
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CITIC Resources Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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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

**Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders**

OSK Capital Hong Kong Limited

A letter from the Independent Board Committee (as defined in this circular) containing its recommendation to Independent Shareholders (as defined in this circular) is set out on pages 10 and 11 of this circular.

A letter from the Independent Financial Adviser (as defined in this circular) containing its opinion and advice to the Independent Board Committee and Independent Shareholders is set out on pages 12 to 18 of this circular.

A notice convening a special general meeting of CITIC Resources Holdings Limited to be held at Pacific Place Conference Centre, Mont Blanc Room, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 15 December 2010 at 3:00 p.m. is set out on pages 24 and 25 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting (or any adjournment thereof) should you so wish.

29 November 2010

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
INTRODUCTION	3
BACKGROUND	4
DETAILS OF THE 2011 COOPERATION AGREEMENT	5
NEW IRON ORE SALES CAPS AND BASIS OF CALCULATION	6
COAL SALES CAPS AND BASIS OF CALCULATION	6
REASONS AND BENEFITS FOR IRON ORE SALES AND COAL SALES TO CITIC METAL	7
INFORMATION ON THE GROUP	7
INFORMATION ON CACT	7
INFORMATION ON CITIC METAL	7
LISTING RULES IMPLICATIONS	8
SPECIAL GENERAL MEETING AND VOTING BY POLL	8
INDEPENDENT BOARD COMMITTEE	9
INDEPENDENT FINANCIAL ADVISER	9
RECOMMENDATION	9
ADDITIONAL INFORMATION	9
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	10
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	12
APPENDIX – GENERAL INFORMATION	19
NOTICE OF SPECIAL GENERAL MEETING	24

DEFINITIONS

Unless the context otherwise requires, the following terms and expressions used in this circular shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“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
“chief executive”	has the meaning ascribed to it under the Listing Rules
“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 circular
“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
“Directors”	the directors 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”	OSK Capital Hong Kong Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser to 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

DEFINITIONS

“Latest Practicable Date”	26 November 2010, the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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 circular
“PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this circular, references in this circular to the PRC do not include Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	holders of Shares
“Shares”	ordinary 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 circular, 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 HK\$ or US\$ have been or could have been or can be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

Executive Directors:

Mr. SUN Xinguo (*Vice Chairman*)
Mr. ZENG Chen
(*President and Chief Executive Officer*)
Ms. LI So Mui

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Mr. KONG Dan (*Chairman*)
Mr. MI Zengxin (*Vice Chairman*)
Mr. QIU Yiyong
Mr. TIAN Yuchuan
Mr. WONG Kim Yin
Mr. ZHANG Jijing
Ms. YAP Chwee Mein
(*Alternate to Mr. WONG Kim Yin*)

Head Office and

Principal Place of Business:
Suites 3001-3006
30/F, One Pacific Place
88 Queensway
Hong Kong

Independent Non-executive Directors:

Mr. FAN Ren Da, Anthony
Mr. NGAI Man
Mr. TSANG Link Carl, Brian

29 November 2010

To Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NEW CONTINUING CONNECTED TRANSACTIONS

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

INTRODUCTION

Reference is made to the announcement of the Company dated 8 November 2010. On 8 November 2010, CACT entered into the 2011 Cooperation Agreement with CITIC Metal which establishes a framework to allow CACT to continue with the sale of iron ore, and to engage in the sale of coal, to CITIC Metal during the three years ending 31 December 2013.

LETTER FROM THE BOARD

This circular serves to:

- (a) provide Shareholders with information in relation to, among other things, the background to, the reasons for, and the benefits and effects of, the 2011 Cooperation Agreement, the sale of iron ore and coal by CACT to CITIC Metal during the three years ending 31 December 2013, the New Iron Ore Sales Caps and the Coal Sales Caps;
- (b) set out the recommendation from the Independent Board Committee 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 and advise Independent Shareholders on how to vote at the Special General Meeting in relation to the resolution to 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;
- (c) set out a letter of advice from the Independent Financial Adviser to 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; and
- (d) give Shareholders notice of the Special General Meeting at which an ordinary resolution will be proposed 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.

Shareholders and other investors should note that 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 subject to a number of conditions which may or may not be fulfilled. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

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.

LETTER FROM THE BOARD

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 of the 2011 Cooperation Agreement 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.

LETTER FROM THE BOARD

NEW IRON ORE SALES CAPS AND BASIS OF CALCULATION

The annual caps in respect of the sale of iron ore by CACT to CITIC Metal pursuant to the 2007 Cooperation Agreement as published in the announcements of the Company dated 13 April 2007 and 19 May 2008 are as follows:

31 December 2007	:	US\$330 million	(HK\$2,574 million)
31 December 2008	:	US\$750 million	(HK\$5,850 million)
31 December 2009	:	US\$1,050 million	(HK\$8,190 million)
31 December 2010	:	US\$1,200 million	(HK\$9,360 million)

None of the annual caps in respect of the sale of iron ore by CACT to CITIC Metal had been exceeded for the three years ended 31 December 2009 and CACT does not expect that the annual cap for the sale of iron ore for the year ending 31 December 2010 will be exceeded.

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 circular.

LETTER FROM THE BOARD

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 to 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 are set out in the letter from the Independent Board Committee in this 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 so far as Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

INFORMATION ON THE GROUP

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, 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.

LETTER FROM THE BOARD

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.

Keentech and CA, which are wholly-owned subsidiaries of CITIC Group, and their associates are required to abstain from voting at the Special General Meeting under rule 14A.18 of the Listing Rules. Keentech and CA together hold an aggregate 54.01% shareholding interest in the Company. So far as the Directors are aware, no associate of Keentech and CA holds any shares in the Company.

No Director has any material interest in 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.

SPECIAL GENERAL MEETING AND VOTING BY POLL

The Special General Meeting will be convened for the purpose 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.

A notice convening the Special General Meeting is set out on pages 24 and 25 of this circular.

A form of proxy for use at the Special General Meeting is enclosed with this circular. Whether or not you are able to attend the Special General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to Suites 3001-3006, 30/F, One Pacific Place, 88 Queensway, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Special General Meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting (or any adjournment thereof) should you so wish.

Pursuant to the Listing Rules, voting at the Special General Meeting shall be taken by way of a poll. Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with the Bye-laws, at any general meeting on a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share of which he is the holder (but so that no amount paid or credited as paid on a Share in advance of calls or instalments shall be treated for the foregoing purposes as paid on the Share). A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

An announcement will be issued by the Company following the Special General Meeting to inform Shareholders of the results of the poll vote in respect of the matters put to Independent Shareholders at the Special General Meeting.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Fan Ren Da, Anthony; Mr. Ngai Man and Mr. Tsang Link Carl, Brian, has been 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.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 10 and 11 of this circular which contains its recommendation to Independent Shareholders as to voting at the Special General Meeting.

INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser has been engaged by the Company 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.

Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 12 to 18 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders as to voting at the Special General Meeting.

RECOMMENDATION

The Directors (except those members of the Independent Board Committee whose recommendation is set out in the letter from the Independent Board Committee in this circular) are of the view that 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 and, accordingly, recommend Independent Shareholders to vote in favour of the ordinary resolution to 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 as set out in the notice of the Special General Meeting on pages 24 and 25 of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
CITIC Resources Holdings Limited
Zeng Chen
President and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

29 November 2010

To Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NEW CONTINUING CONNECTED TRANSACTIONS

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

We have been appointed as members of the Independent Board Committee to advise Independent Shareholders in respect of 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, details of which are set out in the “Letter from the Board” in a circular dated 29 November 2010 to Shareholders (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

OSK Capital Hong Kong Limited has been appointed to advise us 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.

Details of its advice are set out on pages 12 to 18 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 3 to 9 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the advice and recommendation of OSK Capital Hong Kong Limited, we are of the opinion that 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. We, therefore, recommend you to vote in favour of the ordinary resolution to be proposed at the Special General Meeting, which is set out in the notice convening the Special General Meeting, to 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.

Yours faithfully,
For and on behalf of
the Independent Board Committee

FAN Ren Da, Anthony NGAI Man TSANG Link Carl, Brian
Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from OSK Capital Hong Kong Limited, the independent financial adviser to the Independent Board Committee and Independent Shareholders, in respect of 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 Cap, which has been prepared for the purpose of incorporation into this circular.

OSK Capital Hong Kong Limited **僑豐融資有限公司**

Subsidiary of OSK Investment Bank Berhad, Malaysia

11/F., Hip Shing Hong Centre,
55 Des Voeux Road Central, Hong Kong

29 November 2010

The Independent Board Committee and Independent Shareholders
CITIC Resources Holdings Limited

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NEW CONTINUING CONNECTED TRANSACTIONS 2011 COOPERATION AGREEMENT IRON ORE SALES AND COAL SALES BY CACT TO CITIC METAL

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and Independent Shareholders in connection with 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, details of which are set out in the circular of the Company dated 29 November 2010 (the “**Circular**”) of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context requires otherwise.

As set out in the letter from the Board in the Circular (the “**Letter from the Board**”), 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. The sales of iron ore and coal by CACT to CITIC Metal constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Keentech and CA, which are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

wholly-owned subsidiaries of CITIC Group, and their associates are required to abstain from voting at the Special General Meeting to 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. The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Fan Ren Da, Anthony; Mr. Ngai Man and Mr. Tsang Link Carl, Brian, has been established to consider and make its recommendation to Independent Shareholders in relation to 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.

OSK Capital Hong Kong Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders as to whether the terms of 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 and whether the sale of iron ore and coal by CACT to CITIC Metal is on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and Shareholders as a whole.

In formulating our opinion, we have relied upon the information, facts and representations contained in the announcement of the Company dated 8 November 2010, the Circular and those supplied or made available by the management of the Company to us. We have assumed that all such information, facts and representations were true and accurate in all respects at the time they were supplied or made and continue to be true and accurate at the date of the Circular and can be relied upon. We have no reason to doubt the truth, accuracy and completeness of such information and representations and have confirmed with the management of the Company that no material facts have been withheld or omitted from such information and representations.

We have taken all reasonable and necessary steps to comply with the requirements set out in rule 13.80 of the Listing Rules. We consider that we have been provided with sufficient information to enable us to reach an informed view. We have not, however, conducted any independent verification of such information or any independent in-depth investigation into the business, affairs, financial position or prospects of the Group nor have we carried out any in-depth research on the Group and CITIC Metal.

PRINCIPAL FACTORS CONSIDERED

In formulating our opinion on 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, we have taken into consideration the following principal factors:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Background and reasons for the transactions

Information on the Group, CACT and CITIC Metal

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 and oil exploration, development and production.

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.

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.

Reasons for the sale of iron ore and coal by CACT to CITIC Metal

Trading of iron ore and coal is part of CACT's ordinary and usual course of business. The sale of iron ore by CACT began in 2004. The Company is of the view that the iron ore trading business is an important business line for CACT which benefits the Company and Shareholders as a whole.

Based on the information published by CITIC Group, CITIC Metal is one of the leading companies in the PRC in the distribution of iron ore products from Brazil, Australia, South Africa and India. The PRC market is currently the world's largest iron ore market and CITIC Metal has been instrumental in helping CACT to increase export volumes of iron ore to the PRC since 2004. In 2007, CACT entered into the 2007 Cooperation Agreement with CITIC Metal to promote and develop sales of iron ore into the PRC.

CACT exports coal into the PRC and wishes to further expand its coal sales business in the PRC market by engaging in the sale of coal to CITIC Metal.

CITIC Metal is a connected person of the Company and the sale of iron ore and coal by CACT to CITIC Metal constitute continuing connected transactions of the Company and are subject to the applicable requirements under Chapter 14A of the Listing Rules. Under rule 14A.04 of the Listing Rules, a listed issuer must, in respect of all continuing connected transactions, enter into a written agreement with the relevant parties. We consider that the entering into of the 2011 Cooperation Agreement which will allow CACT to sell iron ore and coal to CITIC Metal during the term of the 2011 Cooperation Agreement is in compliance with the aforementioned Listing Rules requirement.

As the trading of iron ore and coal is in the ordinary and usual course of business of CACT and, under the 2011 Cooperation Agreement, will be conducted and negotiated on an arm's length basis between CACT and CITIC Metal, we are of the view that these potential sales transactions under the 2011 Cooperation Agreement will allow CACT to carry out its normal sales in compliance with the Listing Rules. Based on the above reasons, we agree that the entering into of the 2011 Cooperation Agreement is in the interests of the Company and Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Terms of the 2011 Cooperation Agreement

As stated above, the 2011 Cooperation Agreement requires that any sale of iron ore and coal by CACT to CITIC Metal be conducted and negotiated between the parties on an arm's length basis. The Company has further confirmed to us that:

- (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.

We understand from CACT that it determines the selling price of iron ore to CITIC Metal by referring to the selling prices quoted by the supplier, the respective expected costs and margin of CACT and CITIC Metal and/or spot prices and specifications of the iron ore depending on the nature and terms of the specific arrangements and contracts between CACT and CITIC Metal. The Company has further confirmed that the above principles have been adopted by the parties in respect of the transactions carried out under the 2007 Cooperation Agreement.

We have reviewed the 2011 Cooperation Agreement, the 2007 Cooperation Agreement and the standard sale agreements entered into between CACT and CITIC Metal in respect of certain actual sales of iron ore in 2009. We have discussed with the management of CACT in respect of the determination of the terms of those transactions. We note that all such selected transactions were on the same basic terms and the prices were set either by reference to the spot market price or price from the supplier. As confirmed by the Company and CACT, the terms of those selected transactions were consistent with the above stated principles on normal commercial terms and were fair and reasonable.

The sale of coal to CITIC Metal will be made pursuant to the 2011 Cooperation Agreement. The Company has also confirmed to us that any sale of coal by CACT to CITIC Metal in future will be priced based on arm's length negotiations with reference to prevailing market prices. We understand from CACT that the type of coal planned to be sold by CACT to CITIC Metal is pulverised coal injection coal ("PCI Coal"). We understand that PCI Coal is a type of commonly traded coal with an established market. Based on the principal terms of the 2011 Cooperation Agreement and the confirmation from the Company, any sale of coal by CACT to CITIC Metal will follow the same pricing principle as for the sale of iron ore, we believe that the sale of coal by CACT to CITIC Metal will be traded with reference to prevailing market prices as in the case of sale of coal to independent customers. As a further control mechanism, transactions between CACT and CITIC Metal under the 2011 Cooperation Agreement will continue to be reviewed by the independent non-executive Directors and the Company's auditors annually pursuant to rules 14A.37 and 14A.38 of the Listing Rules.

Accordingly, based on our discussions with the management of CACT and our review work, we agree with the Company that the terms of the transactions (both iron ore and coal) under the 2011 Cooperation Agreement will be carried out on normal commercial terms, if applicable, at terms no less favourable than terms offered to independent customers, or in the case where there is no comparable transaction with independent third parties, at terms determined on a fair and reasonable basis with reference to the expected costs and margin.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

We understand from the Company that the sale of iron ore by CACT to CITIC Metal for the two years ended 31 December 2009 and for the six months ended 30 June 2010 did not exceed the approved annual caps and CACT does not expect that the annual cap for the sale of iron ore for the year ending 31 December 2010 will be exceeded. We understand that there was a substantial decrease in the total transaction amount in 2009 due to the relatively low selling prices and market prices of iron ore despite an increase in trading volume during that year. We understand from CACT that such increase in trading volume was mainly due to an increase in demand from CITIC Metal.

We have discussed with the management of CACT in order to understand the iron ore trading business between CACT and CITIC Metal. CACT has established a long trading relationship with CITIC Metal since 2004 and CACT has referred to the actual volume of iron ore sold by CACT to CITIC Metal in the past two years when determining the New Iron Ore Sales Caps. For determining the New Iron Ore Sales Caps, the assumed trading volumes were estimated by the management of CACT based on their experience and judgement which fall within the actual annual trading volume of each of 2008 and 2009. The price of iron ore increased quite substantially in 2010 as compared with the prices of last year. Based on information from Bloomberg, we understand that the market price of 63.5% dry iron ore (at Tianjin Port, one of the major ports in the PRC) in 2010 ranged from US\$123 to US\$192 per metric tonne, whilst the lowest price in 2009 was US\$62.5 per metric tonne. Price of iron ore depends also on its specifications (such as the iron and moisture content). The management of CACT believes that there is a possibility that the price of iron ore will further increase in the next few years during the term of the 2011 Cooperation Agreement. In respect of the selling price used to determine the New Iron Ore Sales Caps, CACT has therefore used an assumed selling price, representing a premium over the recent trading prices but close to the highest price during 2010 in order to provide sufficient room for possible increases in selling price in future. We agree with the management's view on such possibility given the recent increasing trend in the price of iron ore. We also agree with the Company that it is in the interests of the Company and Shareholders as a whole to have sufficient annual caps to allow CACT to carry out its sales of iron ore to CITIC Metal, being a revenue transaction of the Group, on normal commercial terms generating additional income for the Group. Based on the above, we consider the proposed New Iron Ore Sales Caps to be fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 the Circular. We understand from CACT that it is negotiating with CITIC Metal regarding the sale of coal by CACT to CITIC Metal subject to, among other things, compliance with the applicable requirements under the Listing Rules.

We understand that the proposed Coal Sales Caps are determined based on the current on-going discussions with CITIC Metal in respect of the possible volume and price as well as the recent increasing trend of the trading price of PCI Coal. Similar to the sale of iron ore, the volume of sales of coal by CACT to CITIC Metal will depend on the demand from CITIC Metal. Based on the preliminary indications from CITIC Metal, it may source coal through CACT of up to around 600,000 to 800,000 metric tonnes a year in the next three years. We note that the market price of PCI Coal has also been increasing in the past few months. Based on the research of a private consulting company specialising in coal and coking industry, we understand that the price of PCI Coal (including freight charges) in the PRC ranged from US\$130 to US\$190 per metric tonne in 2010 and the assumed price used by the Company in determining the Coal Sales Caps are comparable to this market price range.

Based on our discussions with the management of the Company regarding CACT's plans for the coal trading business and the bases of determining the Coal Sales Caps, and the sale of coal, being a revenue transaction of the Group, on normal commercial terms generating additional income for the Group, we consider the proposed Coal Sales Caps to be fair and reasonable.

Independent Shareholders should note that the New Iron Ore Sales Caps and the Coal Sales Caps represent the upper limits of the sale of iron ore and coal by CACT to CITIC Metal within the term of the 2011 Cooperation Agreement to be approved by Independent Shareholders in compliance with the relevant requirements under the Listing Rules. The caps are not forecast in nature and should not be interpreted as the projected sales during the three years ending 31 December 2013.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CONCLUSION

Having considered the above principal factors and reasons, we are of the opinion that the terms of 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 and the sale of iron ore and coal by CACT to CITIC Metal to be on normal commercial terms, in the ordinary and usual course of business of CACT and in the interests of the Company and Shareholders as a whole. Accordingly, we would advise the Independent Board Committee and Independent Shareholders to vote in favour of the ordinary resolution to 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.

Yours faithfully,
For and on behalf of
OSK Capital Hong Kong Limited
Allen Tze
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein misleading.

The issue of this circular has been approved by the Directors.

2. DISCLOSURE OF INTERESTS

(a) Disclosure of interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules, and which have been notified to the Company and the Stock Exchange are as follows:

Interests in Shares and underlying Shares

Name of Director	Nature of interest	Number of Shares held	Interests in underlying Shares pursuant to share options	Percentage of the total issued share capital of the Company
Mr. Kong Dan	Directly beneficially owned	—	20,000,000	0.33
Mr. Sun Xinguo	Directly beneficially owned	4,295,000	—	0.07
Mr. Mi Zengxin	Directly beneficially owned	—	10,000,000	0.17
Mr. Zeng Chen	Directly beneficially owned	—	10,000,000	0.17
Ms. Li So Mui	Directly beneficially owned	224,000	2,000,000	0.04
Mr. Zhang Jijing	Directly beneficially owned	—	10,000,000	0.17

Interests in the ordinary shares and underlying shares of associated corporations of the Company

Name of Director	Name of associated corporation	Shares/equity derivatives	Number of shares/equity derivatives held	Nature of interest	Percentage of the total issued share capital of the associated corporation
Mr. Sun Xinguo	CITIC Dameng Holdings Limited	Ordinary shares	60,000	Directly beneficially owned	1.42
Ms. Li So Mui	CITIC Dameng Holdings Limited	Ordinary shares	3,154	Directly beneficially owned	—
Mr. Zhang Jijing	CITIC Pacific Limited	Share options	500,000	Directly beneficially owned	0.01
Mr. Tsang Link Carl, Brian	Dah Chong Hong Holdings Limited	Ordinary shares	18,000	Directly beneficially owned	—

Mr. Zhang Jijing (“**Mr. Zhang**”) is an executive director and the managing director of CITIC Pacific Limited (“**CITIC Pacific**”) (Stock Code: 267) listed on the Main Board of the Stock Exchange. CITIC Pacific is engaged in a diversified range of businesses, including, but not limited to, the manufacturing of special steel, iron ore mining, property development and investment, basic infrastructure (such as energy, tunnels and communications) and marketing and distribution. Further details of the nature, scope and size of the businesses of CITIC Pacific as well as its management can be found in the latest annual report of CITIC Pacific. In the event that there are transactions between CITIC Pacific and the Company, Mr. Zhang will abstain from voting. Save as disclosed above, Mr. Zhang is not directly or indirectly interested in any business that constitutes or may constitute a competing business of the Company.

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date:

- (i) none of the Directors or chief executive of the Company had an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange;
- (ii) none of the Directors or their respective associates was materially interested in any subsisting contract or arrangement which is significant in relation to the businesses of the Group taken as a whole; and

- (iii) none of the Directors or their respective associates had any interest in a business apart from the businesses of the Group which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Save as disclosed herein and in the section headed “Disclosure of interests of substantial Shareholders” below and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Disclosure of interests of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as is known to the Directors, the persons or entities who had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital are as follows:

Name of Shareholder	Nature of interest	Number of Shares held as long positions	Percentage of the total issued share capital of the Company
CITIC Group	Corporate	3,267,916,123 ⁽¹⁾	54.01
CITIC Projects Management (HK) Limited	Corporate	2,517,502,330 ⁽²⁾	41.61
Keentech	Corporate	2,517,502,330 ⁽³⁾	41.61
CA	Corporate	750,413,793 ⁽⁴⁾	12.40
Temasek Holdings (Private) Limited	Corporate	693,776,341 ⁽⁵⁾	11.47
Temasek Capital (Private) Limited	Corporate	443,267,500 ⁽⁶⁾	7.33
Seletar Investments Pte. Ltd.	Corporate	443,267,500 ⁽⁷⁾	7.33
Baytree Investments (Mauritius) Pte. Ltd.	Corporate	443,267,500 ⁽⁸⁾	7.33

Notes:

- (1) The figure represents an attributable interest of CITIC Group through its interest in CITIC Projects Management (HK) Limited (“**CITIC Projects**”) and CA. Mr. Kong Dan, Mr. Sun Xinguo (“**Mr. Sun**”), Mr. Mi Zengxin (“**Mr. Mi**”), Mr. Zeng Chen (“**Mr. Zeng**”), Mr. Qiu Yiyong (“**Mr. Qiu**”) and Mr. Zhang are directors of CITIC Group.
- (2) The figure represents an attributable interest of CITIC Projects through its interest in Keentech. CITIC Projects, a company incorporated in the British Virgin Islands, is a direct wholly-owned subsidiary of CITIC Group. Mr. Mi and Mr. Qiu are directors of CITIC Projects.

- (3) Keentech is a direct wholly-owned subsidiary of CITIC Projects. Mr. Sun, Mr. Qiu and Mr. Zhang are directors of Keentech.
- (4) CA is a direct wholly-owned subsidiary of CITIC Group. Mr. Zeng is the chairman of CA.
- (5) The figure represents an attributable interest of Temasek Holdings (Private) Limited (“**Temasek Holdings**”) through its interest in Temasek Capital (Private) Limited (“**Temasek Capital**”) and an indirect interest in Ellington Investments Pte. Ltd. (“**Ellington**”), which holds 250,508,841 Shares representing 4.14% of the total issued share capital of the Company. Temasek Holdings is a company incorporated in Singapore. Ellington, a company incorporated in Singapore, is an indirect wholly-owned subsidiary of Temasek Holdings. Mr. Wong Kim Yin is a managing director of Temasek Holdings.
- (6) The figure represents an attributable interest of Temasek Capital through its interest in Seletar Investments Pte. Ltd. (“**Seletar**”). Temasek Capital, a company incorporated in Singapore, is a direct wholly-owned subsidiary of Temasek Holdings.
- (7) The figure represents an attributable interest of Seletar through its interest in Baytree Investments (Mauritius) Pte. Ltd. (“**Baytree**”). Seletar, a company incorporated in Singapore, is a direct wholly-owned subsidiary of Temasek Capital.
- (8) Baytree, a company incorporated in Mauritius, is a direct wholly-owned subsidiary of Seletar.

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and no person was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital.

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

4. INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors or the Independent Financial Adviser had any interest, direct or indirect, in any asset which has since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. EXPERT

The following is the qualification of the expert who has given, or agreed to the inclusion of, its opinion or advice in this circular:

Name	Qualification
OSK Capital Hong Kong Limited	a corporation licensed under the SFO to carry out types 1 and 6 regulated activities

The Independent Financial Adviser has confirmed that it has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The Independent Financial Adviser has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

6. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up.

7. MISCELLANEOUS

- (a) All references to times and dates in this circular refer to Hong Kong times and dates.
- (b) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of the Company at Suites 3001-3006, 30/F, One Pacific Place, 88 Queensway, Hong Kong for the period of 14 days from the date of this circular:

- (a) the 2007 Cooperation Agreement; and
- (b) the 2011 Cooperation Agreement.

NOTICE OF SPECIAL GENERAL MEETING



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of CITIC Resources Holdings Limited (the “**Company**”) will be held at Pacific Place Conference Centre, Mont Blanc Room, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 15 December 2010 at 3:00 p.m. for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the entering into of a cooperation agreement dated 8 November 2010 (the “**2011 Cooperation Agreement**”, a copy of which is produced to the Meeting marked “A” and for the purpose of identification signed by the chairman of the Meeting) by CITIC Australia Commodity Trading Pty Limited (“**CACT**”) with CITIC Metal Company Limited (“**CITIC Metal**”) and the sale by CACT to CITIC Metal, during the three years ending 31 December 2013, of iron ore and coal, in each case in accordance with the terms of the 2011 Cooperation Agreement and subject to the annual caps (the “**Caps**”) as more particularly described in the circular issued by the Company on 29 November 2010 be and are hereby confirmed, ratified and approved.”

By Order of the Board
CITIC Resources Holdings Limited
Li So Mui
Company Secretary

Hong Kong, 29 November 2010

Head Office and Principal Place of Business:
Suites 3001-3006
30/F, One Pacific Place
88 Queensway
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (1) Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) A form of proxy for use at the Meeting is enclosed.
- (3) To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be returned to the head office and principal place of business of the Company at Suites 3001-3006, 30/F, One Pacific Place, 88 Queensway, Hong Kong not less than 48 hours before the time appointed for holding the Meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting (or any adjournment thereof) should you so wish.
- (4) If there are joint registered holders of a share in the Company, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the Meeting personally or by proxy, that one of the joint holders so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (5) In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the above ordinary resolution will be taken by poll.

As at the date hereof, the executive directors of the Company are Mr. Sun Xinguo; Mr. Zeng Chen and Ms. Li So Mui, the non-executive directors are Mr. Kong Dan; Mr. Mi Zengxin; Mr. Qiu Yiyong; Mr. Tian Yuchuan; 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.