Agreement and completion of the Capital Increase shall take place upon satisfaction of the conditions precedent in the Capital Increase Agreement (including the disbursement of the Loan to CITIC Dameng Investments).

If any of the conditions precedent in respect of the Loan Agreement is not satisfied on or before 29 April 2009, the Loan Agreement shall lapse and all relevant transactions contemplated thereby shall not take place and no party shall, save in respect of any antecedent breach, have any claim of any nature in respect of the Loan Agreement against the other parties.

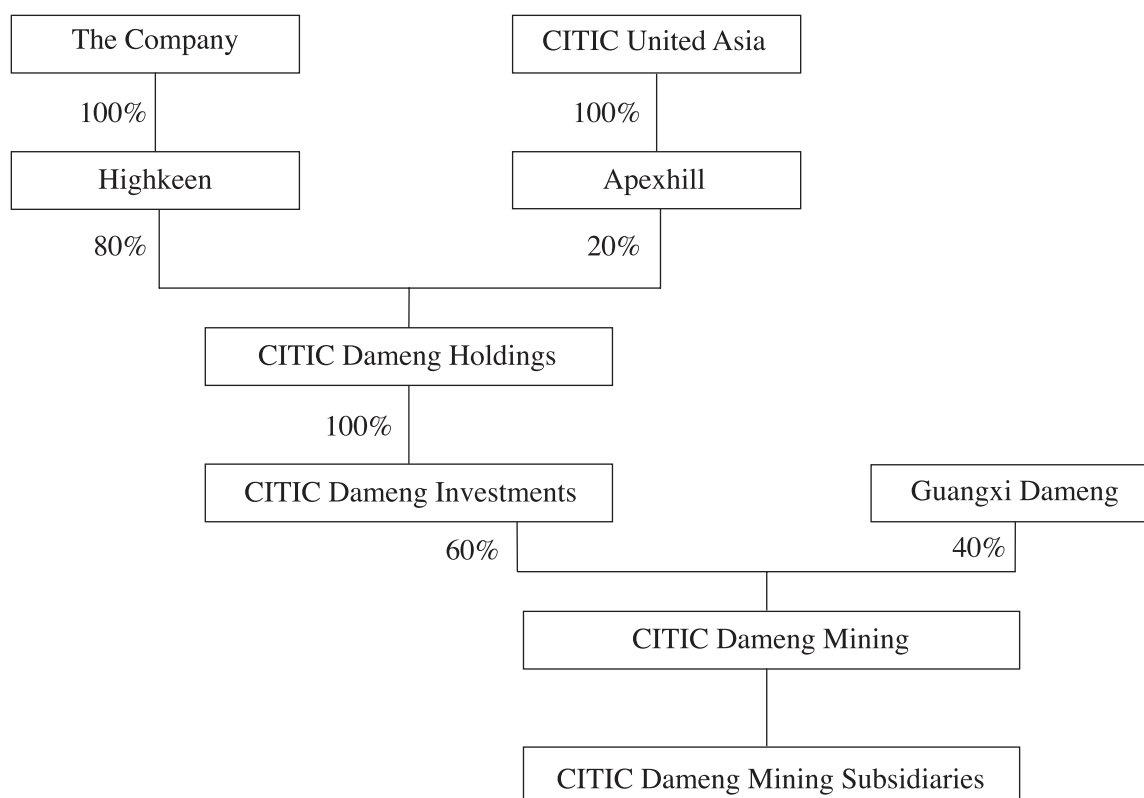
If completion of the transactions contemplated by the Capital Increase Agreement fails to take place before 30 April 2009, the Capital Increase Agreement shall be terminated forthwith, and all the sums paid by CITIC Dameng Investments thereunder (if any) shall become immediately repayable to CITIC Dameng Investments.

In addition, if the Capital Increase cannot be completed or does not complete by 29 April 2009, upon demand from the Company and Apexhill, CITIC Dameng Investments shall immediately prepay the Loan to the Company and Apexhill in accordance with the terms of the Loan Agreement.

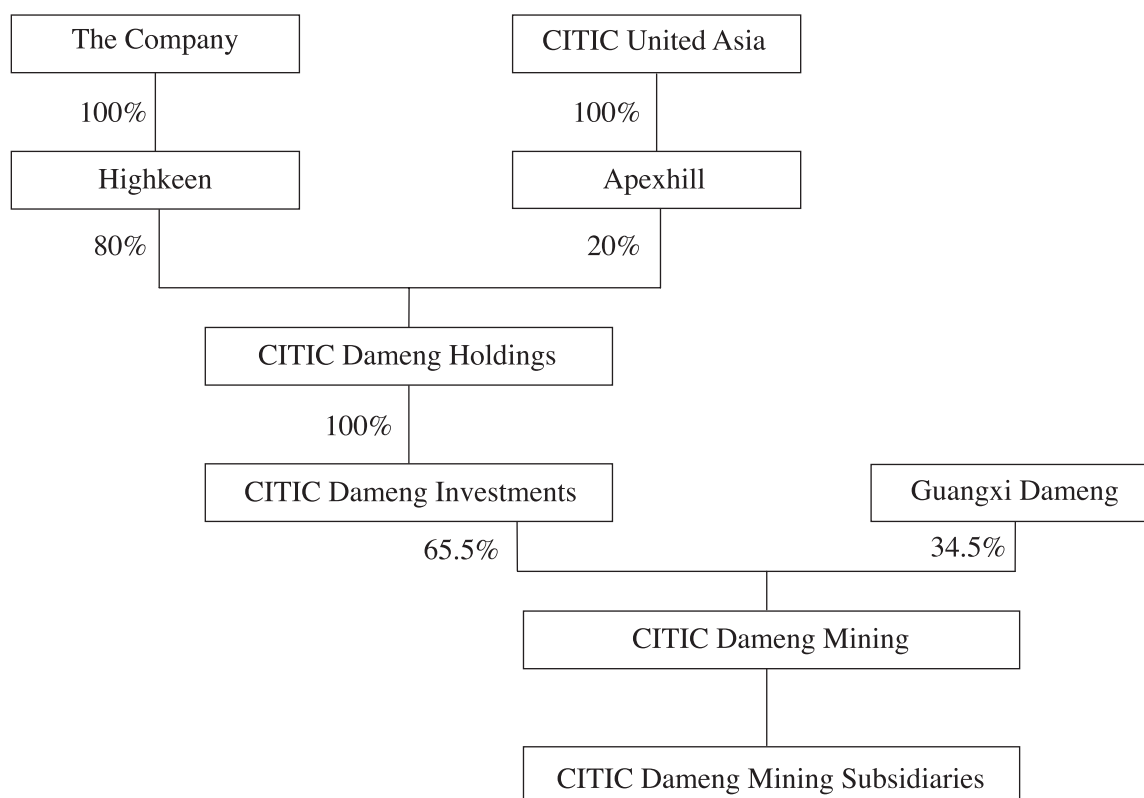
## SHAREHOLDING STRUCTURE IMMEDIATELY PRIOR TO AND AFTER THE COMPLETION OF THE CAPITAL INCREASE

Set forth below is a simplified corporate structure of CITIC Dameng Holdings, CITIC Dameng Investments and CITIC Dameng Mining immediately prior to and after the completion of the Capital Increase:

Immediately prior to the completion of the Capital Increase:



Immediately after the completion of the Capital Increase:



## INFORMATION ON THE COMPANY

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

For the financial year ended 31 December 2007, the consolidated profits before and after taxation of the Group amounted to HK\$731.0 million and HK\$521.4 million respectively and the consolidated net assets of the Group as at 31 December 2007 were HK\$7,159.6 million.

For the six months ended 30 June 2008, the unaudited consolidated profits before and after taxation of the Group amounted to HK\$1,342.7 million and HK\$738.4 million respectively and the unaudited consolidated net assets of the Group as at 30 June 2008 were HK\$8,176.8 million.

## FINANCIAL EFFECT OF THE LOAN AND THE CAPITAL INCREASE ON THE GROUP

The Apexhill Portion will result in an increase in the total liabilities of the Group by HK\$60.0 million.

The Capital Increase will result in an increase in the value of the Group's investment in CITIC Dameng Mining and an increase in the cash position of the Group by the amount of the Apexhill Portion.

These are not expected to have a material impact on the earnings or net asset value of the Group.



## **REASONS FOR AND BENEFITS OF THE LOAN AND THE CAPITAL INCREASE**

Although demand for commodities has been affected as world economies slip into recession and commodities prices have depreciated since the onset of the current financial crisis, the Company still views the long term performance prospects of the Manganese Business positively. In what is proving to be a difficult financial environment, the Capital Increase will provide CITIC Dameng Mining with additional capital to finance the capital and operating expenses of the CITIC Dameng Mining Group in respect of the Manganese Business so as to maintain, promote and develop the Manganese Business conducted by the CITIC Dameng Mining Group.

In addition, since CITIC Dameng Investments shall be solely responsible for contributing the full amount of the Capital Increase, CITIC Dameng Investments' equity interest in CITIC Dameng Mining will increase from 60% to 65.5%. Accordingly, the Company's effective equity interest in CITIC Dameng Mining will also increase from 48% to 52.4% giving the Company a greater share of earnings from the Manganese Business.

The Directors (including the independent non-executive Directors) consider that the Loan and the Capital Increase are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **(1) Connected Transactions**

CITIC Dameng Holdings is an indirect non wholly-owned subsidiary of the Company, and is owned as to 20% by Apexhill, a wholly-owned subsidiary of CITIC United Asia which, in turn, is an indirect wholly-owned subsidiary of CITIC Group. CITIC Group through its indirect wholly-owned subsidiaries, Keentech and CA, controls 54.05% of the issued share capital of the Company. Consequently, CITIC Dameng Holdings and its subsidiaries, CITIC Dameng Investments and CITIC Dameng Mining, are connected persons of the Company pursuant to Rule 14A.11(5) of the Listing Rules and Apexhill, being an associate of Keentech and CA, is a connected person of the Company pursuant to Rule 1.01 of the Listing Rules. Accordingly, the CRH Portion and the Capital Increase constitute connected transactions of the Company and are subject to the reporting, announcement and independent shareholders approval requirements of Chapter 14A of the Listing Rules. The Apexhill Portion is a shareholder's loan provided by Apexhill for the benefit of CITIC Dameng Investments, a subsidiary of the Company, on normal or better commercial terms where no security over the assets of the Group is granted pursuant to the Loan Agreement, and is therefore an exempt connected transaction under Rule 14A.65(4) of the Listing Rules.

Keentech and CA, which are indirect wholly-owned subsidiaries of CITIC Group, are required to abstain from voting under Rule 14A.18 of the Listing Rules in respect of the CRH Portion and the Capital Increase. Keentech and CA have confirmed that they will not vote in relation to the CRH Portion and the Capital Increase at the Special General Meeting to be held for approving such transactions. The voting by the Independent Shareholders at the Special General Meeting will be taken on a poll.

### **(2) Discloseable Transaction**

Since the applicable percentage ratios calculated with reference to the Capital Increase are more than 5% but less than 25% under Rule 14.08 of the Listing Rules, the Capital Increase also constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements of Chapter 14 of the Listing Rules.

## INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the CRH Portion and the Capital Increase.

## CIRCULAR

A circular of the Company containing, among other things, further details in respect of the CRH Portion and the Capital Increase, the letter from the Independent Board Committee, the advice of the independent financial adviser to be appointed to advise the Independent Board Committee and Independent Shareholders and notice of the Special General Meeting to consider the CRH Portion and the Capital Increase will be despatched to Shareholders as soon as practicable.

## GENERAL

**Shareholders and other investors should note that completion of the Loan and the Capital Increase is subject to a number of conditions which may or may not be fulfilled. Accordingly, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

“Apexhill”	Apexhill Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Apexhill Portion”	the amount of HK\$60.0 million to be advanced by Apexhill to CITIC Dameng Investments pursuant to the Loan Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than Saturday and Sunday) in Hong Kong on which banks in Hong Kong are open generally for normal banking business
“CA”	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability
“Capital Increase”	the increase of registered capital in CITIC Dameng Mining in accordance with the Capital Increase Agreement, details of which are set out in the section “The Capital Increase” of this announcement
“Capital Increase Agreement”	an agreement dated 4 February 2009 between CITIC Dameng Investments and Guangxi Dameng in relation to the increase in the registered capital of CITIC Dameng Mining, details of which are set out in the section “The Capital Increase” of this announcement
“CITIC Dameng Holdings”	CITIC Dameng Holdings Limited, a company incorporated in Bermuda with limited liability

“CITIC Dameng Holdings Shares”	shares of HK\$0.10 each in the share capital of CITIC Dameng Holdings
“CITIC Dameng Investments”	CITIC Dameng Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“CITIC Dameng Mining”	中信大錳礦業有限責任公司 (CITIC Dameng Mining Industries Limited), a sino-foreign equity joint venture established in the PRC
“CITIC Dameng Mining Group”	CITIC Dameng Mining and the CITIC Dameng Mining Subsidiaries
“CITIC Dameng Mining Subsidiaries”	the following direct or indirect subsidiaries of CITIC Dameng Mining: 中信大錳(廣西)礦業投資有限責任公司 (CITIC Dameng (Guangxi) Mining Investment Limited)(100% owned), 中信大錳田東新材料有限公司 (CITIC Dameng Tiandong New Materials Co., Ltd.)(100% owned), 中信大錳(天等)新材料有限公司 (CITIC Dameng (Tiandeng) New Materials Co., Ltd.)(100% owned), 中信大錳(崇左)新材料有限公司 (CITIC Dameng (Chongzuo) New Materials Co., Ltd.)(100% owned), 中信大錳北部灣(廣西)新材料有限公司 (CITIC Dameng Beibuwan (Guangxi) New Materials Co., Ltd.)(100% owned), 廣西斯達特錳材料有限公司 (Guangxi Start Manganese Materials Co., Ltd.)(71.17% owned), 廣西大新縣大寶鐵合金有限公司 (Guangxi Daxin Dabao Ferroalloy Co., Ltd.) (60% owned), 天等縣大錳鐵合金有限公司 (Tiandeng Dameng Ferroalloy Co., Ltd.)(60% owned), 廣西南寧寬廣工貿有限責任公司 (Guangxi Nanning Kuanguang Industry & Trade Co., Ltd.) (77% owned), 廣西欽州市桂鑫冶金有限公司 (Guangxi Qinzhou Guixin Ferroalloy Co., Ltd.)(70% owned), CITIC Dameng Mining Industries Ireland Branch Limited (100% owned), 華州礦業投資有限公司 (Huazhou Mining Investment Limited) (60% owned) and Compagnie Industrielle et Commerciale des Mines de Huazhou (Gabon) (華州礦業(加蓬)工貿有限公司) (51% owned)
“CITIC Group”	CITIC Group, a state-owned enterprise incorporated in the PRC
“CITIC United Asia”	CITIC United Asia Investments Limited, a company incorporated in Hong Kong with limited liability
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CRH Portion”	the amount of HK\$240.0 million to be advanced by the Company to CITIC Dameng Investments pursuant to the Loan Agreement
“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 company established in the PRC with limited liability
“Highkeen”	Highkeen Resources Limited, a company incorporated in the British Virgin Islands with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all of the independent non-executive Directors
“Independent Shareholders”	Shareholders other than any connected person with a material interest in the relevant transaction(s) and each of their respective associates
“Keentech”	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Loan”	the CRH Portion and the Apexhill Portion
“Loan Agreement”	the loan agreement dated 4 February 2009 between the Company, Apexhill and CITIC Dameng Investments
“Manganese Business”	includes exploration, mining and processing of manganese and the associated production and sale of manganese related products
“PRC”	the People’s Republic of China and, except where the context requires and only for the purposes of this announcement, references in this announcement to the PRC or China do not include Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC
“Proposed Spin-off”	the proposed spin-off of the Spin-off Business for a separate listing on the Main Board of the Stock Exchange as detailed in the Company’s announcement dated 5 September 2008
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Special General Meeting”	a special general meeting of Shareholders to be convened for the purposes of considering and, if thought fit, approving the CRH Portion and the Capital Increase
“Spin-off Business”	the businesses carried on by the Spin-off Group including the Manganese Business

“Spin-off Group”	CITIC Dameng Holdings and its subsidiaries including the CITIC Dameng Mining Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	shall have the meaning assigned to this expression by section 2 of the Companies Ordinance (Cap.32 of the Laws of Hong Kong)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For the purpose of this announcement and unless otherwise specified, amounts in RMB have been translated into HK\$ at the rate of RMB1 = HK\$1.13. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at such rates or at any other rate or at all.*

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

Hong Kong, 4 February 2009

*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.*