



## CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: [www.citicresources.com](http://www.citicresources.com)

(Stock Code: 1205)

### ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS BY A SUBSIDIARY – CITIC AUSTRALIA TRADING LIMITED For the six months ended 30 June 2005

**THIS IS NOT THE ANNOUNCEMENT OF THE INTERIM RESULTS OF CITIC RESOURCES HOLDINGS LIMITED (THE “COMPANY”).**

**THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO THE REQUIREMENTS OF RULE 13.09(2) OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED TO PROVIDE SHAREHOLDERS OF THE COMPANY AND THE PUBLIC WITH UNAUDITED FINANCIAL INFORMATION OF A LISTED SUBSIDIARY WHICH ANNOUNCES SUCH INFORMATION TO THE PUBLIC IN AUSTRALIA.**

On 8 September 2005, the Directors of CATL, a company listed on the ASX and in which the Company has an indirect interest of 78.1%, has approved the financial results of CATL for the six months ended 30 June 2005 which will be released by CATL through the ASX website on 9 September 2005.

Set out below in this announcement is the information from the ASX & Media Release by CATL with details of CATL's results and dividends for the six months ended 30 June 2005.

On 8 September 2005, the board of directors (the “**Directors**”) of CITIC Australia Trading Limited (“**CATL**”), a company listed on the Australian Stock Exchange (the “**ASX**”) and in which the Company has an indirect interest of 78.1%, has approved the financial results of CATL for the six months ended 30 June 2005.

Set out below is the information from the ASX & Media Release by CATL with details of CATL's results and dividends for the six months ended 30 June 2005.

#### HIGHLIGHTS

##### Profit:

- consolidated net profit after tax (“**NPAT**”) of A\$5.51 million
- 25.0% increase over 2004 first-half NPAT of A\$4.41 million

##### Sales:

- consolidated revenue from ordinary activities of A\$390 million
- 15.0% increase over 2004 first-half revenue from ordinary activities of A\$339 million

##### Earnings Per Share (“**EPS**”):

(cents per share)	2005 First-half	2004 First-half	2004	2003	2002
Basic EPS	6.74	5.43	7.07	6.43	2.66
Diluted EPS	6.69	5.38	7.02	6.39	2.66

##### Dividends:

No 2005 interim dividend was paid nor proposed during the interim half-year reporting period. The 2004 final dividend of 3.5 cents per share franked was determined by the Directors on 24 February 2005 and paid on 22 April 2005 (total A\$2,877,035).

##### Return on Equity:

- 32.4%, being NPAT divided by the average consolidated total equity

##### Net Tangible Assets Per Security:

	30 June 2005	31 December 2004	30 June 2004
Net tangible assets	A\$18,029,000	A\$15,907,000	A\$14,545,000
Ordinary shares	82,200,967	81,600,968	81,500,968
Net tangible assets per security	A\$0.22	A\$0.19	A\$0.18

## COMMENTARY ON RESULTS

CATL's NPAT for the 2005 first-half was A\$5.51 million, a 25% increase over the 2004 first-half NPAT of A\$4.41 million. Revenue rose 15% to A\$390 million, from A\$339 million during the same period in 2004.

The increase in revenue reflects high prices for alumina and steel during the period, as well as higher volumes of iron ore exports.

Alumina exports achieved an excellent A\$4.22 million pre-tax profit (2004 first-half: A\$2.94 million). The first-half result was boosted when profit margins significantly higher than is typical were achieved on a couple of cargoes in the rising alumina market early in 2005.

Iron ore exports earned a pre-tax profit of A\$0.74 million (2004 first-half: A\$1.19 million), on sales of A\$121 million (2004 first-half: A\$81 million). CATL's exports of iron ore to China during the first-half totalled 1.44 million tonnes, a 64% increase over the volume shipped during the same period in 2004. However, as global steel prices softened during the period, iron ore profit margins returned to more normal levels.

Import operations performed strongly, thanks to excellent results from the steel and battery divisions. Profit before tax increased 77% to A\$2.36 million (2004 first-half: A\$1.33 million), while sales rose 74% to A\$69 million (2004 first-half: A\$39 million). However, tyre and wheel imports continue to face increasing competition.

## OUTLOOK

In line with CATL's strategy to seek longer term arrangements with both suppliers and customers, during the first-half, management secured a supply contract to source alumina over a five-year period from a major Western supplier. The two cargoes secured for 2005 were shipped and recognised in sales in the first and third quarters, respectively. The volumes secured for the remaining four years of the contract are sufficient to meet approximately one third of CATL's average annual volumes supplied to its customers.

However, looking forward, CATL faces some uncertainties in its trading environment.

Commodity prices remained strong during the first four months of 2005, but, since May, new policies by the Chinese government to cool down overheated industries, such as steel, aluminium and property, sent global spot prices down for alumina, iron ore, steel and freight. Meanwhile, CATL has experienced difficulties sourcing cargoes of alumina and iron ore, as supply of these commodities is dominated by a small number of major producers.

Also, the Chinese government recently confirmed the removal (from July/August) of concessions that encouraged tolling of alumina and iron ore and re-export of the metal produced. Spot alumina prices have since risen to very high levels of US\$500 per tonne (CIF China). The full impact of these changes will only become apparent over time, as existing tolling contracts are completed and policy details become more clear. Accordingly, CATL's trading team remains cautious.

CATL's board therefore considers it prudent not to provide detailed profit forecasts because the volatile nature of international commodity trading makes predicting CATL's revenue and earnings difficult.

However, as the 2005 first-half profit after tax of A\$5.51 million is already equivalent to 95% of 2004 full year profit of A\$5.75 million, it has provided the base that should lead to the full year result for 2005 exceeding last year's.

As previously reported, during 2004, CATL entered into an advance purchase agreement with a Chinese aluminium smelter, whereby it progressively prepaid for over 20,000 tonnes of aluminium ingots for delivery during 2005. Advances made totalled US\$30 million, secured by bank guarantees for the same amount from the Bank of China. Due to increasing prices of alumina and electricity, as well as electricity shortages, the smelter failed to deliver ingots after May this year. To date, CATL has recovered US\$20 million of the principal advanced (with interest) and expects to recover the balance of US\$10 million in full during the next few months.

## GENERAL

The full financial results of CATL for the six months ended 30 June 2005 will be released by CATL through the ASX website: [www.asx.com.au](http://www.asx.com.au) on 9 September 2005.

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

Hong Kong, 8 September 2005

*As of the date of this announcement, the executive directors of the Company are Mr. Kwok Peter Viem; Mr. Ma Ting Hung; Mr. Shou Xuancheng; Mr. Sun Xinguo; Ms. Li So Mui; Mr. Mi Zengxin; Mr. Qiu Yiyong; Mr. Zeng Chen and Mr. Zhang Jijing and the independent non-executive directors are Mr. Chan Mo Po, Paul; Mr. Fan Ren Da, Anthony and Mr. Tsang Link Carl, Brian.*

Please also refer to the published version of this announcement in The Standard.