

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.



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

VOLUNTARY DISCLOSURE

PARTIAL SALE OF CODRILLA PROJECT AND PRC MARKETING RIGHTS

CITIC Bowen Basin, an indirect wholly-owned subsidiary of the Company, and Macarthur Subsidiary, a wholly-owned subsidiary of Macarthur Coal, which own 15% and 85% respectively of the Codrilla Project, propose to transfer their interests in the Codrilla Project to the CMJV Participants with the intention that the interests of the CMJV Participants in the Codrilla Project shall be the same as their respective interests in the CMJV. Accordingly, CITIC Bowen Basin has conditionally agreed to transfer a 7% interest in the Codrilla Project to CITIC Coppabella, an indirect wholly-owned subsidiary of the Company and a CMJV Participant, and to sell an 8% interest in the Codrilla Project to the Purchasing Parties for an aggregate consideration of A\$51.2 million (HK\$419.8 million). Assuming Completion, the Group will continue to hold 7% of the Codrilla Project through its interest in CITIC Coppabella.

In connection with the sale of CITIC Bowen Basin's interest in the Codrilla Project, CITIC Bowen Basin or a related entity shall maintain the right to market all coal produced from the Codrilla Project in the PRC for the life of the Codrilla Project.

Shareholders and potential investors should note that the sale and transfer of the Codrilla Project is subject to the satisfaction of certain conditions. Therefore, the sale and transfer of the Codrilla Project may or may not materialise. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

INTRODUCTION

CITIC Bowen Basin, an indirect wholly-owned subsidiary of the Company, and Macarthur Subsidiary, a wholly-owned subsidiary of Macarthur Coal, which own 15% and 85% respectively of the Codrilla Project, propose to transfer their interests in the Codrilla Project to the CMJV Participants with the intention that the interests of the CMJV Participants in the Codrilla Project shall be the same as their respective interests in the CMJV. Accordingly, CITIC Bowen Basin has conditionally agreed to transfer a 7% interest in the Codrilla Project to CITIC Coppabella, an indirect wholly-owned subsidiary of the Company and a CMJV Participant, and to sell an 8% interest in the Codrilla Project to the Purchasing Parties. Assuming Completion, the Group will continue to hold 7% of the Codrilla Project through its interest in CITIC Coppabella.

DATE, PARTIES, CONSIDERATION AND PAYMENT TERMS OF THE SALE AGREEMENTS

On 16 May 2011, CITIC Bowen Basin entered into a Sale Agreement with each of Mapella Pty Ltd., Winview Pty Ltd., KC Resources Pty Ltd. and NS Coal Pty Ltd. for the sale of 2.8%, 2.8%, 1.6% and 0.8% respectively of the Codrilla Project, for an aggregate consideration of A\$51.2 million (HK\$419.8 million).

The consideration is payable by instalments as follows:

- (A) 20% on Completion;
- (B) 40% on the earlier of:
 - (1) the fifth Business Day following the grant of mining leases under the Mineral Resources Act of Australia to the CMJV Participants over the Codrilla Project area; and
 - (2) 31 March 2013; and
- (C) 40% on the earlier of:
 - (1) the fifth Business Day after the first product coal mined from the area defined as the "Codrilla A Area" in the Sale Agreements has been transported by rail to the port; and
 - (2) 31 March 2015.

CONDITIONS TO THE SALE AGREEMENTS AND THE TRANSACTION

The Sale Agreements are (and the Transaction is) conditional upon the following being satisfied on or before 30 June 2011:

- (A) where applicable:
 - (1) the purchaser of an interest in the Codrilla Project being given notice of a decision by, or on behalf of, the Foreign Investment Review Board of Australia or Commonwealth Treasurer of Australia (**Treasurer**) stating that the Commonwealth Government of Australia has no objection, in terms of the Commonwealth Government's foreign investment policy, to the proposed acquisition of the Codrilla Project by such purchaser either unconditionally, or subject to such purchaser complying with the conditions, if any, which the Treasurer considers necessary; or
 - (2) notice of the proposed transfer having been given pursuant to the Foreign Acquisitions and Takeovers Act 1975 (Cth) and the period within which the Treasurer is empowered to make an order under that Act prohibiting the proposed transfer expires without such an order (other than an interim order) having been made; and
- (B) each agreement relating to the sale of an interest in the Codrilla Project being entered into and becoming unconditional (other than for the satisfaction of any condition precedent which is in terms similar to this) and not being terminated.

INTERESTS IN THE CODRILLA PROJECT AFTER COMPLETION

Assuming Completion, the Group will continue to hold 7% of the Codrilla Project through its interest in CITIC Coppabella, a CMJV Participant. The remaining interest in the Codrilla Project shall be held by the other CMJV Participants according to their respective interests in the CMJV:

- (i) Coppabella Coal Pty Ltd. (a subsidiary of Macarthur Coal), as to 73.3%;
- (ii) Mapella Pty Ltd., as to 7.0%;
- (iii) Winview Pty Ltd., as to 7.0%;
- (iv) KC Resources Pty Ltd., as to 3.7%; and
- (v) NS Coal Pty Ltd., as to 2.0%.

INFORMATION ON THE PURCHASING PARTIES

Each of the Purchasing Parties is a CMJV Participant. Save as aforesaid and so far as the Directors are aware after making reasonable enquiry, the Purchasing Parties are not connected persons of the Company and are independent of the chief executive, the directors and the substantial shareholders of the Company and its subsidiaries.

PRC MARKETING RIGHTS

In connection with the sale of CITIC Bowen Basin's interest in the Codrilla Project, CITIC Bowen Basin or a related entity shall maintain the right to market all coal produced from the Codrilla Project in the PRC for the life of the Codrilla Project.

INFORMATION ON THE CODRILLA PROJECT

The Codrilla Project is a greenfield prospect in the Bowen Basin, Queensland, Australia with a JORC resource estimate of 79.5 million tonnes of coal suited for the preparation of LV PCI coal. The Codrilla Project is proposed for development as a conventional truck and excavator open cut coal mine and is estimated to produce 3.2 million tonnes per annum of LV PCI coal. Construction of the Codrilla Project mine is expected to commence in 2012, subject to receipt of environmental and Foreign Investment and Review Board approvals in Australia and unconditional approval of project development by the CMJV.

REASONS FOR THE TRANSACTION

The Transaction is expected to help expedite the development of the Codrilla Project through the use of currently operating infrastructure, resources and skilled human capital employed by the CMJV, and the combination of the Codrilla Project deposit with the Coppabella and Moorvale deposits enhances the blending opportunities available. The Transaction will also enhance and diversify the assets of the CMJV for the benefit of the CMJV Participants and expand the longer term relationships with the CMJV Participants. Additionally, the Transaction will allow the Group to realise a partial return on its investment in the Codrilla Project with the proceeds expected to be used to fund the Group's future investment costs in the CMJV.

GENERAL

Shareholders and potential investors should note that the sale and transfer of the Codrilla Project is subject to the satisfaction of certain conditions. Therefore, the sale and transfer of the Codrilla Project may or may not materialise. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

| | |
|-----------------------------|--|
| “Business Day” | a day which is not a Saturday, Sunday or bank or public holiday in Brisbane, Australia |
| “CITIC Bowen Basin” | CITIC Bowen Basin Pty Limited, a company incorporated in the State of Victoria, Australia |
| “CITIC Coppabella” | CITIC Australia Coppabella Pty Limited, a company incorporated in the State of Victoria, Australia |
| “CMJV” | the Coppabella and Moorvale Joint Venture established pursuant to the Coppabella and Moorvale coal mines joint venture agreement dated 11 December 2003 and the participants of which are the CMJV Participants |
| “CMJV Participants” | CITIC Coppabella, Coppabella Coal Pty Ltd. and the Purchasing Parties |
| “Codrilla Project” | the greenfield prospect described in the section headed “Information on the Codrilla Project” in this announcement and including the assets and rights relating to the project |
| “Company” | CITIC Resources Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited |
| “Completion” | completion of the Transaction |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “LV PCI coal” | low volatile pulverized coal injection coal |
| “Macarthur Sale Agreements” | the sale and purchase agreements entered into on 16 May 2011 by Macarthur Subsidiary and pursuant to which it will sell and transfer its interest in the Codrilla Project to the CMJV Participants (other than CITIC Coppabella) |
| “Macarthur Coal” | Macarthur Coal Limited, a company incorporated the State of Queensland, Australia and whose shares are listed on the Australian Securities Exchange (ASX: MCC) |
| “Macarthur Subsidiary” | BB Interests Pty Ltd., a wholly-owned subsidiary of Macarthur Coal |
| “PRC” | the People’s Republic of China |

| | |
|----------------------|---|
| “Purchasing Parties” | Mapella Pty Ltd. (a subsidiary of Marubeni Corporation), Winview Pty Ltd. (a subsidiary of Sojitz Corporation), KC Resources Pty Ltd. (a subsidiary of JFE Shoji Trade Corporation) and NS Coal Pty Ltd. (a subsidiary of Nippon Steel Trading Co., Ltd.) |
| “Sale Agreements” | the sale and purchase agreements entered into on 16 May 2011 by CITIC Bowen Basin and pursuant to which it will sell and transfer its interest in the Codrilla Project to each of the Purchasing Parties, and reference to “Sale Agreement” shall mean that one of the Sale Agreements as the context shall require |
| “Shareholders” | holders of shares in the Company |
| “Transaction” | the sale of CITIC Bowen Basin’s interest in the Codrilla Project to the Purchasing Parties pursuant to the Sale Agreements and the sale of Macarthur Subsidiary’s interest in the Codrilla Project to the CMJV Participants (other than CITIC Coppabella) pursuant to the Macarthur Sale Agreements |
| “A\$” | Australian dollars, the lawful currency of Australia |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

For the purpose of this announcement, unless otherwise specified, amounts in A\$ have been converted into HK\$ or vice versa at the rate of A\$1 = HK\$8.2 for illustration purposes only. No representation is made that any amounts in A\$ 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
President and Chief Executive Officer

Hong Kong, 16 May 2011

As at the date hereof, the executive directors of the Company are Mr. Sun Xinguo; Mr. Zeng Chen; Mr. Guo Tinghu and Ms. Li So Mui, the non-executive directors are Mr. Mi Zengxin; 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 and Mr. Ngai Man.