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## **CITIC RESOURCES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1205)

### **OFFER TO REPURCHASE FOR CASH BY CITIC RESOURCES FINANCE (2007) LIMITED OF UP TO US\$200,000,000 IN PRINCIPAL AMOUNT OF THE US\$1,000,000,000 6.75% SENIOR NOTES DUE 2014**

**(ISIN: USG21555AA88 for Regulation S, US17311KAA16 for Rule 144A;  
CUSIP Code: G21555AA8 for Regulation S, 17311KAA1 for Rule 144A)**

The Issuer is making an offer to repurchase the Notes for cash of up to the Tender Cap under a modified Dutch auction procedure. The Issuer has made available today to the Holders the Offer to Purchase Memorandum setting out, among other things, the terms and conditions of the Offer.

The purpose of the Offer is to reduce the Group's aggregate indebtedness and future interest expense and to improve the Group's financial position by acquiring the Notes. The Company believes that the Offer provides an opportunity to the Holders to gain liquidity with respect to the Notes (by tendering their Notes for repurchase by the Issuer) that might not otherwise be available to the Holders.

The Company will provide the Issuer with funds to pay the aggregate repurchase amount in respect of the Notes validly tendered and accepted by the Issuer from cash on hand and funds available under existing credit facilities.

Morgan Stanley is acting as the dealer manager and Bondholder Communications is acting as the information and tender agent in relation to the Offer.

#### **Background**

Reference is made to the announcement of the Company dated 17 May 2007 regarding the issuance of the Notes by the Issuer. The obligations of the Issuer under the Notes are fully and unconditionally guaranteed by the Company. As at the date of this announcement, the entire principal amount of the Notes remains outstanding. The Notes are listed on Singapore Exchange Securities Trading Limited.

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## **The Offer**

The Holders may participate in the Offer by validly tendering their Notes at prices within a range from and including US\$1,040 per US\$1,000 principal amount of the Notes to and including US\$1,060 per US\$1,000 principal amount of the Notes and not validly withdrawing such Notes prior to the Expiration Time.

Holders whose Notes are validly tendered, and not validly withdrawn, prior to the Early Tender Deadline and that are accepted for repurchase by the Issuer under the Offer will be eligible to receive the Repurchase Price, which shall be inclusive of a payment of the Early Tender Premium. The Repurchase Price will be determined by a modified Dutch auction procedure (see "Determination of the Repurchase Price" below). ***The Early Tender Deadline is 5:00 p.m. (New York City time) on 17 January 2013.***

Holders whose Notes are validly tendered after the Early Tender Deadline, and not validly withdrawn, prior to the Expiration Time and that are accepted for repurchase by the Issuer under the Offer will be eligible to receive only the Late Tender Amount. ***The Late Tender Amount will be an amount equal to the Repurchase Price less the Early Tender Premium.*** Therefore, upon acceptance of their Notes for repurchase by the Issuer, the Holders who validly tender, and who do not validly withdraw, their Notes prior to the Early Tender Deadline will receive more consideration than the Holders who validly tender their Notes after the Early Tender Deadline.

In addition to the Repurchase Price or the Late Tender Amount, as applicable, the Holders whose Notes are accepted for repurchase under the Offer will also receive the Accrued Interest.

***The Repurchase Price or the Late Tender Amount, as applicable, and the Accrued Interest will only become payable on the Settlement Date in respect of those Notes validly tendered in the Offer and not validly withdrawn and that are accepted for repurchase by the Issuer pursuant to the terms of the Offer.***

Consummation of the Offer is conditional upon the satisfaction of the conditions described in the Offer to Purchase Memorandum. The Issuer may in its sole discretion waive such conditions.

Subject to applicable law and as provided in the Offer to Purchase Memorandum, the Issuer may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time. Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Offer to Purchase Memorandum as soon as reasonably practicable after the relevant decision is made. In the case of an extension of the Expiration Time, such announcement will be made prior to 9:00 a.m. (New York City time) on the Business Day immediately following such earlier expiration.

## **Determination of the Repurchase Price**

Under the modified Dutch auction procedure, the Issuer will, subject to the terms and conditions of the Offer, accept tenders in the order of lowest to highest tender prices specified by the Holders (in increments of US\$2.50 per US\$1,000 principal amount of the Notes), and will determine the Repurchase Price by selecting the single lowest price per US\$1,000 principal amount of the Notes tendered to enable the Issuer to repurchase an aggregate principal amount of the Notes equal to the Tender Cap (or, if the aggregate principal amount of the Notes validly tendered is less than the Tender Cap, all Notes so tendered).

## **Proration**

In the event that the principal amount of the Notes validly tendered, and not validly withdrawn, prior to the Expiration Time at or below the Repurchase Price exceeds the Tender Cap, then, subject to the terms and conditions of the Offer, the Issuer will accept for repurchase first, all the Notes validly tendered at prices below the Repurchase Price and, thereafter, the Notes validly tendered at the Repurchase Price on a *pro rata* basis from among such tendered Notes. In all cases, the Issuer will make appropriate adjustments for minimum denominations and to avoid repurchases of any of the Notes in a principal amount other than an integral multiple of US\$1,000.

Any Notes tendered but not repurchased pursuant to the Offer, including the Notes not repurchased because of proration and the Notes tendered at prices greater than the Repurchase Price, will be returned to the tendering Holders at the Issuer's expense promptly following the earlier of the Pricing Announcement Date or the date on which the Offer is terminated or, in the case of book-entry Notes, maintained in the name of the tendering Holder at The Depository Trust Company. All Notes not repurchased, as well as any Notes not tendered or any Notes validly withdrawn, will remain outstanding with their existing rights.

If proration of tendered Notes is required, the Issuer will determine the final proration factor promptly after the Expiration Time, and the Issuer expects to announce any such proration factor one Business Day after the Expiration Time.

## **Minimum Denomination**

The indenture governing the Notes requires that the minimum denomination of the Notes must be at least US\$200,000 and integral multiples of US\$1,000 above US\$200,000. Notes may only be tendered in authorized denominations. In the event of any proration of the Notes, no single instruction will be accepted by the Issuer to the extent that proration would thereafter result in an amount left after proration of less than US\$200,000.

## **Reasons and Benefits for the Offer**

The purpose of the Offer is to reduce the Group's aggregate indebtedness and future interest expense and to improve the Group's financial position by acquiring the Notes. The Company believes that the Offer provides an opportunity to the Holders to gain liquidity with respect to the Notes (by tendering their Notes for repurchase by the Issuer) that might not otherwise be available to the Holders.

The Company will provide the Issuer with funds to pay the aggregate repurchase amount in respect of the Notes validly tendered and accepted by the Issuer from cash on hand and funds available under existing credit facilities.

## **Dealer Manager and Information and Tender Agent**

The Issuer has appointed Morgan Stanley as the dealer manager and Bondholder Communications as the information and tender agent in relation to the Offer.

## Offer to Purchase Memorandum

The Offer to Purchase Memorandum contains important information which should be read carefully by Holders before any decision is made with respect to the Offer. Holders are recommended to seek their own financial and legal advice, including with regard to any tax consequences, from their stockbroker, bank manager, solicitor, tax adviser or other independent financial or legal adviser.

Requests by Holders for copies of the Offer to Purchase Memorandum and its related documents shall be directed to Chloe Roberts of Bondholder Communications at [croberts@bondcom.com](mailto:croberts@bondcom.com) or +1-212-809-2663 or +44-20-7382-4580.

None of the Issuer, the Company, Morgan Stanley, Bondholder Communications, the Trustee or their respective management makes any recommendation as to whether the Holders should tender their Notes in response to the Offer.

## DEFINITIONS

“Accrued Interest”	accrued and unpaid interest in respect of the Notes from, and including, the most recent interest payment date applicable to the Notes to, but excluding, the Settlement Date
“Board”	the board of directors of the Company
“Bondholder Communications”	Bondholder Communications Group, LLC
“Business Day”	any day, other than Saturday, Sunday or a United States federal holiday, on which commercial banks and foreign exchange markets are open for business in New York
“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 of Hong Kong Limited
“Early Tender Deadline”	5:00 p.m. (New York City time) on 17 January 2013, which may be extended by the Issuer in its sole discretion
“Early Tender Premium”	in respect of each US\$1,000 in principal amount of the Notes validly tendered, and not validly withdrawn, before the Early Tender Deadline and that are accepted for repurchase by the Issuer under the Offer, an amount equal to US\$20
“Expiration Time”	5:00 p.m. (New York City time) on 1 February 2013, unless extended by the Issuer in its sole discretion
“Group”	the Company and its subsidiaries
“Holders”	holders of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	CITIC Resources Finance (2007) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Late Tender Amount”	in respect of each US\$1,000 in principal amount of the Notes validly tendered after the Early Tender Deadline but prior to the Expiration Time and that are accepted for repurchase by the Issuer under the Offer, an amount equal to the Repurchase Price less the Early Tender Premium
“Morgan Stanley”	Morgan Stanley & Co. International plc
“Notes”	US\$1,000,000,000 6.75% Senior Notes due 2014 issued by the Issuer
“Offer”	the offer by the Issuer to repurchase the Notes for cash of up to the Tender Cap
“Offer to Purchase Memorandum”	an offer to purchase memorandum dated 4 January 2013 issued to the Holders by the Issuer in connection with the Offer
“Pricing Announcement Date”	the date on which the Company will announce whether it will accept any tender of Notes and, if so, the aggregate principal amount to be repurchased, the Repurchase Price and any proration factor and which date is currently expected to be 4 February 2013
“Repurchase Price”	the price at which the Issuer shall repurchase the Notes validly tendered, and not validly withdrawn, prior to the Early Tender Deadline and that are accepted by the Issuer as determined by the Issuer as described in the section “Determination of the Repurchase Price” of this announcement
“Settlement Date”	the third Business Day following the Expiration Time
“Tender Cap”	US\$200,000,000 in principal amount of the Notes, which amount may be increased or decreased by the Issuer in its sole discretion
“Trustee”	Citibank, N.A., London Branch
“United States”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 4 January 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.*