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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

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 2009 (the "**Period**").

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June
Unaudited

	Notes	**2009 HK$'000**	2008 HK$'000
REVENUE	4	**8,798,721**	9,494,327
Cost of sales		**(8,035,786)**	(7,338,877)
Gross profit		**762,935**	2,155,450
Other income and gains	5	**17,035**	76,004
Selling and distribution costs		**(218,869)**	(141,087)
Administrative expenses		**(252,927)**	(286,748)
Other operating expenses, net		**(214,562)**	(85,611)
OPERATING PROFIT		**93,612**	1,718,008
Finance income		**34,386**	40,691
Finance costs	6	**(423,887)**	(465,487)
Share of profit of an associate		**42,798**	49,523
PROFIT/(LOSS) BEFORE TAX	7	**(253,091)**	1,342,735
Tax	8	**(26,791)**	(604,345)
PROFIT/(LOSS) FOR THE PERIOD		**(279,882)**	738,390
ATTRIBUTABLE TO:			
Shareholders of the Company		**(307,307)**	520,116
Minority interests		**27,425**	218,274
		(279,882)	738,390
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	9		
Basic		**HK(5.08) cents**	HK 9.89 cents
Diluted		**HK(5.08) cents**	HK 9.84 cents
DIVIDEND PER SHARE	10	**Nil**	Nil

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 June
Unaudited

	2009 HK$'000	2008 HK$'000
PROFIT/(LOSS) FOR THE PERIOD	**(279,882)**	738,390
Exchange differences on translation of foreign operations	**(187,471)**	273,352
Net gain on cash flow hedges	**140,578**	61,339
Income tax	**(42,174)**	(18,913)
	98,404	42,426
Net gain on available-for-sale financial assets	**16,350**	56,101
Income tax	**(4,905)**	(3,964)
	11,445	52,137
Other comprehensive income/(loss) for the period, net of tax	**(77,622)**	367,915
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(357,504)**	1,106,305
ATTRIBUTABLE TO:		
Shareholders of the Company	**(292,306)**	832,156
Minority interests	**(65,198)**	274,149
	(357,504)	1,106,305

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2009 Unaudited HK$'000**	31 December 2008 Audited HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**15,774,151**	16,329,307
Prepaid land lease premiums		**76,512**	77,433
Goodwill		**341,512**	341,512
Other intangible assets		**314,944**	318,875
Other assets		**473,168**	376,455
Investment in an associate		**1,937,126**	1,617,052
Available-for-sale investments		**36,554**	17,871
Prepayments, deposits and other receivables		**124,103**	137,371
Loan receivable		**1,830**	—
Deferred tax assets		**134,113**	139,399
Total non-current assets		**19,214,013**	19,355,275
CURRENT ASSETS			
Inventories		**1,266,913**	1,546,048
Accounts receivable	11	**1,847,148**	1,715,307
Prepayments, deposits and other receivables		**834,959**	844,563
Loan receivable		**—**	3,222
Equity investments at fair value through profit or loss		**2,236**	1,909
Derivative financial instruments		**23,455**	37,586
Due from related companies		**45,025**	67,754
Other assets		**—**	55,113
Tax recoverable		**108,663**	160,683
Cash and bank balances		**4,300,639**	4,770,747
Total current assets		**8,429,038**	9,202,932
CURRENT LIABILITIES			
Accounts payable	12	**386,667**	823,088
Tax payable		**84,021**	538,806
Accrued liabilities and other payables		**668,372**	695,744
Derivative financial instruments		**26,523**	43,221
Due to related companies		**59,355**	67,745
Bank and other loans		**2,389,660**	2,871,609
Bond obligations		**—**	355,649
Provisions		**63,600**	56,553
Total current liabilities		**3,678,198**	5,452,415
NET CURRENT ASSETS		**4,750,840**	3,750,517
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,964,853**	23,105,792

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2009 Unaudited HK$'000	31 December 2008 Audited HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**23,964,853**	23,105,792
NON-CURRENT LIABILITIES		
Bank and other loans	**4,345,512**	3,019,210
Bond obligations	**7,601,011**	7,589,498
Deferred tax liabilities	**2,692,279**	2,759,529
Derivative financial instruments	**101,332**	94,456
Provisions	**241,914**	253,045
Other payables	**114,504**	64,716
Total non-current liabilities	**15,096,552**	13,780,454
NET ASSETS	**8,868,301**	9,325,338
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**302,528**	302,328
Reserves	**7,259,179**	7,589,607
	7,561,707	7,891,935
Minority interests	**1,306,594**	1,433,403
TOTAL EQUITY	**8,868,301**	9,325,338

NOTES

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements ("**Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" and other relevant standards 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 2008.

Except as described below, 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 2008.

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**") (which include all HKFRSs, HKASs and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants for the first time for these Financial Statements. Except for certain cases giving rise to new and revised accounting polices, presentation and additional disclosures, the adoption of these new HKFRSs has had no material effect on these Financial Statements. Accordingly, no prior period adjustment has been recognised.

HKFRSs Amendments	Improvements to HKFRSs May 2008
HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment - Vesting Conditions and Cancellations
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC) - Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC) - Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement - Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's board of directors, the chief operating decision maker, in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments by operating divisions. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these Financial Statements.

HKFRSs Amendments	Improvements to HKFRSs May 2009 [1]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs [2]
HKFRS 1 Amendments	Additional Exemptions for First-time Adopters [4]
HKFRS 2 Amendments	Group Cash-settled Share-based Payment Transactions [1]
HKFRS 3 (Revised)	Business Combinations [2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [2]
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items [2]
HK(IFRIC) - Int 17	Distribution of Non-cash Assets to Owners [2]
HK(IFRIC) - Int 18	Transfers of Assets from Customers [3]

[1] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

[2] Effective for annual periods beginning on or after 1 July 2009

[3] Effective for transfers of assets from customers received on or after 1 July 2009

[4] Effective for annual periods beginning on or after 1 January 2010

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. In the past, the Group's primary reporting format was business segments by operating divisions. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The following tables present revenue and profit/(loss) for the Group's segments for the six months ended 30 June 2009 and 2008.

Six months ended 30 June 2009 Unaudited HK$'000	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Manganese**	**Crude oil**	**Consolidated**
Segment revenue:						
Sales to external customers	**546,467**	**188,879**	**6,000,903**	**922,868**	**1,139,604**	**8,798,721**
Other income	**(474)**	**—**	**1,338**	**7,184**	**8,113**	**16,161**
	545,993	**188,879**	**6,002,241**	**930,052**	**1,147,717**	**8,814,882**
Segment results	**(66,300)**	**47,654**	**81,790**	**114,901**	**(36,743)**	**141,302**
Interest income and other gains						**35,260**
Unallocated and other corporate expenses						**(48,564)**
Profit from operating activities						**127,998**
Unallocated finance costs						**(423,887)**
Share of profit of an associate	**—**	**42,798**	**—**	**—**	**—**	**42,798**
Loss before tax						**(253,091)**
Tax						**(26,791)**
Loss for the Period						**(279,882)**

Six months ended 30 June 2008 Unaudtied HK$'000	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Manganese**	**Crude oil**	**Consolidated**
Segment revenue:						
Sales to external customers	814,981	172,430	4,824,743	1,442,046	2,240,127	9,494,327
Other income	2,296	—	5,221	9,475	10,064	27,056
	817,277	172,430	4,829,964	1,451,521	2,250,191	9,521,383
Segment results	10,938	45,499	107,111	387,078	1,166,821	1,717,447
Interest income and other gains						89,639
Unallocated and other corporate expenses						(48,387)
Profit from operating activities						1,758,699
Unallocated finance costs						(465,487)
Share of profit of an associate	—	49,523	—	—	—	49,523
Profit before tax						1,342,735
Tax						(604,345)
Profit for the period						738,390

5. OTHER INCOME AND GAINS

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

	2009	2008
	HK$'000	HK$'000
Handling service fees	**1,157**	3,442
Gain on disposal of items of property, plant and equipment	**3,124**	—
Gain on disposal of available-for-sale listed investments	**—**	46,268
Sale of scrap	**(477)**	3,644
Subsidy income	**3,576**	7,147
Others	**9,655**	15,503
	17,035	76,004

6. FINANCE COSTS

	2009	2008
	HK$'000	HK$'000
Interest expense on bank and other loans repayable:		
Within one year	**88,813**	94,732
In the second to fifth years, inclusive	**51,948**	38,383
Beyond five years	**6,519**	6,479
Interest expense on floating rate bond obligations	**—**	20,106
Interest expense on fixed rate senior notes, net	**264,428**	264,813
Total interest expense on financial liabilities not at fair value through profit or loss	**411,708**	424,513
Amortisation of fixed rate senior notes	**11,513**	11,513
	423,221	436,026
Other finance charges:		
Increase in discounted amounts of provision arising from the passage of time	**2,525**	5,357
Increase in discounted interest on receivables	**—**	16,032
Others *	**(1,859)**	8,072
	423,887	465,487

* Including amortisation of up-front fees of HK$1,365,000 (2008: HK$6,650,000).

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	2009 **HK$'000**	2008 HK$'000
Depreciation	**525,775**	524,718
Amortisation of the Electricity Supply Agreement	**31,910**	37,499
Amortisation of other assets	**3,130**	4,987
Amortisation of prepaid land lease premiums	**839**	852
Equity-settled share option expenses	**—**	3,810
Loss on disposal/write-off of items of property, plant and equipment *	**5,527**	3,092
Exchange losses, net *	**166,230**	58,663

* These amounts are included in "Other operating expenses, net" on the face of the condensed consolidated income statement.

8. TAX

	2009 **HK$'000**	2008 HK$'000
Current:		
Hong Kong	**—**	—
Elsewhere	**94,139**	835,151
	94,139	835,151
Deferred	**(67,348)**	(230,806)
Total tax charge for the Period	**26,791**	604,345

The statutory tax rate of Hong Kong profits tax is 16.5% (2008: 16.5%) 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 (2008: 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% (2008: 30%) on the estimated assessable profits arising in Australia during the Period.

For the Period, the corporate tax rates applicable to the subsidiaries and jointly-controlled entities established and operating in the People's Republic of China (the "**PRC**"), Indonesia and Kazakhstan are 25% (2008: 25%), 30% (2008: 30%) and 20% (2008: 30%) respectively.

8. TAX *(Continued)*

Certain PRC subsidiaries of the Group are subject to a full corporate income tax exemption for the two years and a 50% reduction in the succeeding three years, commencing from the first profitable year.

Under the PRC Corporate Income Tax Law and its Implementation Rules effective on 1 January 2008, the PRC corporate income tax rates for domestic and foreign-invested enterprises (including Sino-foreign equity joint ventures) are unified at 25%. Sino-foreign equity joint ventures which were established before such PRC Corporate Income Tax Law was promulgated and which have been entitled to the above income tax holiday can continue to enjoy the existing tax holiday until its expiry, subject to a five-year period restriction. Consequently, certain PRC subsidiaries of the Group can continue to enjoy their tax holiday, commencing from their respective first profitable year and expiring within five years from 1 January 2008.

The Group's subsidiary owning a participating interest in oil and gas properties in Indonesia is subject to branch tax in Indonesia at the effective rate of 14% (2008: 14%).

In accordance with the subsoil use contract, the Group's jointly-controlled entities with operations domiciled in Kazakhstan shall pay excess profit tax (the "**EPT**") on its profits after corporate income tax each year pursuant to the Tax Code of Kazakhstan. The EPT shall be paid on a basis of the cumulative real internal rate of return (the "**IRR**") exceeding 20%. The IRR is calculated based on the after-tax cash flow (the "**ATCF**") and by further discounting using the published oil machinery and equipment index. The ATCF shall be calculated as the cumulative gross income less all expenses relating to petroleum operations, including transporting expenses, operating costs, capital expenditures and all taxes. The EPT is paid at progressive rates from 4% to 30% on the profit after corporate income tax, as shown in the table below:

IRR	**EPT rate**	**Effective EPT rate**
20% - 22%	4%	2.8%
22% - 24%	8%	5.6%
24% - 26%	12%	8.4%
26% - 28%	18%	12.6%
28% - 30%	24%	16.8%
More than 30%	30%	21.0%

On 10 December 2008, the President of Kazakhstan signed the Code of the Republic of Kazakhstan on Taxes and Other Obligation Payments to the Budget (the "**New Tax Code**"). The New Tax Code is effective from 1 January 2009. Under the New Tax Code, the corporate tax rates applicable to the Group's jointly-controlled entities established and operating in Kazakhstan are reduced from 30% in 2008 to 20%, 17.5% and 15% in 2009, 2010 and 2011 onwards, respectively. A new calculation methodology on EPT is also introduced based on annual, not cumulative, profitability.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of basic loss per share is based on the loss 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 loss per share is based on the loss for the Period attributable to ordinary shareholders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the Period, as used in the basic loss per share calculation, and 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/(loss) per share are based on:

	2009	2008
	HK$'000	HK$'000
Earnings/(Loss)		
Profit/(loss) attributable to ordinary shareholders of the Company used in the basic earnings/(loss) per share calculation	**(307,307)**	520,116

	Number of shares	
	2009	2008
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic earnings per share calculation	**6,047,169,248**	5,257,884,381
Effect of dilution - weighted average number of ordinary shares: share options	**3,151,820**	28,474,605
	6,050,321,068	5,286,358,986

The computation of diluted loss per share for the Period does not assume the conversion of certain share options since their exercise would result in a decrease in loss per share.

10. DIVIDEND

The Board has resolved not to pay an interim dividend for the Period (2008: Nil).

11. ACCOUNTS RECEIVABLE

An aged analysis of the accounts receivable as at the statement of financial position date, based on the invoice date, is as follows:

	30 June 2009	31 December 2008
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**1,480,791**	1,059,620
One to two months	**37,371**	490,085
Two to three months	**51,315**	93,490
Over three months	**277,671**	72,112
	1,847,148	1,715,307

The Group normally offers credit terms of 30 to 120 days to its established customers.

12. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at the statement of financial position date, based on the invoice date, is as follows:

	30 June 2009	31 December 2008
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**335,591**	705,837
One to two months	**18,453**	44,395
Two to three months	**2,849**	14,977
Over three months	**29,774**	57,879
	386,667	823,088

The accounts payable are non-interest-bearing and are normally settled on 30 to 90 days term.

BUSINESS REVIEW

The deterioration in demand for and prices of energy resources and commodities as a consequence of the global financial and economic crisis has continued to affect the Group during the first half of 2009 and has made the Group's operating conditions significantly more difficult. This has had an adverse impact on the Group's financial performance in the six months ended 30 June 2009 and has been a major contributing factor in the Group recording a loss attributable to shareholders during the Period.

Crude oil

Whilst the weak oil price brought about by the global decline in demand for oil resulted in a fall in the Group's average selling price by more than 50% compared to 1H 2008, the Group was able to achieve an overall increase in daily production and sales volume from the Karazhanbas oilfield. Cyclic steam stimulation and steam flooding have continued to be employed to apply the thermal recovery production technique on a wider basis and this has proved to be a factor behind the improvement in production at the Karazhanbas oilfield, Accordingly, efforts are being made to increase their application in the field on a wider scale as efficiently as possible.

The performance from the Group's Seram interest has fallen short of expectations. Production from existing wells continued to fall as a result of their natural decline and production from new wells were less than anticipated following initial tests. Further study of these new wells is being undertaken to assess their potential productivity.

Progress at the Yuedong oilfield in the Hainan-Yuedong Block has been proceeding steadily and the Group is advancing to the development stage on schedule. The Group anticipates that the overall development plan will be approved in 4Q 2009 which will enable the Group to commence drilling before the end of this year.

Increase in production capacity from the Group's oil interests has been the overriding objective. The Group's efforts will continue to be directed towards improving production and costs efficiency which will allow the Group to take advantage of increases in oil prices when markets improve.

Coal

The Group's coal business has been one of the few within the Group to return a profit for the Period notwithstanding difficult operating conditions. The Group's coal interests currently comprise a 17.01% interest in Macarthur Coal Limited ("**Macarthur Coal**") (listed on the Australian Securities Exchange (the "**ASX**")) and direct interests in the Coppabella and Moorvale coal mines which are principally owned and operated by Macarthur Coal.

With major cuts in steel production in many of the world's regions due to the global crisis, coal demand has experienced a similar decline along with other energy resources. Demand for pulverized coal injection coal ("**PCI coal**") from steel mills fell during 1Q 2009 but this was partially compensated through increased sales of thermal coal in the same period. With steel markets stabilising in 2Q 2009, destocking at steel mills and spot sales to non-traditional customers, it is encouraging to see that market conditions have shown improvements in demand for PCI coal.

Manganese

Demand for manganese is driven substantially, if not entirely, by the demands of the steel industry. With significant contraction in the steel markets in 2008 and limited improvement in 2009, the Group's manganese operations have been affected by falls in both demand and selling price.

During the Period, the Group increased its interest in中信大錳礦業有限責任公司 (CITIC Dameng Mining Industries Limited) ("**CITIC Dameng JV**") from 48% to 52.4%, which provides the Group with greater influence over operations and conduct of the manganese business. The capital increase in CITIC Dameng JV reflects the Group's positive views on the long term performance prospects of the manganese business.

The Group continues to monitor the potential spin-off of its manganese business through a separate listing of CITIC Dameng Holdings Limited ("**CITIC Dameng Holdings**"). Work continues on this potential transaction to ensure that all conditions for listing, including approval of the Listing Committee of The Stock Exchange of Hong Kong Limited and shareholders of the Company, can be met.

Import and export of commodities

The Group's business of importing and exporting of commodities is conducted through CITIC Australia Trading Limited ("**CATL**") CATL. The Group completed the privatisation and delisting of CATL from the ASX at the beginning of the Period and CATL is now a wholly-owned subsidiary of the Company. Management believes this benefits the Group as CATL's business can now be operated with greater flexibility to compete with other trading companies. With the contraction in commodity prices generally since the onset of the global financial crisis, there has been a knock on effect on the Group's export business which has suffered as a result of declining margins. Demand for imported products has also fallen during the Period.

Aluminium smelting

The difficult market conditions in which the Group is operating is illustrated by the Group's aluminium operations which recorded its first ever loss as a result of a combination of weak selling prices and a relatively strong Australian dollar. With a few exceptions most notably China, global demand for aluminium dropped drastically in 2008. Some recovery has taken place so far in 2009 but is not projected to fully recover until possibly 2010. This will continue to hamper the performance of the Group's aluminium business in the short term.

BUSINESS OUTLOOK

The existing market conditions and tight constraints which the Group is operating under are unprecedented. Management has made efforts to preserve cash liquidity in light of tighter lending policies in the financial markets, restrain non-essential capital expenditures and implement cost cutting measures where possible but which do not adversely affect the Group's medium to long term performance and prospects.

There are signs that the adverse global economic conditions are stabilising and that some improvements in economies have begun. The Group is well positioned financially and strongly supported by its shareholders to take advantage of an upturn in demand for energy resources and commodities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 30 June 2009, the Group had a cash balance of HK$4,300.6 million. During the Period, the Company obtained funds of:

- US$130.0 million (HK$1,014.0 million) by borrowing the remaining sum of the Loan (defined below) (details are set out under the heading "Borrowings" below); and

- HK$4.3 million through the issue of new shares of HK$0.05 each in the share capital of the Company ("**Shares**") (details are set out under the heading "Share capital" below).

Borrowings

As at 30 June 2009, the Group had outstanding borrowings of HK$14,336.2 million, which comprised:

- secured bank loans of HK$1,112.4 million;
- unsecured bank loans of HK$5,051.1 million;
- unsecured other loans of HK$571.7 million; and
- bond obligations of HK$7,601.0 million.

The secured bank loans were secured by the Group's 22.5% participating interest in the Portland Aluminium Smelter joint venture; property, plant and equipment, and prepaid land lease premiums of CITIC Dameng JV; guarantees provided by a subsidiary of the Group and a minority shareholder; and an indemnity provided by a subsidiary of the Group. The bank trade finance facilities available to 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 self liquidating, transaction specific and of short durations, matching the term of the underlying trade. When sale proceeds are received at the completion of a transaction, the related borrowings are repaid accordingly.

In January 2008, the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions as lenders in respect of an unsecured 5-year term loan facility of US$280 million (HK$2,184 million) (the "**Loan**"). A sum of US$150 million (HK$1,170 million) was borrowed under the Loan to refinance in full the then existing term loan of US$150 million. The remaining sum of US$130 million (HK$1,014 million) was drawn during the Period for the general corporate funding requirements of the Company.

The bond obligations comprise the issue of US$1,000,000,000 6.75% senior notes due 2014 (the "**Notes**") by CITIC Resources Finance (2007) Limited ("**CR Finance**"), a direct wholly-owned subsidiary of the Company, in May 2007. The obligations of CR Finance under the Notes are irrevocably and unconditionally guaranteed by the Company. The net proceeds of the Notes were used by the Group to facilitate the acquisition of the Kazakhstan Transaction and for general working capital requirements.

As at 30 June 2009, the gearing ratio and net gearing ratio of the Group were 190% and 133% (31 December 2008: 175% and 115%) respectively. Of the total outstanding borrowings, HK$2,389.7 million was repayable within one year, the majority of which being of periodic renewal nature.

Share capital

During the Period, the Company issued a total of 4,000,000 new Shares as a result of the exercise of share options at an average exercise price of HK$1.077 per Share. The net proceeds of the subscription amounted to HK$4.3 million and were received in cash.

Financial risk management

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

The Group enters into derivative transactions, including principally interest rate swap, forward currency and commodity contracts. Their purpose is to manage the interest rate, currency and commodity price risks arising from the Group's operations and its sources of finance.

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.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2009, the Group had around 9,900 full time employees, including management and administrative staff. Most of the Group's employees are employed in the PRC, Kazakhstan and Indonesia while the others are employed in Australia, Gabon and Hong Kong.

The Group's remuneration policy seeks to provide a fair market remuneration in a form and value to attract, retain and motivate high quality staff. Remuneration packages are set at levels to ensure comparability and competitiveness with other companies in the industry and market competing for a similar talent pool. The emoluments are also based on an individual's knowledge, skill, time commitment, responsibilities and performance and are determined by reference to the Group's profits and performance. Rent-free quarters are provided to some employees in Kazakhstan, Indonesia and Gabon.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

(a) With effect from 7 August 2009, there were the following re-designations of directors of the Company.

(i) Mr. Kong Dan ("**Mr. Kong**"), an executive director, has been re-designated a non-executive director of the Company. Mr. Kong continues in his role as the chairman of the Board and as a member of the nomination committee of the Company.

(ii) Mr. Mi Zengxin ("**Mr. Mi**"), an executive director, has been re-designated a non-executive director of the Company. Mr. Mi continues in his role as a vice chairman of the Board.

(iii) Mr. Zhang Jijing ("**Mr. Zhang**"), an executive director, has been re-designated a non-executive director of the Company. Mr. Zhang continues in his role as a member of the remuneration committee and nomination committee of the Company.

(b) On 19 August 2009, a loan facility agreement (the "**Facility Agreement**") was entered into between Huazhou Mining Investment Limited ("**Huazhou Mining**") and China Construction Bank Corporation, Hong Kong Branch (the "**Lender**"), pursuant to which a loan facility of up to US$49,470,000 (HK$385,866,000) will be provided by the Lender to Huazhou Mining. The obligations of Huazhou Mining under the Facility Agreement are guaranteed by a bank guarantee (the "**Bank Guarantee**") provided by China Construction Bank Corporation, Guangxi Branch (the "**Bank Guarantor**") in favour of the Lender. The liabilities of the Bank Guarantor under the Bank Guarantee are secured by an indemnity (the "**Indemnity**") of US$51,000,000 (HK$397,800,000) provided by CITIC Dameng JV in favour of the Bank Guarantor.

CITIC Dameng Holdings is an indirect non wholly-owned subsidiary of the Company, owned as to 20% indirectly by CITIC United Asia Investments Limited which is an indirect wholly-owned subsidiary of CITIC Group. CITIC Group indirectly owns 54.01% of the issued share capital of the Company. Consequently, Huazhou Mining, being a subsidiary of CITIC Dameng Holdings, is a connected person of the Company. Accordingly, the Indemnity constitutes a continuing connected transaction for the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the applicable provisions, and also complied with certain recommended best practices, of the Code on Corporate Governance Practices (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, except for the deviation in respect of the service term of the non-executive directors (including the independent non-executive directors) of the Company pursuant to paragraph A.4.1 of the CG Code.

Paragraph A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for specific terms. However, under the Company's bye-laws, one-third of the directors (including those appointed for a specific term) for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement at least once every three years. 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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

REVIEW OF ACCOUNTS

The audit committee has reviewed these unaudited interim results with the management of the Company.

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

Hong Kong, 4 September 2009

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