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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NEW CONTINUING CONNECTED TRANSACTIONS

2011 COOPERATION AGREEMENT IRON ORE SALES AND COAL SALES BY CACT TO CITIC METAL

IRON ORE SALES AND COAL SALES TO CITIC METAL

On 8 November 2010, CACT entered into the 2011 Cooperation Agreement with CITIC Metal which provides a framework to enable CACT during the three years ending 31 December 2013 to: (a) continue to engage in the sale of iron ore to CITIC Metal subject to the New Iron Ore Sales Caps; and (b) engage in the sale of coal to CITIC Metal subject to the Coal Sales Caps.

LISTING RULES IMPLICATIONS

CITIC Metal is an associate of Keentech and CA (both substantial shareholders of the Company) and, therefore, a connected person of the Company. The sale of iron ore and coal by CACT to CITIC Metal pursuant to the 2011 Cooperation Agreement shall constitute continuing connected transactions of the Company.

As each of the applicable percentage ratios in respect of the New Iron Ore Sales Caps and the Coal Sales Caps are more than 5%, the iron ore sales to be conducted subject to the New Iron Ore Sales Caps and the coal sales to be conducted subject to the Coal Sales Caps, in each case pursuant to the 2011 Cooperation Agreement, are subject to the reporting, announcement, annual review and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

CIRCULAR

A circular containing, among other things, details of the 2011 Cooperation Agreement, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser is expected to be despatched to Shareholders on or before 29 November 2010.

BACKGROUND

In the ordinary course of its business, CACT engages in the sale of iron ore and accesses the PRC market by selling iron ore to CITIC Metal on a recurring or on-going basis. In 2007, CACT and CITIC Metal entered into the 2007 Cooperation Agreement which facilitates iron ore sales by CACT to CITIC Metal until 31 December 2010. The 2007 Cooperation Agreement expires on 31 December 2010.

On 8 November 2010, CACT entered into the 2011 Cooperation Agreement with CITIC Metal which provides a framework to enable CACT during the three years ending 31 December 2013 to: (a) continue to engage in the sale of iron ore to CITIC Metal subject to the New Iron Ore Sales Caps; and (b) engage in the sale of coal to CITIC Metal subject to the Coal Sales Caps.

DETAILS OF THE 2011 COOPERATION AGREEMENT

Date

8 November 2010

Parties

- (a) CACT, an indirect wholly-owned subsidiary of the Company
- (b) CITIC Metal, an associate of Keentech and CA (both substantial shareholders of the Company) and a connected person of the Company

Principal Terms

The 2011 Cooperation Agreement promotes and provides a framework for the sale of iron ore and coal by CACT to CITIC Metal during the three years ending 31 December 2013, pursuant to which:

- (a) individual sales of iron ore and coal by CACT to CITIC Metal shall be conducted under CACT's standard sale agreement. An individual sale agreement containing the terms and conditions particular to the sale shall be entered into on the occasion of each separate iron ore sale and/or coal sale by CACT to CITIC Metal;
- (b) each sale agreement between CACT and CITIC Metal shall be entered into on an arm's length basis; and
- (c) the price at which iron ore and coal is sold by CACT to CITIC Metal shall be determined by reference to prevailing market prices.

Conditions

The implementation of the 2011 Cooperation Agreement is conditional upon the satisfaction of the following conditions:

- (a) approval by ordinary resolution of Independent Shareholders at the Special General Meeting being obtained; and
- (b) all such other necessary approvals and consents (if any) required under any applicable laws, rules or regulations in Hong Kong and the PRC for the sale of iron ore and coal by CACT to CITIC Metal being obtained.

Subject to the satisfaction of the above conditions, the 2011 Cooperation Agreement shall take effect from 1 January 2011 and expire on 31 December 2013.

NEW IRON ORE SALES CAPS AND BASIS OF CALCULATION

CACT shall engage in the sale of iron ore to CITIC Metal during the three years ending 31 December 2013 subject to the New Iron Ore Sales Caps set out below:

31 December 2011	:	US\$460 million	(HK\$3,588 million)
31 December 2012	:	US\$480 million	(HK\$3,744 million)
31 December 2013	:	US\$500 million	(HK\$3,900 million)

The New Iron Ore Sales Caps are determined by reference to, among other things, (a) historical sales of iron ore by CACT to CITIC Metal over the last three years; (b) potential future sales of iron ore by CACT to CITIC Metal during the three years ending 31 December 2013; (c) an assumed sustained demand for iron ore particularly in the PRC market during the three years ending 31 December 2013; (d) the current and prospective price of iron ore generally; (e) associated costs; and (f) the ability of CACT to source and secure iron ore supplies in the market at competitive prices.

COAL SALES CAPS AND BASIS OF CALCULATION

CACT shall engage in the sale of coal to CITIC Metal during the three years ending 31 December 2013 subject to the Coal Sales Caps set out below:

31 December 2011	:	US\$90 million	(HK\$702 million)
31 December 2012	:	US\$112 million	(HK\$874 million)
31 December 2013	:	US\$132 million	(HK\$1,030 million)

The Coal Sales Caps are determined based on, among other things, (a) potential future sales of coal by CACT to CITIC Metal during the three years ending 31 December 2013; (b) an assumed sustained demand for coal particularly in the PRC market during the three years ending 31 December 2013; (c) the current and prospective price of coal generally; (d) associated costs; and (e) the ability of CACT to source and secure coal supplies in the market at competitive prices.

CACT has not engaged in the sale of coal to CITIC Metal prior to the date of this announcement.

REASONS AND BENEFITS FOR IRON ORE SALES AND COAL SALES TO CITIC METAL

The sale of iron ore by CACT was first introduced in 2004 and sales of iron ore have since increased and improved year on year. The sale of iron ore by CACT to CITIC Metal has been a principal factor in the successful establishment of an iron ore trading business by CACT. The PRC market is currently still the world's largest iron ore market and CITIC Metal has been instrumental in helping CACT increase export volumes of iron ore to the PRC since 2004. The iron ore trading business is an important business line for CACT which benefits the Company and Shareholders as a whole.

The PRC market retains a strong demand for natural resources including coal. CACT exports coal into the PRC but wishes to expand its coal sales business in the PRC market. By entering into the 2011 Cooperation Agreement, CACT expects to benefit by selling coal to CITIC Metal to increase its coal sales in the PRC market and to replicate the success of its iron ore sales in the PRC which it achieves through its cooperation with CITIC Metal.

The Directors (other than the independent non-executive Directors whose views will be set out in the letter of recommendation from the Independent Board Committee in the circular) consider the 2011 Cooperation Agreement and the sale by CACT to CITIC Metal, during the three years ending 31 December 2013, of iron ore subject to the New Iron Ore Sales Caps and coal subject to the Coal Sales Caps to be fair and reasonable as far as Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

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 2009, the consolidated profit 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.

INFORMATION ON CACT

CACT is an indirect wholly-owned subsidiary of the Company and operates in Australia. It is an international trading company with an emphasis on trade between Australia and the PRC. It is a significant exporter of bulk commodities, focusing on base metals and mineral resources, including aluminium ingots, iron ore, alumina, coal and steel, and imports into Australia manufactured products such as vehicle and industrial batteries, tyres, alloy wheels and various metals such as steel and aluminium extrusion products.

INFORMATION ON CITIC METAL

CITIC Metal is a direct wholly-owned subsidiary of CITIC Group and is based in the PRC. It specialises in the import and export of metallurgical raw materials and products.

CITIC Metal is an associate of Keentech and CA (both substantial shareholders of the Company) and a connected person of the Company.

LISTING RULES IMPLICATIONS

CITIC Metal is an associate of Keentech and CA (both substantial shareholders of the Company) and, therefore, a connected person of the Company. The sale of iron ore and coal by CACT to CITIC Metal pursuant to the 2011 Cooperation Agreement shall constitute continuing connected transactions of the Company.

As each of the applicable percentage ratios in respect of the New Iron Ore Sales Caps and the Coal Sales Caps are more than 5%, the iron ore sales to be conducted subject to the New Iron Ore Sales Caps and the coal sales to be conducted subject to the Coal Sales Caps, in each case pursuant to the 2011 Cooperation Agreement, are subject to the reporting, announcement, annual review and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

SPECIAL GENERAL MEETING

The Special General Meeting will be convened for the purposes of allowing Independent Shareholders to consider and, if thought fit, approve the 2011 Cooperation Agreement and the sale by CACT to CITIC Metal, during the three years ending 31 December 2013, of iron ore subject to the New Iron Ore Sales Caps and coal subject to the Coal Sales Caps.

Keentech and CA and their associates will be required to abstain from voting at the Special General Meeting. The votes of Independent Shareholders at the Special General Meeting will be taken by way of a poll.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee will be formed to consider and make its recommendation to Independent Shareholders as to whether the 2011 Cooperation Agreement and the sale by CACT to CITIC Metal, during the three years ending 31 December 2013, of iron ore subject to the New Iron Ore Sales Caps and coal subject to the Coal Sales Caps are fair and reasonable so far as Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser shall be engaged to advise the Independent Board Committee and Independent Shareholders as to whether the 2011 Cooperation Agreement and the sale by CACT to CITIC Metal, during the three years ending 31 December 2013, of iron ore subject to the New Iron Ore Sales Caps and coal subject to the Coal Sales Caps are fair and reasonable so far as Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

CIRCULAR

A circular containing, among other things, details of the 2011 Cooperation Agreement, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser is expected to be despatched to Shareholders on or before 29 November 2010.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CA”	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability
“CACT”	CITIC Australia Commodity Trading Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability
“CITIC Group”	CITIC Group, a state-owned enterprise incorporated in the PRC
“CITIC Metal”	CITIC Metal Company Limited, a company incorporated in the PRC
“Coal Sales Caps”	the proposed annual caps relating to the sale of coal by CACT to CITIC Metal as set out in the section “Coal Sales Caps and Basis of Calculation” of this announcement
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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 Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and Independent Shareholders in respect of, among other things, the 2011 Cooperation Agreement
“Independent Shareholders”	Shareholders other than Keentech and CA and their 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)
“New Iron Ore Sales Caps”	the proposed annual caps relating to the sale of iron ore by CACT to CITIC Metal as set out in the section “New Iron Ore Sales Caps and Basis of Calculation” of this announcement
“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
“Shareholders”	holders of shares of HK\$0.05 each in the share capital of the Company
“Special General Meeting”	the special general meeting of Shareholders to be convened for the purposes of allowing Independent Shareholders to consider and, if thought fit, approve the 2011 Cooperation Agreement and the sale of iron ore and coal by CACT to CITIC Metal
“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
“2007 Cooperation Agreement”	a cooperation agreement dated 5 April 2007 and made between CACT and CITIC Metal relating to the promotion and development of iron ore sales to the PRC, as amended
“2011 Cooperation Agreement”	a cooperation agreement dated 8 November 2010 and made between CACT and CITIC Metal relating to the promotion and development of iron ore and coal sales to the PRC
“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 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 US\$ or HK\$ 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, 8 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.