

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement does not constitute an offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. In particular, this announcement is not an offer of securities for sale in Hong Kong, the United States or elsewhere. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from the issuer or selling security holder and that would contain detailed information about the company and management, as well as financial statements.



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

PROPOSED MAJOR TRANSACTION

PROPOSED SPIN-OFF AND SEPARATE LISTING OF CITIC DAMENG HOLDINGS LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the Proposed Spin-off as initially disclosed by the Company in the 2008 Announcement.

On 23 July 2010, CITIC Dameng Holdings submitted a further advance booking form for an application for the listing of, and permission to deal in, the CITIC Dameng Shares on the Main Board of the Stock Exchange.

It is expected that the Proposed Spin-off, if it proceeds, will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will require the approval of Shareholders. The Company will comply with the notification, publication and shareholders' approval requirements set out in Chapter 14 of the Listing Rules as and when necessary if the Proposed Spin-off proceeds.

Further, it is intended that the Spin-off Group will undergo the Reorganisation for the purpose of the Proposed Spin-off. It is anticipated that certain steps of the Reorganisation may constitute notifiable and connected transactions of the Company and will be subject to the reporting, announcement and/or independent shareholders' approval requirements set out in the Listing Rules.

Shareholders and other investors are reminded that no final 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 to the Proposed Spin-off and listing of, and permission to deal in, the CITIC Dameng 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.

As the listing of the CITIC Dameng Shares pursuant to the Proposed Spin-off is subject to, among other things, the approval of the Listing Committee, the final decision of the Board and the board of directors of CITIC Dameng Holdings and approval of Shareholders, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the Proposed Spin-off as initially disclosed by the Company in the 2008 Announcement.

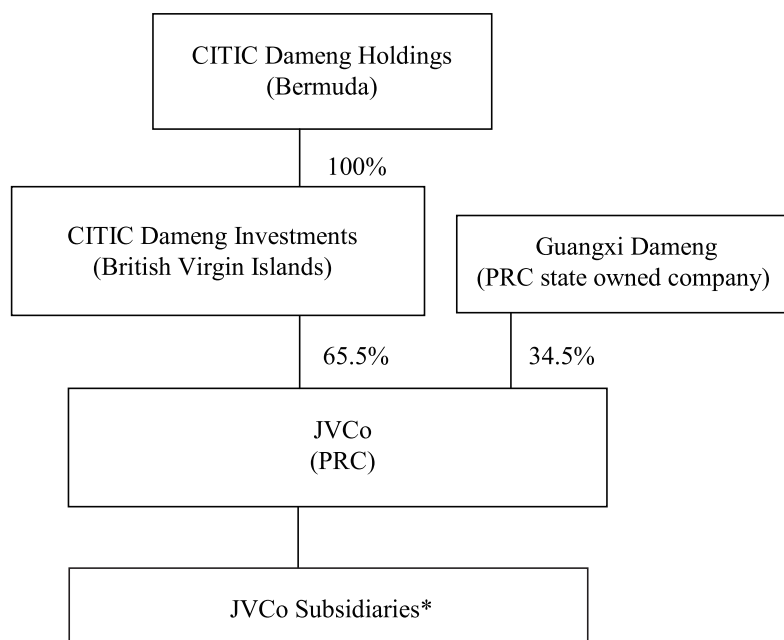
As disclosed in the 2008 Announcement, on 5 September 2008, CITIC Dameng Holdings submitted the 2008 A1 Application for the listing of, and permission to deal in, the CITIC Dameng Shares on the Main Board of the Stock Exchange. As more than six months have elapsed since the date of the 2008 A1 Application, a new advance booking form together with the prerequisite initial listing fee and other documents are required to be submitted to the Stock Exchange in respect of the Proposed Spin-off.

The Board wishes to announce that on 23 July 2010, CITIC Dameng Holdings submitted a further advance booking form for an application for the listing of, and permission to deal in, the CITIC Dameng Shares on the Main Board of the Stock Exchange.

INFORMATION ON THE SPIN-OFF GROUP

The Spin-off Group comprises CITIC Dameng Holdings and its subsidiaries and commenced operations in March 2006. The Spin-off Group is principally engaged, through the JVCo and the JVCo Subsidiaries, in the business of the exploration, mining and processing of manganese and the associated production and sale of manganese related products. The Spin-off Group has operations and assets in the PRC and Gabon, Western Africa.

As at the date of this announcement, the Company owns 80% of the issued shares in CITIC Dameng Holdings indirectly through its wholly-owned subsidiary, Highkeen. The remaining 20% of the issued shares in CITIC Dameng Holdings are held by Apexhill, a wholly-owned subsidiary of CITIC United Asia. The JVCo is currently indirectly owned as to 65.5% by CITIC Dameng Holdings through its wholly-owned subsidiary, CITIC Dameng Investments, and the remaining 34.5% equity interest in the JVCo is held by Guangxi Dameng. Set out below is the current shareholding structure of the Spin-off Group:



* *JVCo Subsidiaries refer to a number of wholly-owned and non wholly-owned subsidiaries of the JVCo which are the material operating subsidiaries of the JVCo. Please refer to the definition of “JVCo Subsidiaries” for details of the material operating subsidiaries of the JVCo and the JVCo’s shareholding interest in each of them.*

REORGANISATION OF THE SPIN-OFF GROUP

It is expected that the Spin-off Group will undergo a reorganisation which will, upon completion, result in (a) Guangxi Dameng, through Guangxi Dameng BVI, subscribing for and holding new shares in CITIC Dameng Holdings equivalent to, before completion of the Global Offering, 34.5% of the issued shares of CITIC Dameng Holdings, and (b) Guangxi Dameng transferring its 34.5% interest in the JVCo to CITIC Dameng Investments and the JVCo being converted into a wholly foreign owned enterprise.

Assuming completion of the issue of new CITIC Dameng Shares to Guangxi Dameng BVI pursuant to the Reorganisation, the Company’s percentage interest in the issued share capital of CITIC Dameng Holdings will be diluted to 52.4% immediately after the completion of the Reorganisation.

The definitive steps for the Reorganisation have not been finalised and the Company will make further announcement(s) regarding the details of the Reorganisation as and when appropriate.

GLOBAL OFFERING

It is currently proposed that, pursuant to the Global Offering, the CITIC Dameng Shares will be offered to the public in Hong Kong for subscription and for placing with certain professional and institutional investors and other investors, including the Qualifying Shareholders. It is also contemplated that the Over-allotment Option will be granted to the joint bookrunners of the Global Offering whereby CITIC Dameng Holdings will be required to issue additional CITIC Dameng Shares upon the exercise of such option to cover over-allocations in the international placing tranche of the Global Offering.

Assuming completion of the Reorganisation and the Global Offering (whether or not the Over-allotment Option is exercised), the Company's interest in the issued share capital of CITIC Dameng Holdings will be diluted to below 50%. As such, CITIC Dameng Holdings will cease to be a subsidiary of the Company following completion of the Reorganisation and the Global Offering (whether or not the Over-allotment Option is exercised). However, the Company will still be a controlling shareholder of CITIC Dameng Holdings within the meaning of the Listing Rules upon completion of the Global Offering (whether or not the Over-allotment Option is exercised).

RATIONALE AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board proposes the separate listing of CITIC Dameng Holdings as it believes that the separate listing of CITIC Dameng Holdings will be beneficial to the Group for the following reasons:

- (a) the Proposed Spin-off will create CITIC Dameng Holdings as a pure-play investment opportunity that will enable investors to better understand both the Company and CITIC Dameng Holdings as separate entities. The strategic focus and critical success factors are different for CITIC Dameng Holdings' business, manganese mining and processing, and the Company's business, energy and minerals with oil exploration and production as its largest business segment;
- (b) the Proposed Spin-off will allow both the Company and CITIC Dameng Holdings to target their respective shareholder bases more effectively and improve capital allocation within each company;
- (c) the Proposed Spin-off will allow the management of both the Company and CITIC Dameng Holdings to focus more effectively on their respective businesses and improve CITIC Dameng Holdings' ability to recruit, motivate and retain key management personnel;
- (d) the Proposed Spin-off will provide greater aggregate debt capacity to both the Company and CITIC Dameng Holdings, because there will be greater clarity for credit profiling by financial institutions who wish to extend credit or financing to the Company or CITIC Dameng Holdings; and
- (e) the Proposed Spin-off will deliver greater shareholder value to shareholders of both the Company and CITIC Dameng Holdings, because (i) CITIC Dameng Holdings will enjoy enhanced flexibility to grow its business free of actual or perceived constraints as a subsidiary, (ii) CITIC Dameng Holdings will enjoy increased ability to make acquisitions by using its stock as acquisition currency, and (iii) the Company will be able to enjoy greater shareholder value from the growth of CITIC Dameng Holdings by holding a controlling interest over the Spin-off Group.

ASSURED ENTITLEMENT

The Board will give due regard to the interests of Shareholders by providing the Qualifying Shareholders with an assured entitlement to the CITIC Dameng Shares under the Global Offering, subject to certain conditions, if the Proposed Spin-off and the Global Offering proceed. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

APPROVAL FROM SHAREHOLDERS

It is expected that the Proposed Spin-off, if it proceeds, will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will require the approval of Shareholders. The Company will comply with the notification, publication and shareholders' approval requirements set out in Chapter 14 of the Listing Rules as and when necessary if the Proposed Spin-off proceeds.

An Independent Board Committee will be formed to consider the Proposed Spin-off and an Independent Financial Adviser will be appointed to advise the Independent Board Committee and Shareholders on the fairness and reasonableness of the Proposed Spin-off.

It is also anticipated that certain steps of the Reorganisation will constitute notifiable and connected transactions of the Company under the Listing Rules and will be subject to the reporting, announcement and/or independent shareholders' approval requirements set out in the Listing Rules.

A circular or circulars containing, among other things, details of the Reorganisation and the Proposed Spin-off, including the related advice of the Independent Financial Adviser to the Independent Board Committee and Shareholders, the recommendation of the Independent Board Committee to Shareholders, and all other necessary information and documents will be despatched to Shareholders in accordance with the provisions of the Listing Rules or otherwise as permitted by the Stock Exchange as and when appropriate.

INFORMATION ON THE GROUP AND CITIC DAMENG HOLDINGS

The Group is an integrated provider of key commodities and strategic natural resources. The Group's manganese related business is conducted through the Spin-off Group. The principal asset of CITIC Dameng Holdings is its current indirect 65.5% equity interest in the JVCo. The JVCo, together with the JVCo Subsidiaries, is primarily engaged in the business of the exploration, mining and processing of manganese and the associated production and sale of manganese related products. Apart from the Spin-off Business undertaken by the Spin-off Group, the Group has been and is currently engaging in the business of aluminium smelting, coal, import and export of commodities and the exploration, development and production of oil. It is intended that the Retained Group will continue to be engaged in such businesses after the Proposed Spin-off.

GENERAL

Shareholders and other investors are reminded that no final 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 to the Proposed Spin-off and listing of, and permission to deal in, the CITIC Dameng 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.

As the listing of the CITIC Dameng Shares pursuant to the Proposed Spin-off is subject to, among other things, the approval of the Listing Committee, the final decision of the Board and the board of directors of CITIC Dameng Holdings and approval of Shareholders, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“2008 A1 Application”	the advance booking form for an application for the listing of, and permission to deal in, the CITIC Dameng Shares on the Main Board of the Stock Exchange submitted by CITIC Dameng Holdings on 5 September 2008
“2008 Announcement”	the announcement of the Company dated 5 September 2008 in relation to the Proposed Spin-off
“Apexhill”	Apexhill Investments Limited, a company incorporated in the British Virgin Islands with limited liability and which is directly wholly-owned by CITIC United Asia
“Board”	the board of Directors
“CITIC Dameng Holdings”	CITIC Dameng Holdings Limited, a company incorporated in Bermuda with limited liability and which is indirectly owned as to 80% by the Company
“CITIC Dameng Investments”	CITIC Dameng Investments Limited, a company incorporated in the British Virgin Islands with limited liability and which is directly wholly-owned by CITIC Dameng Holdings
“CITIC Dameng Shares”	shares of HK\$0.10 each in the share capital of CITIC Dameng Holdings
“CITIC Group”	a large state-owned conglomerate in the PRC engaged in banking and financial services, natural resources exploration, machinery manufacturing, construction and property development, telecommunications and technology sectors conducted through a number of subsidiaries
“CITIC United Asia”	CITIC United Asia Investments Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by CITIC Group

“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
“Director(s)”	the director(s) of the Company
“Global Offering”	the offer to the public in Hong Kong for subscription, and the international placing with certain professional and institutional investors and other investors (including the preferential offer to the Qualifying Shareholder(s)), of the CITIC Dameng Shares
“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 company wholly-owned and controlled by the People’s Government of the Guangxi Zhuang Autonomous Region in the PRC
“Guangxi Dameng BVI”	Guinan Dameng International Resources Limited, a company incorporated in the British Virgin Islands with limited liability and which is an indirect wholly-owned subsidiary of Guangxi Dameng held through Huanan Dameng Investments Limited, a direct wholly-owned subsidiary of Guangxi Dameng incorporated in Hong Kong with limited liability
“Highkeen”	Highkeen Resources Limited, a company incorporated in the British Virgin Islands with limited liability and which is indirectly wholly-owned by the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors to be formed to advise Shareholders as to whether the terms of the Reorganisation and the Proposed Spin-off (as applicable) are fair and reasonable and in the interests of the Company and Shareholders as a whole
“Independent Financial Adviser”	the independent financial adviser(s) to be appointed by the Company to advise the Independent Board Committee and Shareholders as to whether the terms of the Reorganisation and the Proposed Spin-off (as applicable) are fair and reasonable and in the interests of the Company and Shareholders as a whole and to advise Shareholders how to vote at the special general meeting(s) to be convened to consider and, if thought fit, approve the Reorganisation and the Proposed Spin-off
“International Underwriting Agreement”	An international underwriting agreement to be signed by, among other things, CITIC Dameng Holdings and the underwriters of the international tranche of the Global Offering
“JVCo”	中信大錳礦業有限責任公司 (CITIC Dameng Mining Industries Limited), a sino-foreign joint venture established in the PRC and owned as to 65.5% by CITIC Dameng Investments and as to 34.5% by Guangxi Dameng

“JVCo Subsidiaries”	<p>the following direct or indirect material operating subsidiaries of the JVCo:</p> <ul style="list-style-type: none"> – 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) – 中信大錳(欽州)新材料有限公司 (CITIC Dameng (Qinzhou) New Materials Co., Ltd.) (70% owned) – Huazhou Mining Investment Limited (60% owned) – Compagnie Industrielle et Commerciale des Mines de Huazhou (Gabon) (51% owned)
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Over-allotment Option”	the option expected to be granted by CITIC Dameng Holdings to the joint bookrunners of the Global Offering exercisable under the International Underwriting Agreement pursuant to which CITIC Dameng Holdings may be required by the joint bookrunners to issue certain additional CITIC Dameng Shares at the final offer price to cover over-allocations in the international placing tranche of the Global Offering

“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 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
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on a record date to be fixed (currently proposed to exclude certain overseas Shareholders, if any, subject to compliance with the Listing Rules)
“Reorganisation”	the reorganisation to the Spin-off Group as described in the section headed “Reorganisation of the Spin-off Group” of this announcement
“Retained Group”	the Group, after excluding the Spin-off Group
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Spin-off Business”	the business of, among other things, exploration, mining and processing of manganese and the associated production and sale of manganese related products carried on by the Spin-off Group
“Spin-off Group”	CITIC Dameng Holdings and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning as defined under the Listing Rules
“United States”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 23 July 2010

As at the date hereof, the executive directors of the Company are Mr. Sun Xinguo; Ms. Li So Mui; Mr. Qiu Yiyong; Mr. Tian Yuchuan and Mr. Zeng Chen, the non-executive directors are Mr. Kong Dan; Mr. Mi Zengxin; Mr. Wong Kim Yin; Mr. Zhang Jijing and Ms. Yap Chwee Mein (alternate to 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.