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## **CITIC RESOURCES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1205)

### **PROPOSED SHARE PREMIUM REDUCTION**

The Board intends to put a proposal to Shareholders at the Annual General Meeting to reduce the share premium of the Company in accordance with applicable laws of Bermuda and the Bye-laws.

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the Annual General Meeting will be despatched to Shareholders as soon as practicable.

#### **SHARE PREMIUM REDUCTION**

##### **Proposal**

The Board intends to put a proposal to Shareholders at the Annual General Meeting to reduce the share premium of the Company in accordance with applicable laws of Bermuda and the Bye-laws.

As at 31 December 2016, the amount standing to the credit of the Share Premium Account was HK\$9,706,852,000. It is proposed that (i) an amount of HK\$9,700,000,000 standing to the credit of the Share Premium Account be reduced and cancelled and that HK\$9,200,000,000 of the credit arising from the Share Premium Reduction be applied towards offsetting the entire amount of the accumulated losses of the Company, and (ii) the remaining balance of HK\$500,000,000 of the credit arising from the Share Premium Reduction be transferred to the Contributed Surplus Account.

##### **Reasons for the Share Premium Reduction**

The Directors propose the Share Premium Reduction as they consider it unnecessary to maintain the Share Premium Account at its current level. In addition, the Company is subject to restrictions under the laws of Bermuda on the use of the funds standing to the credit of the Share Premium Account which, in summary, is limited to application towards crediting as fully paid bonus shares to be issued and paying the costs arising on the issue of Shares. The Share Premium Reduction and the subsequent transfer of part of the credit arising therefrom to the Contributed Surplus Account will increase the distributable reserves of the Company and give the Company greater flexibility. The Contributed Surplus Account is a distributable reserve which is available to be applied by the Company in a more general manner as the Board may think fit, including but not limited to, payment of dividends to Shareholders, issue of bonus shares, elimination of accumulated losses and the repurchase of Shares. The Board believes that the Share Premium Reduction is in the interests of the Company and Shareholders as a whole.

## **Effect of the Share Premium Reduction**

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of Shareholders as a whole.

## **Conditions of the Share Premium Reduction**

The Share Premium Reduction is conditional upon:

1. the passing of a special resolution by Shareholders to approve the Share Premium Reduction at the Annual General Meeting; and
2. compliance with section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective Date, and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the date of the Annual General Meeting.

## **GENERAL**

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the Annual General Meeting will be despatched to Shareholders as soon as practicable. No Shareholder is required to abstain from voting on the resolution proposed to consider and approve the Share Premium Reduction.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the forthcoming annual general meeting of the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time
“Companies Act”	the Companies Act 1981 of the laws of Bermuda, as amended from time to time
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on The Stock Exchange of Hong Kong Limited

“Contributed Surplus Account”	the contributed surplus account of the Company
“Directors”	the directors of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective which is expected to be the date of the Annual General Meeting, subject to approval by Shareholders of the relevant special resolution approving the Share Premium Reduction at the Annual General Meeting
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholders”	holders of Shares
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of an amount of HK\$9,700,000,000 standing to the credit of the Share Premium Account as at 31 December 2016 to be considered and, if thought fit, passed by Shareholders at the Annual General Meeting
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board  
**CITIC Resources Holdings Limited**  
**Kwok Peter Viem**  
*Chairman*

Hong Kong, 31 March 2017

*As at the date hereof, Mr. Kwok Peter Viem; Mr. Suo Zhengang; Mr. Sun Yang and Ms. Li So Mui are executive directors of the Company, Mr. Chan Kin and Mr. Ma Ting Hung are non-executive directors of the Company, and Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Look Andrew are independent non-executive directors of the Company.*