



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

ANNOUNCEMENT OF ANNUAL RESULTS BY A SUBSIDIARY — CITIC AUSTRALIA TRADING LIMITED For the year ended 31 December 2006

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

THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO THE REQUIREMENTS OF RULE 13.09(1) 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 AUDITED FINANCIAL INFORMATION OF A LISTED SUBSIDIARY WHICH ANNOUNCES SUCH INFORMATION TO THE PUBLIC IN AUSTRALIA.

On 22 February 2007, the Directors of CAL, a company listed on the ASX, have approved the financial results of CAL for the year ended 31 December 2006 which were released by CAL through the ASX website on 26 February 2007.

On 22 February 2007, the board of directors (the “**Directors**”) of CITIC Australia Trading Limited (“**CAL**”), a company listed on the Australian Stock Exchange (the “**ASX**”) and in which the Company has an indirect interest of 77.66%, has approved the financial results of CAL for the year ended 31 December 2006.

Set out below is the information from the ASX & Media Release by CAL with details of CAL’s results and dividend (in Australian dollars) for the year ended 31 December 2006.

CITIC Australia Trading Limited

ABN 84 092 595 741

ASX & Media Release

26 February 2007

CITIC — FY2006 Profit of \$8.63m & 5.68 cent Dividend

The Directors of CITIC Australia Trading Limited (CAL) are pleased to announce the company’s results and dividend for the year ended 31 December 2006.

HIGHLIGHTS

Profit: \$8.63 million

- CAL's consolidated net profit after tax (NPAT) for the 2006 year was **\$8.63 million**
- **2% increase** over prior year's NPAT of \$8.46 million

Sales: \$822 million

- Consolidated sales revenue for the year to 31 December 2006 was **\$822 million**
- **9% increase** over 2005 sales of \$751 million

**Earnings Per Share: 10.34 cents
(EPS)**

(cents per share)	2006	2005	2004	2003	2002
Basic EPS	10.34	10.28	7.07	6.43	2.66
Diluted EPS	10.25	10.21	7.02	6.39	2.66

Dividend: 5.68 cents

- Fully franked at 30% tax rate
- Record date: 5 April 2007
- Payment date: 19 April 2007

(cents per share)	2006	2005	2004	2003	2002
Dividend per share <i>(All fully franked at 30% tax rate)</i>	5.68	5.28	3.5	3.2	2.0

Return on Equity: 36.7%

- NPAT for the 2006 year divided by average consolidated total equity

Annual General Meeting (AGM)

- To be held on: **Monday, 7 May 2007**
- AGM Notice, together with the Annual Report, will be sent to shareholders in early April

COMMENTARY ON RESULTS

CAL's consolidated net profit after tax for the year ended 31 December 2006 was \$8.63 million, a modest 2% increase over 2005's \$8.46 million after tax profit. This result was achieved despite the impact of foreign exchange losses during late 2006 when the Australian dollar strengthened rapidly against the US dollar.

Sales rose 9% to \$822 million, from \$751 million in 2005. The main contributor to this growth was the commencement during 2006 of a new trading line exporting Chinese steel to Europe and the Middle East, which largely offset lower alumina and iron ore sales.

Alumina exports again achieved an excellent result with a \$7.01 million pre-tax profit (2005: \$5.45 million). "Significant profits were achieved on some cargoes early in 2006, before spot alumina prices dropped sharply from the start of the second quarter," said Mr Yuheng Wu, CAL's Managing Director. "These early profits boosted alumina's results, maintaining it as the largest contributor to CAL's profit."

Iron ore exports consolidated during 2006, CAL's third year of regular iron ore trading. "CAL exported 2.7 million tonnes of iron ore to Chinese steel mills," said Mr Wu. "While volume dropped marginally, profit margins improved in a generally steady market." Iron ore exports earned a pre-tax profit of \$1.24 million (2005: \$1.14 million), on sales of \$238 million (2005: \$282 million).

Imports continued to increase their contribution to overall profit. Profit before tax increased 6% to \$4.08 million (2005: \$3.84 million), while sales rose 15% to \$143 million (2005: \$125 million). "The steel and battery divisions again performed strongly," said Mr Wu. "However, tyre and wheel imports continue to face increasing competition. Overall, the trend of profit growth from imports, and its relative contribution to CAL's overall profit, is very encouraging."

In line with CAL's strategy to seek longer term arrangements with both suppliers and customers, during the second-half, management signed a long term iron ore offtake agreement with Aztec Resources Limited (announced to market on 17th August 2006) whereby CAL will purchase 1.5 million tonnes of iron ore annually over the lesser of 15 years or the life of the Koolan Island mine (totally approximately 22.5 million tonnes over the life of the contract). The first cargo is expected to ship in mid 2007. This follows the arrangement entered into in 2005 to source alumina over a five-year period from a major supplier, a large proportion of which has been committed to customers.

"This is CAL's first long term iron ore offtake contract, but its second such long term supply contract," said Mr Wu. "Securing such longer term arrangements with both suppliers and customers is a key part of CAL's strategy."

Also, CAL's strategy of diversification continues. The commencement during the first half of a new trading line exporting Chinese steel to Europe is a promising development. "Our immediate focus is upon securing this as a regular and sustainable trading line, while investigating opportunities to export Chinese steel to other countries," said Mr Wu. "Other new lines developed in recent years include iron ore, which has been developed into an important new export line. Also, the import division's continued profit growth has seen it earn a substantial proportion of CAL's 2006 profit. This is part of the strategy to develop multiple trading lines, which helps reduce CAL's relative reliance upon earnings from alumina."

The directors would like to acknowledge that this excellent result was made possible largely thanks to CAL's trading team, who leveraged their experience in Chinese, Australian and other markets to capture the transactions that delivered this result, assisted by CAL's support staff. Also, CITIC Resources Australia Pty Ltd's (CRA) continued support is appreciated, in particular CRA's provision of guarantees that enabled CAL to secure its substantial bank trade finance facilities, which make it possible for CAL to finance and achieve such high turnover and resulting profit.

OUTLOOK

CAL is a trader, who buys goods from producers & on-sells them to its customers, for what is generally a thin profit margin. Therefore, CAL must constantly adapt to the current environment in each of the markets in which it trades to survive. This can involve temporarily reducing its exposure in a market if the spot price is so high as to be considered too risky (eg. risk of a sudden, significant price drop) in which to participate.

The outlook for the commodities in which CAL trades is varied. The iron ore market has been steady. Alumina spot prices were extremely volatile during the year, but have experienced a strong recovery since the beginning of the new year. The steel market has seen some moderate strengthening. CAL is monitoring developments in each of its trading lines and stays cautious.

There are many uncertainties inherent in the international trade of commodities. Such an environment makes predicting revenue and earnings from CAL's trading operations difficult.

Accordingly, as has been the practice since listing, CAL's board considers it prudent not to provide specific profit forecasts.

Going forward, CAL's experienced trading team will strive to profitably grow the existing operations, as well as continue to seek profitable trading opportunities in new products and/or markets.

GENERAL

The full financial results of CAL for the year ended 31 December 2006 were released by CAL through the ASX website: www.asx.com.au on 26 February 2007.

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

Hong Kong, 26 February 2007

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. Fan Ren Da, Anthony; Mr. Ngai Man and Mr. Tsang Link Carl, Brian.

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