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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

CONNECTED TRANSACTION

FINANCIAL ASSISTANCE AND PROVISION OF AN INDEMNITY BY CITIC DAMENG MINING INDUSTRIES LIMITED IN RESPECT OF LIABILITIES OF HUAZHOU MINING INVESTMENT LIMITED

Facility Agreement, Bank Guarantee and Indemnity

It is proposed that Huazhou Mining shall enter into the Facility Agreement pursuant to which the Lender shall lend up to US\$10 million (HK\$78 million) to Huazhou Mining. The proceeds of the Bank Loan shall be used to finance the capital and operating expenses of the Gabon Manganese Business operated by Huazhou (Gabon).

The obligations of Huazhou Mining under the Facility Agreement shall be guaranteed by the Bank Guarantor under the Bank Guarantee. The liabilities of the Bank Guarantor under the Bank Guarantee shall be secured by an indemnity provided by CITIC Dameng Mining under the Indemnity.

Listing Rules Implications

CITIC Dameng Holdings is an indirect non wholly-owned subsidiary of the Company, 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 wholly-owned subsidiaries, Keentech and CA, controls 54.05% of the issued share capital of the Company. Consequently, Huazhou Mining, being a subsidiary of CITIC Dameng Holdings, is a connected person of the Company pursuant to Rule 14A.11(6) of the Listing Rules. Accordingly, the Indemnity constitutes a connected transaction of the Company. As the aggregate amount of the Indemnity under each of the percentage ratios is more than 0.1% but less than 2.5%, the provision of the Indemnity is subject only to the reporting and announcement requirements of Chapter 14A of the Listing Rules.

INTRODUCTION

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THE INDEMNITY

(a) **Date:** 20 March 2009

(b) **Parties:**

(i) CITIC Dameng Mining

(ii) the Bank Guarantor

(c) **Subject Matter:**

Under the Indemnity, CITIC Dameng Mining shall indemnify on demand the Bank Guarantor any amounts paid by the Bank Guarantor under the Bank Guarantee as a result of any failure by Huazhou Mining to pay any amount due under the Facility Agreement.

INFORMATION ON CITIC DAMENG MINING, HUAZHOU MINING AND THE BANK GUARANTOR

CITIC Dameng Mining is a sino-foreign equity joint venture established in the PRC and an indirect non wholly-owned subsidiary of the Company. CITIC Dameng Mining and its subsidiaries are principally engaged in the exploration, mining and processing of manganese and the associated production and sale of manganese related products.

Huazhou Mining is an investment holding company and an indirect non wholly-owned subsidiary of the Company. Its principal operating subsidiary is Huazhou (Gabon) which conducts the Gabon Manganese Business.

The Bank Guarantor is a joint stock commercial bank incorporated in the PRC.

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.

REASONS FOR AND BENEFITS OF THE INDEMNITY

The Bank Loan will provide Huazhou (Gabon) with additional funds to finance the capital and operating expenses of the Gabon Manganese Business.

In order to obtain the Bank Guarantee, which is a condition of the Facility Agreement, it is necessary for CITIC Dameng Mining to provide the Indemnity in favour of the Bank Guarantor.

The Directors (including the independent non-executive Directors) consider that the terms of the Indemnity are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

CITIC Dameng Holdings is an indirect non wholly-owned subsidiary of the Company, 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 wholly-owned subsidiaries, Keentech and CA, controls 54.05% of the issued share capital of the Company. Consequently, Huazhou Mining, being a subsidiary of CITIC Dameng Holdings, is a connected person of the Company pursuant to Rule 14A.11(6) of the Listing Rules. Accordingly, the Indemnity constitutes a connected transaction of the Company. As the aggregate amount of the Indemnity under each of the percentage ratios is more than 0.1% but less than 2.5%, the provision of the Indemnity is subject only to the reporting and announcement requirements of Chapter 14A of the Listing Rules.

DEFINITIONS

“Apexhill”	Apexhill Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Bank Guarantee”	a guarantee to be provided on or around 20 March 2009 by the Bank Guarantor in favour of the Lender in respect of the Bank Loan
“Bank Guarantor”	the Guangxi Branch of Bank of Communications Co., Ltd., a joint stock commercial bank incorporated in the PRC with limited liability
“Bank Loan”	a loan facility to be provided by the Lender of up to US\$10 million (HK\$78 million), to be drawdown by Huazhou Mining pursuant to the terms of the Facility Agreement
“Board”	the board of Directors
“CA”	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability
“CITIC Dameng Holdings”	CITIC Dameng Holdings Limited, a company incorporated in Bermuda 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 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
“Director(s)”	the director(s) of the Company
“Facility Agreement”	a loan facility agreement to be entered into on or around 20 March 2009 between Huazhou Mining and the Lender
“Gabon Manganese Business”	includes exploration, mining and processing of manganese in the Republic of Gabon
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huazhou (Gabon)”	Compagnie Industrielle et Commerciale des Mines de Huazhou (Gabon), a company incorporated in the Republic of Gabon with limited liability
“Huazhou Mining”	Huazhou Mining Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Indemnity”	an indemnity dated 20 March 2009 provided by CITIC Dameng Mining in favour of the Bank Guarantor
“Keentech”	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Lender”	the Offshore Banking Service Centre of Bank of Communications Co., Ltd., a joint stock commercial bank incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“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
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has 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
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, amounts in US\$ have been translated into HK\$ or vice versa at the rate of US\$1 = HK\$7.8 for illustration purposes only. Such translation should not be construed as a representation that the amounts in question have been or could have been or can be converted at such rate or at any other rate or at all.

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

Hong Kong, 20 March 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.