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## **CITIC RESOURCES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1205)

### **DISCLOSEABLE TRANSACTION**

#### **SUBSCRIPTION FOR SHARES IN ALUMINA LIMITED**

##### **Subscription for Alumina Shares**

CRA, an indirect wholly-owned subsidiary of the Company, has agreed to subscribe for 219,617,657 Alumina Shares for an aggregate Subscription Price of A\$271,227,806.40 (HK\$2,196,945,231.84).

##### **Listing Rules Implications**

The Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

#### **INTRODUCTION**

CRA, an indirect wholly-owned subsidiary of the Company, has entered into the Subscription Agreement pursuant to which CRA has agreed to subscribe for, and Alumina has agreed to issue to CRA, 219,617,657 Alumina Shares for an aggregate Subscription Price of A\$271,227,806.40 (HK\$2,196,945,231.84). The Subscription Shares shall represent 7.826% of all Alumina Shares in issue following Completion.

Alumina is a leading Australian company listed on the ASX and the NYSE. Its strategy is to invest world-wide in bauxite mining, alumina refining and selected aluminium smelting operations through its 40% ownership of AWAC, the world's largest alumina producer.

## **DETAILS OF THE SUBSCRIPTION**

### **Date of the Subscription Agreement**

14 February 2013

### **Parties to the Subscription Agreement**

- (1) CRA
- (2) the Company
- (3) Alumina

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Alumina and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

### **Subscription Shares**

CRA has agreed to subscribe for 219,617,657 Alumina Shares.

Following Completion, the Subscription Shares shall represent 7.826% of all Alumina Shares in issue and rank equally in all respects with all other Alumina Shares in issue.

### **Subscription Price**

The aggregate Subscription Price for the Subscription Shares is A\$271,227,806.40 (HK\$2,196,945,231.84), payable by CRA in cash at Completion. The aggregate Subscription Price will be financed by CRA from internal resources.

The Subscription Price represents:

- (i) a premium of 2.9% to the closing price of A\$1.200 (HK\$9.720) per Alumina Share as quoted on the ASX on the Last ASX Trading Day;
- (ii) a premium of 7.3% to the average closing price of A\$1.151 (HK\$9.323) per Alumina Share as quoted on the ASX for the five trading days immediately prior to and including the Last ASX Trading Day; and
- (iii) a premium of 8.7% to the average closing price of A\$1.136 (HK\$9.202) per Alumina Share as quoted on the ASX for the ten trading days immediately prior to and including the Last ASX Trading Day.

The Subscription Price was agreed following arm's length negotiations between CRA and Alumina and determined by reference to, among other things, the recent market prices of Alumina Shares traded on the ASX.

Each of CRA, the Company and Alumina will bear its own costs and expenses incurred in respect of the Subscription.

## **Completion Date of the Subscription**

Completion shall take place on 14 February 2013.

## **Director Nomination Right**

CRA has the right to nominate one director to the Alumina Board so long as the aggregate shareholding in Alumina of the Relevant Entities is not less than 7.5% of all Alumina Shares in issue and the nominee shall be subject to election and re-election by Alumina shareholders in accordance with the ASX Listing Rules. Following Completion, CRA shall hold 7.826% of all Alumina Shares in issue and together with CITIC Group (upon completion of the subscription by its wholly-owned subsidiary for 146,411,771 Alumina Shares representing 5.217% of all Alumina Shares in issue) shall hold 13.043% of all Alumina Shares in issue.

## **Lock-up**

Subject to certain limited exceptions, CRA may not dispose of any of the Subscription Shares during the period of 24 months following the date of the Subscription Agreement without the prior written consent of Alumina.

## **Restrictions on the Acquisition of Additional Alumina Shares**

Subject to certain limited exceptions, CRA and the Company shall not (and shall procure that its subsidiaries do not, shall use best endeavours to procure that its other Related Bodies Corporate do not and shall use reasonable endeavours to procure that its other Associates do not) without the prior written consent of Alumina acquire any additional Alumina Shares or any interests in Alumina Shares:

- (A) during the period of 24 months following the date of the Subscription Agreement, if it would result in (i) the Relevant Entities being able to exercise more than 15% of the voting rights of Alumina; or (ii) the Relevant Entities and their respective Associates having economic interests in, or exposure to, Alumina Shares representing more than 15% of all Alumina Shares in issue; and
- (B) at any time after the expiry of the period of 24 months following the date of the Subscription Agreement, if it would result in (i) the Relevant Entities being able to exercise more than 19.99% of the voting rights of Alumina; or (ii) the Relevant Entities and their respective Associates having economic interests in, or exposure to, Alumina Shares representing more than 19.99% of all Alumina Shares in issue.

## **Further Placement**

If Alumina proposes to undertake a Further Placement and the aggregate number of Alumina Shares held by the Relevant Entities is not less than 7.5% of all Alumina Shares in issue, then, except to the extent that the Alumina Board considers its fiduciary or statutory duties require otherwise, Alumina and CRA shall have discussions in good faith and Alumina shall give consideration to CRA or one or more of its Related Bodies Corporate participating in that Further Placement (on the same terms and conditions as any other participant in the Further Placement and otherwise subject to the ASX Listing Rules and Australian law) in such a manner as to prevent CRA's voting power in Alumina from being diluted as a result of the Further Placement.

## REASONS FOR THE SUBSCRIPTION

The Company is a diversified energy and natural resources investment holding company and has existing investments in the aluminium sector through its 22.5% interest in the Portland Aluminium Smelter joint venture. The Board regards aluminium as a key strategic commodity and Alumina has significant interests in key assets in bauxite mining, alumina refining and selected aluminium smelting operations through its 40% ownership of AWAC, the world's largest alumina producer.

The Board believes that the Subscription provides the Group with the opportunity to invest in one of Australia's leading companies with a world-class global portfolio of upstream mining and refining operations in the aluminium sector. The investment in Alumina is in line with the Company's strategy of investing in upstream resources assets.

The Directors (including the independent non-executive Directors) believe the terms and conditions of the Subscription are fair and reasonable and in the interests of the Company and Shareholders as a whole.

## INFORMATION ON THE COMPANY

The Company is the listed natural resources flagship of CITIC Group and an integrated provider of strategic natural resources and key commodities.

Through its subsidiaries and associates, the Company has interests in oil, coal mining, import and export of commodities, aluminium smelting and manganese mining and processing.

## INFORMATION ON ALUMINA

Alumina is a leading Australian company listed on the ASX and the NYSE. Its strategy is to invest world-wide in bauxite mining, alumina refining and selected aluminium smelting operations through its 40% ownership of AWAC, the world's largest alumina producer. Alcoa owns the remaining 60% of AWAC.

AWAC is an unincorporated joint venture between Alumina and Alcoa. Day-to-day management of AWAC's global network of mining, refining and smelting interests rests with Alcoa. Alumina contributes to strategy and other key decisions through the Strategic Council, AWAC's governing body.

The audited consolidated profit of Alumina (both before and after tax and extraordinary items) for the two financial years immediately preceding the date of the Subscription Agreement are set out below:

	Year ended 31 December			
	2011		2010	
	US\$ million	equivalent to HK\$ million	US\$ million	equivalent to HK\$ million
Profit before tax and extraordinary items	127.6	995.3	34.6	269.9
Profit after tax and extraordinary items	126.6	987.5	34.6	269.9

The unaudited consolidated profit/(loss) of Alumina (both before and after tax and extraordinary items) for the six months ended 30 June 2011 and 2012 are set out below:

	Six months ended 30 June			
	2012		2011	
	US\$ million	equivalent to HK\$ million	US\$ million	equivalent to HK\$ million
Profit/(loss) before tax and extraordinary items	(14.2)	(110.8)	58.9	459.4
Profit/(loss) after tax and extraordinary items	(14.6)	(113.9)	58.9	459.4

The audited consolidated total assets of Alumina as at 31 December 2011 and 2010 were US\$3,350.4 million (HK\$26,133.1 million) and US\$3,542.5 million (HK\$27,631.5 million) respectively and the unaudited consolidated total assets as at 30 June 2012 were US\$3,294.4 million (HK\$25,696.3 million).

The audited consolidated net assets of Alumina as at 31 December 2011 and 2010 were US\$2,854.0 million (HK\$22,261.2 million) and US\$3,071.5 million (HK\$23,957.7 million) respectively and the unaudited consolidated net assets as at 30 June 2012 were US\$2,645.0 million (HK\$20,631.0 million).

## **LISTING RULES IMPLICATIONS**

The Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

For the purpose of this announcement, the following words and expressions shall have the following meanings:

“Alcoa”	Alcoa Inc., a company incorporated in Pennsylvania, the United States of America and whose shares are listed on the NYSE and the ASX
“Alumina”	Alumina Limited, a company incorporated in Australia with limited liability and whose shares are listed on the ASX and the NYSE
“Alumina Board”	the board of directors of Alumina
“Alumina Shares”	ordinary shares in the share capital of Alumina
“Associate”	an associate within the meaning ascribed to it in sections 12 to 17 of the Corporations Act
“ASX”	ASX Limited (ABN 98 008 624 691) and, where the context requires, its Related Bodies Corporate, or the financial market known as “ASX” operated by ASX Limited
“ASX Listing Rules”	the listing rules of the ASX (including the ASX Settlement Operating Rules, the ASX Operating Rules and the ASX Clear Operating Rules) as waived or modified by the ASX
“AWAC”	Alcoa World Alumina and Chemicals joint venture
“Board”	the board of Directors
“CITIC Group”	中國中信集團有限公司 (CITIC Group Corporation), a wholly state-owned company incorporated in the People's Republic of China
“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

“Completion”	completion of the Subscription
“connected person”	has the meaning ascribed to it in the Listing Rules
“Corporations Act”	the Australian Corporations Act 2001 (Cth)
“CRA”	CITIC Resources Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“Further Placement”	the issue of new Alumina Shares or securities convertible into Alumina Shares by way of a placement by Alumina during the period of 24 months following the date of the Subscription Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Last ASX Trading Day”	13 February 2013, being the last trading day on the ASX immediately before the date the Subscription Agreement was entered into
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NYSE”	the New York Stock Exchange
“Related Bodies Corporate”	has the meaning ascribed to it in the Corporations Act
“Relevant Entities”	CRA, CITIC Group and their Related Bodies Corporate
“Shareholders”	holders of ordinary shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by CRA pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 February 2013 between CRA, the Company and Alumina relating to the subscription for the Subscription Shares by CRA
“Subscription Price”	the price of A\$1.235 (HK\$10.004) per Subscription Share
“Subscription Shares”	219,617,657 Alumina Shares to be subscribed for by CRA pursuant to the Subscription Agreement
“A\$”	Australian dollars, the lawful currency of Australia
“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.

*In this announcement, amounts in A\$ and US\$ have been converted into HK\$ or vice-versa at the rates of A\$1 = HK\$8.1 and US\$1 = HK\$7.8 respectively for illustration purposes only. No representation is made that any amounts in A\$, HK\$ or US\$ have been or could have been or can be converted at the aforementioned rates or at any other rate or at all.*

By Order of the Board  
**CITIC Resources Holdings Limited**  
**Zeng Chen**  
*Vice Chairman and Chief Executive Officer*

Hong Kong, 14 February 2013

*As at the date hereof, the executive directors of the Company are Mr. Zeng Chen; Mr. Guo Tinghu and Ms. Li So Mui, the non-executive directors are Mr. Ju Weimin; Mr. Qiu Yiyong; Mr. Tian Yuchuan; Mr. Wong Kim Yin and Mr. Zhang Jijing, and the independent non-executive directors are Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji; Mr. Hu Weiping and Mr. Ngai Man.*