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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

CONTINUING CONNECTED TRANSACTIONS GUANGXI GUILIN EMM PROCESSING SERVICES AGREEMENT

COMPLETION OF CDH SUBSCRIPTION AND JVCO INTEREST ACQUISITION

GUANGXI GUILIN EMM PROCESSING SERVICES AGREEMENT

On 28 October 2010, JVCo entered into the Guangxi Guilin EMM Processing Services Agreement with Guangxi Guilin, pursuant to which Guangxi Guilin will provide EMM processing services to JVCo on an ongoing or continuing basis for the period commencing from 28 October 2010 and ending on 31 December 2012, on normal commercial terms and subject to prevailing market prices.

Guangxi Guilin is an associate of Guangxi Dameng BVI (a substantial shareholder of CITIC Dameng Holdings) and a connected person of the Company at the subsidiary level of the Company. As the percentage ratios under the applicable size tests in respect of the annual caps relating to EMM processing services to be provided by Guangxi Guilin to JVCo under the Guangxi Guilin EMM Processing Services Agreement are more than 1% (but less than 5%), EMM processing services to be provided by Guangxi Guilin to JVCo will constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review (but exempt from the independent shareholders' approval) requirements of Chapter 14A of the Listing Rules.

COMPLETION OF CDH SUBSCRIPTION AND JVCO INTEREST ACQUISITION

On 27 October 2010, CITIC Dameng Holdings completed the CDH Subscription by allotting and issuing the CDH Subscription Shares to Guangxi Dameng BVI and CITIC Dameng Investments completed the JVCo Interest Acquisition by acquiring the JVCo Interest from Guangxi Dameng. As a result, as at the date of this announcement, Guangxi Dameng BVI owns 1,460,535 CDH Shares, representing 34.5% of the issued share capital of CITIC Dameng Holdings, and CITIC Dameng Investments owns 100% of the equity of JVCo with JVCo having been converted into a PRC wholly foreign owned enterprise.

INTRODUCTION

On 28 October 2010, JVCo entered into the Guangxi Guilin EMM Processing Services Agreement with Guangxi Guilin, pursuant to which Guangxi Guilin will provide EMM processing services to JVCo. EMM processing services to be provided by Guangxi Guilin to JVCo pursuant to the Guangxi Guilin EMM Processing Services Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, reference is made to the announcement of the Company dated 12 August 2010 and the circular of the Company dated 26 August 2010 in respect of the Reorganisation implemented for the purposes of the Proposed Spin-off. On 27 October 2010, CITIC Dameng Holdings completed the CDH Subscription and CITIC Dameng Investments completed the JVCo Interest Acquisition.

DETAILS OF THE GUANGXI GUILIN EMM PROCESSING SERVICES AGREEMENT

Date:

28 October 2010

Parties:

- (a) JVCo, an indirect non wholly-owned subsidiary of the Company
- (b) Guangxi Guilin, an associate of Guangxi Dameng BVI (a substantial shareholder of CITIC Dameng Holdings) and a connected person of the Company

Term:

28 October 2010 to 31 December 2012

Services to be provided:

Guangxi Guilin will provide EMM processing services to JVCo.

Consideration:

The amount of EMM processing services to be provided by Guangxi Guilin to JVCo is not fixed and will be agreed between JVCo and Guangxi Guilin from time to time at fees based on prevailing market rates for such services during the term of the Guangxi Guilin EMM Processing Services Agreement.

Annual Caps:

It is expected that the total annual fees payable by JVCo to Guangxi Guilin for EMM processing services for the three years ending 31 December 2012 shall not exceed the annual caps of RMB50,000,000 (HK\$58,000,000), RMB150,000,000 (HK\$174,000,000) and RMB150,000,000 (HK\$174,000,000) respectively.

No EMM processing services were provided by Guangxi Guilin to JVCo during the three years ended 31 December 2009 and fees paid by JVCo to Guangxi Guilin for EMM processing services for the 9 months ended 30 September 2010 were RMB9,500,000 (HK\$11,020,000).

The annual caps for EMM processing services from Guangxi Guilin have been determined by JVCo based on various factors including, but not limited to, (a) the estimated production amount of EMM by JVCo for the three years ending on 31 December 2012; (b) the estimated fees to be charged by Guangxi Guilin for the provision of EMM processing services; (c) an expected increase in the processing capacity of Guangxi Guilin; and (d) an expected increase in the business to be conducted between JVCo and Guangxi Guilin for EMM processing services.

LISTING RULES IMPLICATIONS

Guangxi Guilin is an associate of Guangxi Dameng BVI (a substantial shareholder of CITIC Dameng Holdings) and a connected person of the Company at the subsidiary level of the Company. As the percentage ratios under the applicable size tests in respect of the annual caps relating to EMM processing services to be provided by Guangxi Guilin to JVCo under the Guangxi Guilin EMM Processing Services Agreement are more than 1% (but less than 5%), EMM processing services to be provided by Guangxi Guilin to JVCo will constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review (but exempt from the independent shareholders' approval) requirements of Chapter 14A of the Listing Rules.

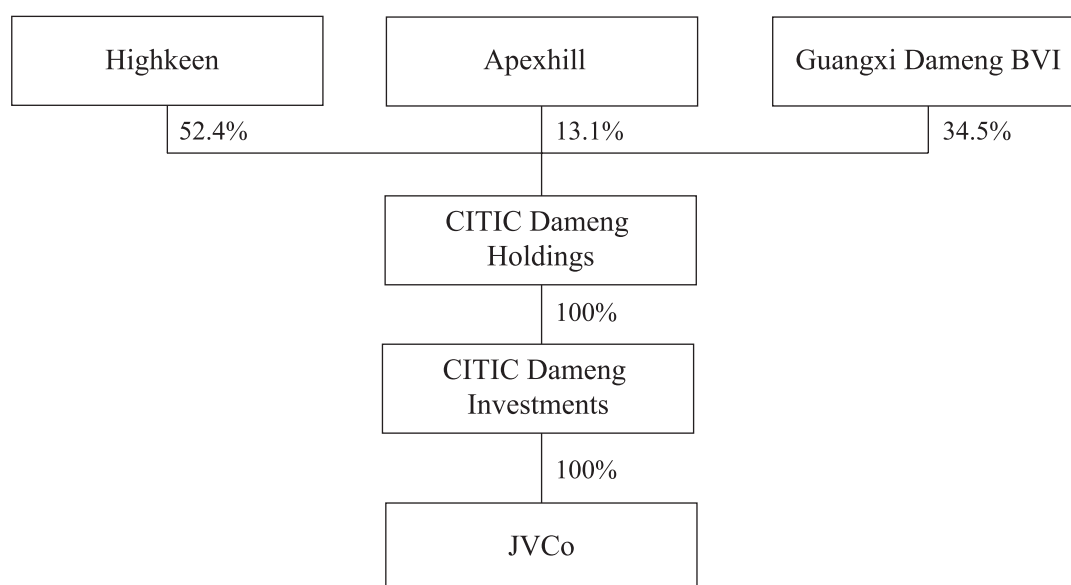
No Director has or is expected to have any material interest in the Guangxi Guilin EMM Processing Services Agreement or EMM processing services to be provided under it.

The Directors (including the independent non-executive Directors) consider the terms of the Guangxi Guilin EMM Processing Services Agreement to be on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

COMPLETION OF CDH SUBSCRIPTION AND JVCO INTEREST ACQUISITION

On 27 October 2010, CITIC Dameng Holdings completed the CDH Subscription by allotting and issuing the CDH Subscription Shares to Guangxi Dameng BVI and CITIC Dameng Investments completed the JVCo Interest Acquisition by acquiring the JVCo Interest from Guangxi Dameng. The CDH Subscription and the JVCo Interest Acquisition comprise the Reorganisation which has been implemented for the purposes of the Proposed Spin-off. As a result of the completion of the Reorganisation, Guangxi Dameng BVI owns 1,460,535 CDH Shares, representing 34.5% of the issued share capital of CITIC Dameng Holdings, and CITIC Dameng Investments owns 100% of the equity of JVCo with JVCo having been converted into a PRC wholly foreign owned enterprise.

The shareholding structure of CITIC Dameng Holdings and JVCo as at the date of this announcement is set out below:



INFORMATION ON THE COMPANY, CITIC DAMENG HOLDINGS AND JVCO

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 2009, the consolidated profits before and after tax of the Group amounted to HK\$151.3 million and HK\$148.5 million respectively and the consolidated net assets of the Group as at 31 December 2009 were HK\$9,770.0 million.

CITIC Dameng Holdings is an investment holding company and its principal asset is its current indirect 100% equity interest in JVCo which it holds through its wholly-owned subsidiary, CITIC Dameng Investments. The CDH Group is engaged in the Spin-off Business.

As at the date of this announcement, the Company, through Highkeen, owns an indirect 52.4% interest in the issued share capital of CITIC Dameng Holdings. Assuming the Global Offering completes, the Company's indirect interest in the issued share capital of CITIC Dameng Holdings will fall to at least 39.3%.

INFORMATION ON GUANGXI DAMENG, GUANGXI GUILIN AND GUANGXI DAMENG BVI

Guangxi Dameng is a state-owned limited liability company established under the laws of the PRC. The principal activities of Guangxi Dameng and its subsidiaries include mining, selection, refining and processing of manganese and the sale of parts for motor vehicles.

Guangxi Guilin is a non wholly-owned subsidiary of Guangxi Dameng.

Guangxi Dameng BVI is an indirect wholly-owned subsidiary of Guangxi Dameng.

As at the date of this announcement, Guangxi Dameng BVI owns a 34.5% interest in the issued share capital of CITIC Dameng Holdings and is a substantial shareholder of CITIC Dameng Holdings. Assuming the Global Offering completes, Guangxi Dameng BVI's interest in the issued share capital of CITIC Dameng Holdings will fall to at least 25.875%.

DEFINITIONS

Unless otherwise stated, the following terms shall have the following meanings in this announcement:

“Apexhill”	Apexhill Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CITIC Group, a state-owned enterprise incorporated in the PRC
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CDH Group”	CITIC Dameng Holdings and its subsidiaries
“CDH Shares”	shares in the share capital of CITIC Dameng Holdings

“CDH Subscription”	the subscription by Guangxi Dameng BVI for, and the allotment and issue by CITIC Dameng Holdings of, the CDH Subscription Shares
“CDH Subscription Shares”	1,460,535 new CDH Shares
“CITIC Dameng Holdings”	CITIC Dameng Holdings Limited, a company incorporated in Bermuda with limited liability
“CITIC Dameng Investments”	CITIC Dameng Investments Limited, a company incorporated in the British Virgin Islands 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”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EMM”	electrolytic manganese metal
“Global Offering”	the offer of CDH Shares to the public in Hong Kong for subscription and/or the international placing of CDH Shares with certain professional and institutional and other investors
“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
“Guangxi Dameng BVI”	Guinan Dameng International Resources Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Guangxi Dameng
“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, which is owned as to 67% by Guangxi Dameng
“Guangxi Guilin EMM Processing Services Agreement”	an agreement dated 28 October 2010 between JVCo and Guangxi Guilin, pursuant to which Guangxi Guilin will provide EMM processing services to JVCo in accordance with its terms
“Highkeen”	Highkeen Resources Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JVCo”	中信大錳礦業有限責任公司 (CITIC Dameng Mining Industries Limited), a wholly foreign owned enterprise established in the PRC
“JVCo Interest”	the 34.5% interest in the equity of JVCo held by Guangxi Dameng immediately prior to completion of the JVCo Interest Acquisition
“JVCo Interest Acquisition”	the sale and purchase of the JVCo Interest between CITIC Dameng Investments and Guangxi Dameng

“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 purpose 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 to be effected through the Global Offering as disclosed in the announcements of the Company dated 21 September 2010 and 11 October 2010 and the circular of the Company dated 12 October 2010
“Reorganisation”	the CDH Subscription and the JVCo Interest Acquisition
“Shareholders”	holders of 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 CDH Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“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, unless otherwise specified, amounts in RMB have been converted into HK\$ or vice versa at the rate of RMB1 = HK\$1.16 for illustration purposes only. No representation is made that any amounts in HK\$ or RMB have been or could have been or can be converted at the above rate or at any other rates or at all.

By Order of the Board
CITIC Resources Holdings Limited
Zeng Chen
Chief Executive Officer

Hong Kong, 28 October 2010

As at the date hereof, the executive directors of the Company are Mr. Sun Xinguo; Mr. Zeng Chen; Ms. Li So Mui; Mr. Qiu Yiyong and Mr. Tian Yuchuan, 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.