CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)
(Stock Code: 1205)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

FINANCIAL RESULTS

The board of directors (the "**Board**") of CITIC Resources Holdings Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2007 (the "**Period**").

CONDENSED CONSOLIDATED INCOME STATEMENT
Unaudited

	Notes	Six months ended 30 June **2007** HK$'000	2006 HK$'000
REVENUE	3	**5,177,379**	3,097,992
Cost of sales		**(4,603,061)**	(2,795,951)
Gross profit		**574,318**	302,041
Other income and gains, net	4	**110,938**	86,543
Selling and distribution costs		**(45,412)**	(25,383)
Administrative expenses		**(135,457)**	(81,828)
Other operating expenses, net		**(34,907)**	(15,652)
Finance costs	5	**(196,146)**	(62,260)
PROFIT BEFORE TAX	6	**273,334**	203,461
Tax	7	**(55,986)**	(51,458)
PROFIT FOR THE PERIOD		**217,348**	152,003
ATTRIBUTABLE TO:			
Shareholders of the Company		**138,316**	121,236
Minority interests		**79,032**	30,767
		217,348	152,003
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	8		
Basic		**HK 2.90 cents**	HK 2.81 cents
Diluted		**HK 2.83 cents**	HK 2.78 cents
DIVIDEND PER SHARE	9	**Nil**	Nil

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**30 June 2007 Unaudited HK$'000**	31 December 2006 Audited HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,640,073**	2,391,501
Prepaid land lease premiums		**60,804**	58,353
Goodwill		**341,512**	341,512
Other intangible assets		**132,609**	135,701
Other assets		**567,435**	555,983
Available-for-sale equity investments		**1,143,684**	845,936
Prepayments, deposits and other receivables		**13,824**	16,346
Loan receivable		**12,556**	21,615
Deferred tax assets		**7,335**	6,754
Total non-current assets		**4,919,832**	4,373,701
CURRENT ASSETS			
Inventories		**1,008,279**	1,112,150
Accounts receivable	10	**1,130,901**	939,938
Prepayments, deposits and other receivables		**2,156,172**	1,867,396
Loan receivable		**17,852**	17,327
Equity investments at fair value through profit or loss		**2,135**	1,974
Derivative financial instruments		**16,625**	16,380
Due from related companies		**80,598**	51,486
Due from the ultimate holding company		**–**	34,320
Other assets		**42,666**	62,945
Cash and bank balances	12	**9,817,073**	850,744
Total current assets		**14,272,301**	4,954,660
CURRENT LIABILITIES			
Accounts payable	11	**245,412**	533,788
Tax payable		**60,838**	47,108
Accrued liabilities and other payables		**454,632**	306,789
Derivative financial instruments		**230,495**	286,920
Due to a minority shareholder		**28,536**	38,174
Bank and other loans		**1,577,368**	1,588,022
Provisions		**45,032**	53,738
Total current liabilities		**2,642,313**	2,854,539
NET CURRENT ASSETS		**11,629,988**	2,100,121
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,549,820**	6,473,822

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2007 Unaudited HK$'000	31 December 2006 Audited HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,549,820**	6,473,822
NON-CURRENT LIABILITIES			
Bank and other loans		**2,082,829**	2,214,540
Bond obligations		**7,651,767**	–
Deferred tax liabilities		**626,561**	519,933
Derivative financial instruments		**50,087**	41,063
Provisions		**63,162**	117,549
Other payables		**166,448**	75,648
Total non-current liabilities		**10,640,854**	2,968,733
Net assets		**5,908,966**	3,505,089
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital		**251,434**	215,909
Reserves		**5,297,515**	3,009,434
		5,548,949	3,225,343
Minority interests		**360,017**	279,746
Total equity		**5,908,966**	3,505,089

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements ("**Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" and other relevant HKASs and Interpretations and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

These Financial Statements should be read in conjunction with the Group's financial statements as at 31 December 2006.

The accounting policies and methods of computation used in the preparation of these Financial Statements are consistent with the Group's financial statements as at 31 December 2006.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time in the preparation of these Financial Statements. Except for certain cases giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on the results of operation and the financial position of the Group.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK (IFRIC) – Int 8	Scope of HKFRS 2
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) – Int 10	Interim Financial Reporting and Impairment

3. SEGMENT INFORMATION

Segment information is presented by way of business segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments.

Business segments

The following tables present revenue and profit for the Group's business segments for the six months ended 30 June 2007 and 2006.

Six months ended 30 June 2007 **Unaudited** **HK$'000**	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Manganese**	**Crude oil**	**Consolidated**
Segment revenue:						
Sales to external customers	**1,050,072**	**89,452**	**3,327,489**	**584,710**	**125,656**	**5,177,379**
Other income, net	**16,578**	**7,542**	**7,159**	**4,141**	**862**	**36,282**
	1,066,650	**96,994**	**3,334,648**	**588,851**	**126,518**	**5,213,661**
Segment results	**180,601**	**10,315**	**88,635**	**115,149**	**51,125**	**445,825**
Interest income and unallocated gains, net						**74,656**
Unallocated expenses						**(51,001)**
Profit from operating activities						**469,480**
Unallocated finance costs						**(196,146)**
Profit before tax						**273,334**
Tax						**(55,986)**
Profit for the Period						**217,348**

Six months ended 30 June 2006 **Unaudited** **Restated** **HK$'000**	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Manganese**	**Crude oil**	**Consolidated**
Segment revenue:						
Sales to external customers	776,643	139,813	2,038,540	129,392	13,604	3,097,992
Other income, net	8,489	33,991	3,990	30,885	7,133	84,488
	785,132	173,804	2,042,530	160,277	20,737	3,182,480
Segment results	143,182	73,601	59,997	45,205	(12,419)	309,566
Interest income and unallocated gains, net						2,055
Unallocated expenses						(45,900)
Profit from operating activities						265,721
Unallocated finance costs						(62,260)
Profit before tax						203,461
Tax						(51,458)
Profit for the period						152,003

4. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	2007	2006
	HK$'000	HK$'000
Interest income	**115,698**	52,622
Handling service fee	**4,420**	33,505
Dividend income from listed investments	**15,998**	39,363
Gain on sales of coal exploration interests	**7,558**	–
Gain on disposal of listed investments	**–**	5,235
Fair value loss on derivative instruments, net	**(51,112)**	(66,439)
Sale of scrap	**4,373**	4,857
Others	**14,003**	17,400
	110,938	86,543

5. FINANCE COSTS

	2007	2006
	HK$'000	HK$'000
Interest expenses on bank and other loans repayable:		
Within one year	**96,257**	29,143
In the second to fifth years, inclusive	**22,178**	5,080
Beyond five years	**8,119**	21,749
	126,554	55,972
Interest expenses on bond obligations repayable:		
Beyond five years	**66,794**	–
Other finance charges:		
Increase in discounted amounts of provision arising from the passage of time	**1,285**	2,676
Others	**1,513**	3,612
	196,146	62,260

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2007	2006
	HK$'000	HK$'000
Depreciation	**60,155**	31,529
Amortisation of the Electricity Supply Agreement	**34,039**	29,563
Amortisation of other assets	**5,750**	2,099
Equity-settled share option expenses	**21,825**	16,150
Professional fees incurred in relation to an aborted investment project	**–**	5,189
Loss on disposal / write-off of items of property, plant and equipment	**–**	159
Impairment on the spent pot lining project	**29,100**	–
Exchange losses, net	**64,610**	7,160

7. TAX

	2007	2006
	HK$'000	HK$'000
Current:		
Hong Kong	**–**	–
Elsewhere	**56,131**	51,458
	56,131	51,458
Deferred	**(145)**	–
Total tax charge for the Period	**55,986**	51,458

The statutory tax rate of Hong Kong profits tax is 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the Period. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the Period (2006: Nil).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Provision for Australian income tax has been made at the statutory rate of 30% (2006: 30%) on the estimated assessable profits arising in Australia during the Period.

For the Period, the tax rate applicable to the subsidiaries established and operating in the People's Republic of China (the "**PRC**") and Indonesia are 33% and 30% respectively (2006: 33% and 30%). However, certain PRC subsidiaries of the Group are subject to a full corporate income tax exemption for the first two years and a 50% reduction in the succeeding three years, commencing from the first profitable year. No provision for Indonesian tax has been made for the Period as the Indonesian operation of the Group did not generate any assessable profits.

Effective 1 January 2008, in the 5th Session of the 10th National People's Congress, the PRC Corporate Income Tax Law (the "**New Tax Law**") was approved. The New Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. As the detailed implementation and administrative rules and regulations have not yet been announced, the financial impact of the New Tax Law to the Group cannot be reasonably estimated at this stage.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the Period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue during the Period.

The calculation of diluted earnings per share is based on the profit for the Period attributable to ordinary shareholders of the Company, the weighted average number of ordinary shares in issue during the Period plus the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2007	2006
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary shareholders of the Company	**138,316**	121,236

	Number of shares	
	2007	2006
Shares		
Weighted average number of ordinary shares in issue during the Period	**4,762,927,475**	4,316,884,381
Effect of dilution – weighted average number of ordinary shares: share options	**118,522,115**	45,303,448
	4,881,449,590	4,362,187,829

9. DIVIDEND

The Board resolved not to pay an interim dividend for the Period (2006: Nil).

10. ACCOUNTS RECEIVABLE

The Group normally offers credit terms of 30 to 60 days to its established customers.

An aged analysis of the accounts receivable as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2007 Unaudited HK$'000	31 December 2006 Audited HK$'000
Within one month	**923,638**	643,465
One to two months	**161,698**	255,889
Two to three months	**7,235**	17,794
Over three months	**38,330**	22,790
	1,130,901	939,938

As at 30 June 2007, there was no receivable due from the Group's fellow subsidiary (31 December 2006: HK$235,785,000).

11. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2007 Unaudited HK$'000	31 December 2006 Audited HK$'000
Within one month	**176,509**	455,696
One to two months	**31,210**	58,416
Two to three months	**15,073**	5,284
Over three months	**22,620**	14,392
	245,412	533,788

The accounts payable are non-interest bearing and are normally settled on 60-day terms.

12. CASH AND BANK BALANCES

As at 30 June 2007, the total cash and bank balances of the Group amounted to HK$9,817,073,000. Of this amount, HK$8,165,084,000 was held in an escrow account and is to be used to fund a payment of part of the consideration in respect of the acquisition of the entire issued share capital of Renowned Nation Limited ("**RNL**") and thereby 50% of CITIC Group's interest in the Karazhanbas oilfield and the benefit of certain indebtedness owing by KBM Energy Limited to CITIC Group.

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the presentation and accounting treatment of the Period.

BUSINESS REVIEW AND OUTLOOK

The first half of 2007 has seen the Group focus its resources on increasing its oil investments and integrating and consolidating recently acquired and existing business interests. The Group has agreed to acquire oil interests in Kazakhstan and secured an option to acquire additional oil interests in the PRC. The Group's existing businesses, including aluminium smelting, coal, import and export of commodities, manganese business and the oilfield in Indonesia continued to perform satisfactorily during the first half of 2007.

The Company is processing a possible investment in the Karazhanbas oilfield located in Kazakhstan which has an estimated 363.8 million barrels of proved reserves as of 31 December 2006. In April 2007, the Company agreed with CITIC Group, its ultimate controlling shareholder, to acquire 50% of CITIC Group's interest in this oilfield. If, as anticipated, JSC KazMunaiGas Exploration Production, a subsidiary of JSC National Company KazMunaiGas which is the state-owned oil company of Kazakhstan, exercises its right to acquire the remaining 50% of CITIC Group's interest, management of the Karazhanbas oilfield will be operated on a joint venture basis with a significant Kazakhstan based oil and gas enterprise. The acquisition is subject to a number of conditions including Kazakhstan regulatory approvals.

In May 2007, the Company secured another opportunity to add to the Group's oil portfolio by acquiring an option to purchase a 90% interest in the contractor responsible for the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province, the PRC. The option is exercisable by the Company before 28 September 2007. The Group is currently undertaking a review and examination of the asset to determine whether or not to proceed with an exercise of the option.

The Group will concentrate its energies on completing the acquisition of the Karazhanbas oilfield interest before the end of 2007. By that time, the Group should have decided whether to exercise its option to acquire the Hainan-Yuedong interest. If both interests can be acquired, revenue from oil production should lead to a significant increase in the Group's revenue as well as becoming the largest contributor to the Group's net profit. The combination of both assets would result in the Group becoming a major PRC controlled listed oil producers.

The Board expects oil to be important for the Group's overall development as an energy and resources company. Notable in this regard is the memorandum of understanding entered into in August 2007 between the Company and Kuwait Foreign Petroleum Exploration Company KSC ("**KUFPEC**"), the state owned oil company of Kuwait and one of the Group's partners in the Seram Island Non-Bula Block production sharing contract in Indonesia. This memorandum increases the possibility of additional co-operation between the Group and KUFPEC in respect of oil investments in Indonesia and South-east Asia.

Apart from its oil investments, the Group has also enhanced its coal investments. Coal is a key component of the Group's energy and natural resources portfolio. In July 2007, the Group purchased of an additional 8.37% in the equity of Macarthur Coal Limited ("**Macarthur Coal**"), the largest producer of PCI coal which is listed on the Australian Stock Exchange. With this acquisition, the Group's interest in Macarthur Coal now stands at 19.99% which consolidates its strategic position in Macarthur Coal.

The Group continues to be financially sound. To strengthen the Group's capital base and support its further development, retire debt obligations of the Group and finance general working capital requirements, the Group has made share placements in 2007 (a total of 801,000,000 shares of HK$0.05 each in the Company ("**Shares**") and net proceeds of HK$2,137.9 million) and issued in May 2007 US$1 billion 6.75% senior notes due 2014. Of the share placements, 352,000,000 Shares were issued to Temasek Holdings (Private) Limited ("**Temasek**"), an Asia investment firm headquartered in Singapore with a diversified global investment portfolio. The Group believes that Temasek's position as a strategic shareholder will aid and support its long-term objectives and will allow the Group and Temasek to explore areas of mutual co-operation in the oil and gas sectors. Temasek has been increasing its shareholding in the Company and currently owns 11.18% of the Company.

In August 2007, Mr. Kong Dan graciously accepted the chairmanship of the Company. The Board believes that Mr. Kong's appointment will benefit the Group enormously and will allow it to draw on his considerable knowledge, experience and counsel to help further develop its strategy and business and enhance returns to its shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 30 June 2007, the Group had a cash balance of HK$9,817.1 million. Of this amount, HK$8,165.1 million was held in an escrow account and is to be used to fund a payment of part of the consideration in respect of the acquisition of the entire issued share capital of Renowned Nation Limited ("**RNL**") and thereby 50% of CITIC Group's interest in the Karazhanbas oilfield and the benefit of certain indebtedness owing by KBM Energy Limited ("**KEL**") to CITIC Group. Details of the transaction are set out under the heading "New Investments" below.

During the Period, the Company obtained funds of:

(1) HK$7,650.2 million through the issue of the Notes (details are set out under the heading "Borrowings" below) and;

(2) HK$1,698.7 million through the issue of new shares (details are set out under the heading "Share Capital" below).

Borrowings

As at 30 June 2007, the Group had outstanding borrowings of HK$3,660.2 million, which comprised secured bank loans of HK$925.6 million, unsecured bank loans of HK$2,281.5 million and unsecured other loans of HK$453.1 million. The secured bank loans were secured by the Group's 22.5% participating interest in the Portland Aluminium Smelter joint venture, the fixed assets, prepaid land lease premiums and mining right of the manganese mine, and guarantees mostly provided by Guangxi Dameng Manganese Industry Co., Ltd. The bank trade finance facilities available to CITIC Australia Trading Limited ("**CATL**") are guaranteed by CITIC Resources Australia Pty Limited.

Most transactions of CATL are debt funded, which means CATL is highly geared. However, in contrast to term loans, CATL's borrowings are transaction specific and of short duration, matching the term of the underlying trade. When sales proceeds are received at the completion of a transaction, the related borrowings are repaid accordingly.

On 17 May 2007, CITIC Resources Finance (2007) Limited ("**CR Finance**"), a direct wholly-owned subsidiary of the Company, completed the issue of US$1 billion 6.75% senior notes due 2014 (the "**Notes**"). The obligations of CR Finance under the Notes are irrevocably and unconditionally guaranteed by the Company. The net proceeds of the Notes, after deduction of underwriting discounts and commissions and related expenses, amounted to US$980.8 million (HK$7,650.2 million). The money is being held in an escrow account and is to be used to facilitate the acquisition of 50% CITIC Group's interest in the Karazhanbas oilfield (details of the transaction are set out under the heading "New Investments" below) and for general working capital requirements. Further details of the Notes are set out in the announcement of the Company dated 17 May 2007.

As at 30 June 2007, the gearing ratio of the Group was 203.9% (31 December 2006: 117.9%). Of the total outstanding borrowings, HK$1,577.4 million was repayable within one year. There was no adverse change to the financial position of the Group.

Share Capital

In February and April 2007, the Company issued a total of 700,000,000 new ordinary shares of HK$0.05 each ("**Shares**") in the Company at a price of HK$2.46 per new Share. The net proceeds of the subscriptions amounted to HK$1,687.4 million and were received in cash. Further details of the subscriptions are set out in the announcement of the Company dated 9 February 2007 and in the circular of the Company dated 5 March 2007 respectively.

During the Period, the Company also issued a total of 10,500,000 new Shares as a result of the exercise of share options at an exercise price of HK$1.08 per Share. The net proceeds of the subscription amounted to HK$11.3 million and were received in cash.

At the special general meeting of the Company held on 20 March 2007, an ordinary resolution was duly passed approving an increase in the authorised share capital of the Company from HK$300,000,000 divided into 6,000,000,000 Shares to HK$500,000,000 divided into 10,000,000,000 Shares by the creation of an additional 4,000,000,000 Shares.

Financial risk management

The Group's diversified business is exposed to a variety of financial risks, such as market risks (including foreign exchange risk, commodity price risk and interest rate risk), credit risk and liquidity risk. The management of such risks is dictated by a set of internal policies and procedures designed to minimize potential adverse effects to the Group. The policies and procedures have proven to be effective.

The Group enters into derivative transactions, including principally forward currency, commodity contracts and interest rate swaps. The purpose of these transactions is to hedge the Group's exposure to fluctuations in foreign exchange rate, commodity price and interest rate risks arising from the Group's operations and its sources of finance.

New investments

- On 30 April 2007, the Company conditionally agreed to acquire from CITIC Group the entire issued share capital of RNL and thereby the Kazakhstan Interests (as defined below), and the benefit of certain indebtedness owing by KEL to CITIC Group (the "**Kazakhstan Transaction**"). The aggregate consideration payable by the Company to CITIC Group in respect of the Kazakhstan Transaction is US$1,003.5 million. The Company has paid a deposit of US$200 million to CITIC Group. The Kazakhstan Transaction is expected to complete in 4Q 2007. Further details of the Kazakhstan Transaction are set out under the heading "Related Party Transactions and Connected Transactions" below and in the circular of the Company dated 12 June 2007.

  The Kazakhstan Interests comprise 50% of the issued voting shares of JSC Karazhanbasmunai ("**KBM**"), a 50% participation share in each of Tulpar Munai Service LLP ("**TMS**") and Argymak TransService LLP ("**ATS**") in the Republic of Kazakhstan ("**Kazakhstan**"). KBM is engaged in the development and production of oil and holds the right to explore, develop and produce oil in the Karazhanbas Oil and Gas Field in Mangistau Oblast, Kazakhstan (the "**Karazhanbas oilfield**") until 2020. As of 31 December 2006, the Karazhanbas oilfield had an estimated 363.8 million barrels of proved reserves. ATS is engaged in the provision of transportation services and other oilfield related logistics services. TMS is engaged in the provision of oil well drilling, construction and workover services.

- On 1 May 2007, CITIC Haiyue Energy Limited ("**CITIC Haiyue**"), an indirect wholly-owned subsidiary of the Company, obtained the right to purchase 90% of the issued shares of Tincy Group Energy Resources Limited ("**Tincy Group**") for a consideration of US$150 million, subject to adjustment. On the same day, CITIC Haiyue agreed to provide a loan facility of US$15 million to Far Great Investments Limited ("**Far Great**"), the holding company of Tincy Group. From such loan facility, Far Great was required to on-lend US$10 million to Tincy Group.

  Tincy Group holds the right to develop and operate, until 2034, an oilfield in the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province in the PRC. The oilfield is currently in the appraisal and development stage.

  CITIC Haiyue is conducting a due diligence review on the business, affairs, operations and financial position of Tincy Group to determine whether or not proceed with an exercise of the option. The option period expires on 28 September 2007.

  Since the Hainan-Yuedong Block is still in the appraisal and development stage, it is expected that a substantial amount of capital expenditure will be required and that there will not be immediate contribution to the revenue to the Group. Nevertheless, the successful acquisition of the Hainan-Yuedong Block interest will further strengthen the Group's business focus and development in the oil sector.

  Further details of the transaction are set out in the announcement of the Company dated 8 May 2007 and 18 July 2007.

Opinion

The Board is of the opinion that after taking into account the existing available borrowing facilities and internal resources, the Group has sufficient resources to meet its foreseeable working capital requirements and there will be no adverse change to its financial position.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2007, the Group had around 4,000 full time employees, including management and administrative staff. Most of the Group's employees are employed in the PRC and Indonesia while the others are employed in Australia and Hong Kong.

The employees' remuneration, promotion and salary increment are assessed based on an individual's performance, professional and working experience and by reference to prevailing market practice and standards. Rent-free quarters are provided to some employees in Indonesia.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The employees of the Group's PRC subsidiaries are required to participate in a central pension scheme operated by the local municipal government. The Group also operates a defined contribution retirement benefits scheme (the "**RB Scheme**") under the superannuation legislation of the Australian government for those employees in Australia who are eligible to participate and a defined contribution retirement benefits scheme (the "**DPLK Scheme**") under the Government Law No. 11/1992 of the Indonesian government for those employees in Indonesia who are eligible to participate.

Contributions are made based on a percentage of the employees' basic salaries. The assets of the MPF Scheme, the RB Scheme and the DPLK Scheme are held separately from those of the Group in an independently administered fund. The Group's contributions as an employer vest fully with the employees when contributed into the MPF Scheme, the RB Scheme and the DPLK Scheme.

The Group's PRC subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme.

The Company and CATL operate share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

POST BALANCE SHEET EVENTS

(a) On 15 June 2007, Temasek Holdings (Private) Limited, acting through its wholly-owned subsidiary, Ellington Investments Pte. Ltd., increased its shareholding interest in the Company by subscribing for 101,000,000 new Shares of at a price of HK$4.46 per new Share. Further details of the transaction are set out in the announcement of the Company dated 18 June 2007.

    The net proceeds of the subscription amounted to HK$450.4 million and were received in cash on 3 July 2007.

(b) On 2 July 2007, CITIC Australia Coal Pty Limited ("**CACL**"), an indirect wholly-owned subsidiary of the Company, agreed to purchase 15,683,735 existing fully paid ordinary shares (the "**Macarthur Shares**") in the share capital of Macarthur Coal Limited ("**Macarthur Coal**") from Talbot Group Investments Pty Limited. Macarthur Coal is a company incorporated in Australia and whose shares are listed on the Australian Stock Exchange.

    The transaction was completed on 6 July 2007 and resulted in CACL increasing its shareholding in Macarthur Coal from 11.62% to 19.99% of the total Macarthur Shares in issue. Further details of the transaction are set out in the circular of the Company dated 21 September 2007.

(c) Effective 21 August 2007, there were the following changes in the directorate of the Company:

 (i) Mr. Kwok Peter Viem resigned as the chairman of the Board, an executive director of the Company and a member of the nomination committee of the Board;

 (ii) Mr. Kong Dan, the honorary chairman of the Company, was appointed a director of the Company and was elected chairman of the Board, and a member of the nomination committee of the Board;

 (iii) Mr. Ma Ting Hung resigned as a vice chairman of the Board and a member of the remuneration committee of the Board; and became a non-executive director of the Company;

 (iv) Mr. Mi Zengxin was elected a vice chairman of the Board;

 (v) Mr. Tang Kui was appointed a non-executive director of the Company; and

 (vi) Mr. Wong Kim Yin was appointed an alternate to Mr. Tang.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the Code on Corporate Governance Practices (the "**CG Code**") and the Rules on the Corporate Governance Report as set out respectively in Appendix 14 and 23 to the Listing Rules as its own code on corporate governance practices. During the Period, the Company has satisfied the code provisions of the CG Code except for the deviation in respect of the service term pursuant to paragraph A.4.1 of the CG Code.

Pursuant to paragraph A.4.1 of the CG Code provides that independent non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors are not appointed for specific terms. However, under the Company's bye-laws, one-third of all directors (whether executive or non-executive) are subject to retirement by rotation at each annual general meeting. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in paragraph A.4.1 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Throughout the Period, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct for dealings in securities of the Company by the directors.

All directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code throughout the Period.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

REVIEW OF ACCOUNTS

The audit committee has reviewed this interim report with the management of the Company.

By Order of the Board
CITIC Resources Holdings Limited
Sun Xinguo
Chief Executive Officer

Hong Kong, 21 September 2007

As at the date of this announcement, the executive directors of the Company are Mr. Kong Dan; Mr. Mi Zengxin; Mr. Shou Xuancheng; Mr. Sun Xinguo; Ms. Li So Mui; Mr. Qiu Yiyong; Mr. Zeng Chen and Mr. Zhang Jijing, the non-executive directors are Mr. Ma Ting Hung and Mr. Tang Kui, and the independent non-executive directors are Mr. Fan Ren Da, Anthony; Mr. Ngai Man and Mr. Tsang Link Carl, Brian.