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## **CITIC RESOURCES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1205)

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

#### **CORNERSTONE INVESTOR**

##### **CORNERSTONE INVESTOR**

This announcement is made pursuant to rule 13.09 of the Listing Rules.

On 1 November 2010, CDH entered into the Cornerstone Investor Agreement with, amongst others, Gaoling Fund, pursuant to which Gaoling Fund has agreed to subscribe for, and CDH has agreed to issue and allot, the CDH Cornerstone Shares for an aggregate subscription price of US\$80,000,000 (HK\$624,000,000), exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee.

The actual number of the CDH Cornerstone Shares will depend on the amount of the Final Offer Price and shall be calculated after determination of the Final Offer Price. Based on the preliminary indicative price range per CDH Share in the Global Offering as disclosed in the announcement of the Company issued today of, exclusive of brokerage, SFC transaction levy and Stock Exchange trading levy, HK\$2.10 and HK\$2.75:

- (a) the number of CDH Cornerstone Shares to be issued and allotted to Gaoling Fund will be not less than 226,909,000 CDH Shares and not more than 297,143,000 CDH Shares, representing not less than 7.5% and not more than 9.9% respectively of the total issued share capital of CDH upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking account of any CDH Shares to be issued upon the exercise of any CDH Share Options); and

- (b) the number of CDH Cornerstone Shares to be issued and allotted to Gaoling Fund will be not less than 226,909,000 CDH Shares and not more than 297,143,000 CDH Shares, representing not less than 7.2% and not more than 9.6% respectively of the total issued share capital of CDH upon completion of the Global Offering (assuming the Over-allotment Option is exercised and without taking account of any CDH Shares to be issued upon the exercise of any CDH Share Options).

The Cornerstone Placing Closing is conditional upon the satisfaction of certain conditions as described below in this announcement.

## **GENERAL**

**Any decision to apply for the CDH Shares under the Global Offering should be based solely on the information provided in the Prospectus.**

**As the Proposed Spin-off is still subject to certain conditions including, among other things, the final decision of the Board and the board of directors of CDH, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in Shares and other securities of the Company.**

## **CORNERSTONE INVESTOR**

This announcement is made pursuant to rule 13.09 of the Listing Rules.

Reference is made to the announcements of the Company dated 21 September 2010, 11 October 2010, 18 October 2010 and 29 October 2010 and the circular of the Company dated 12 October 2010 in relation to, among other things, the Proposed Spin-off and the Global Offering.

On 1 November 2010, CDH entered into the Cornerstone Investor Agreement with, amongst others, Gaoling Fund, pursuant to which Gaoling Fund has agreed to subscribe for, and CDH has agreed to issue and allot, the CDH Cornerstone Shares for an aggregate subscription price of US\$80,000,000 (HK\$624,000,000), exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee. The Cornerstone Placing forms part of the International Offering.

## **DETAILS OF THE CORNERSTONE INVESTOR AGREEMENT**

### **Date**

1 November 2010

### **Parties**

- (1) CDH
- (2) Gaoling Fund
- (3) CITIC Securities Corporate Finance (HK) Limited
- (4) Merrill Lynch International
- (5) UBS AG, Hong Kong Branch

## **Subscription for CDH Cornerstone Shares**

Gaoling Fund shall subscribe for, and CDH shall issue and allot, the CDH Cornerstone Shares.

The actual number of the CDH Cornerstone Shares will depend on the amount of the Final Offer Price and shall be calculated after determination of the Final Offer Price. Based on the preliminary indicative price range per CDH Share in the Global Offering as disclosed in the announcement of the Company issued today of, exclusive of brokerage, SFC transaction levy and Stock Exchange trading levy, HK\$2.10 and HK\$2.75:

- (a) the number of CDH Cornerstone Shares to be issued and allotted to Gaoling Fund will be not less than 226,909,000 CDH Shares and not more than 297,143,000 CDH Shares, representing not less than 7.5% and not more than 9.9% respectively of the total issued share capital of CDH upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking account of any CDH Shares to be issued upon the exercise of any CDH Share Options); and
- (b) the number of CDH Cornerstone Shares to be issued and allotted to Gaoling Fund will be not less than 226,909,000 CDH Shares and not more than 297,143,000 CDH Shares, representing not less than 7.2% and not more than 9.6% respectively of the total issued share capital of CDH upon completion of the Global Offering (assuming the Over-allotment Option is exercised and without taking account of any CDH Shares to be issued upon the exercise of any CDH Share Options).

## **Subscription Price**

Gaoling Fund shall subscribe for the CDH Cornerstone Shares at the Final Offer Price (subject to a maximum of US\$80,000,000 (HK\$624,000,000), exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee).

## **Ranking of CDH Cornerstone Shares**

The CDH Cornerstone Shares shall rank pari passu with all other CDH Shares in issue and to be issued pursuant to the Global Offering (including the exercise of the Over-allotment Option).

## **Cornerstone Placing Closing**

The Cornerstone Placing Closing shall occur contemporaneously with closing of the International Offering.

## **Conditions**

The Cornerstone Placing Closing is subject to the following conditions:

- (a) the Hong Kong Underwriting Agreement and the International Purchase Agreement (as defined in the Cornerstone Investor Agreement) shall have been entered into and become effective and all of the conditions precedent to completion set forth therein shall have been satisfied in accordance with their respective original terms (or as subsequently waived, to the extent it may be waived, by the relevant parties thereto) by no later than the respective time and date specified therein;
- (b) the Final Offer Price having been agreed by the Joint Bookrunners (on behalf of the Underwriters) and the Company in connection with the Global Offering;
- (c) neither of the Hong Kong Underwriting Agreement and the International Purchase Agreement (as defined in the Cornerstone Investor Agreement) having been terminated in accordance with their respective original terms or as subsequently varied by agreement of the parties thereto;

- (d) the Listing Committee having granted or agreeing to grant the listing of, and permission to deal in, the CDH Shares on the Main Board of the Stock Exchange;
- (e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the Cornerstone Placing Closing and there shall be no order or injunction of a court of competent jurisdiction in effect precluding or prohibiting consummation of the Cornerstone Placing Closing; and
- (f) the respective representations, warranties and confirmations of Gaoling Fund and CDH being accurate, true and not misleading and no material breach of the Cornerstone Investor Agreement on the part of Gaoling Fund and CDH.

### **Restrictions on Disposal of CDH Cornerstone Shares**

Gaoling Fund shall not, whether directly or indirectly, at any time during the period of 6 months from the Listing Date, dispose of any CDH Cornerstone Shares or other securities of CDH derived from such shares other than to a nominee or a wholly-owned subsidiary of Gaoling Fund.

### **Restrictions on the Acquisition of CDH Shares**

Gaoling Fund has agreed that, except with the prior written consent of CDH, the aggregate holding by itself, its subsidiaries and associates in the issued share capital of CDH from time to time shall be less than 10%.

### **INFORMATION ON GAOLING FUND**

Gaoling Fund is an Asia focused fund managed by Hillhouse. Hillhouse manages capital for world-class institutional investors, concentrating on making equity investments over a long term investment horizon. As of 1 September 2010, Hillhouse has approximately US\$4 billion (HK\$31.2 billion) in invested and committed capital under management.

So far as the Directors are aware, Gaoling Fund and Hillhouse are independent of, and not connected persons of, any of the Company, its subsidiaries and their respective chief executive officers, directors and substantial shareholders.

### **GENERAL**

**Any decision to apply for the CDH Shares under the Global Offering should be based solely on the information provided in the Prospectus.**

Shareholders should note there is no assurance that the Proposed Spin-off (and the Global Offering) will take place or as to when it will take place. As of the date of this announcement, the Proposed Spin-off remains subject to certain conditions including, but not limited to, the final decision of the Board and the board of directors of CDH as to whether and when the Global Offering will be launched, the determination of the Final Offer Price and the execution of the Underwriting Agreements and the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and the Underwriting Agreements not being terminated in accordance with their terms on or before the dates and times specified therein.

**As the Proposed Spin-off is still subject to certain conditions including, among other things, the final decision of the Board and the board of directors of CDH, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in Shares and other securities of the Company.**

**This announcement is not and does not constitute an offer for sale of or a solicitation of any offer to purchase or subscribe for any securities in Hong Kong, the United States or elsewhere. No securities can be offered or sold in the United States unless registered or exempted from registration. The Proposed Spin-off will not be registered in the United States.**

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

## **DEFINITIONS**

Unless otherwise stated, terms and expressions defined in the circular of the Company dated 12 October 2010 shall have the same meaning when used in this announcement. In addition, in this announcement, the following terms and expressions shall have the following meanings:

“CDH Cornerstone Shares”	the maximum number of CDH Shares that may be subscribed for with US\$80,000,000 (HK\$624,000,000), exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee
“Cornerstone Investor Agreement”	the agreement dated 1 November 2010 and made between, amongst others, CDH and Gaoling Fund in respect of the Cornerstone Placing
“Cornerstone Placing”	the subscription by Gaoling Fund for, and issue and allotment by CDH of, the CDH Cornerstone Shares in accordance with the Cornerstone Investor Agreement
“Cornerstone Placing Closing”	completion of the Cornerstone Placing
“Gaoling Fund”	Gaoling Fund, L.P., a company incorporated under the laws of the Cayman Islands
“Hillhouse”	Hillhouse Capital Management, Ltd.
“Underwriting Agreements”	the underwriting agreements to be entered into among CDH and the Underwriters

*For the purpose of this announcement, unless otherwise specified, amounts in US\$ have been converted into HK\$ or vice versa at the rate of US\$1 = HK\$7.8 for illustration purposes only. No representation is made that any amounts in HK\$ or US\$ 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, 1 November 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.*