



**CITIC Resources Holdings Limited**

**ANNOUNCES INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008  
TURNOVER SURGES 83.4% TO HK\$9,494 MILLION  
NET PROFIT RISES 276.0% TO HK\$520 MILLION**

**EXPONENTIAL GROWTH OF CRUDE OIL AND MANGANESE BUSINESS  
PROPELS OVERALL BUSINESS GROWTH OF OVER 80%**

Financial highlights(HK\$ '000)	Six months ended 30 June (unaudited)		
	2008	2007	Change
Revenue	9,494,327	5,177,379	83.4%
Gross profit	2,155,450	574,318	275.3%
Net profit	520,116	138,316	276.0%
Basic Earnings per Share	9.89 cents	2.90 cents	241.0%
Interim dividend per share	nil	nil	nil

(Hong Kong, 15 September 2008) – CITIC Resources Holdings Limited (“CITIC Resources” or the “Company”) (Stock Code: 1205), today announced its interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2008 (“the period”).

During the period, revenue amounted to approximately HK\$ 9,494 million (2007: HK\$5,177 million), representing an increase of 83.4% over the same period in 2007. The net profit amounted to HK\$520 million (2007: HK\$138 million), representing an increase of 276.0% over the same period in 2007. Among the business segments, the revenue from crude oil increased from HK\$126 million to HK\$2,240 million, representing an increase of 1,682.8% over the same period in 2007. Manganese revenue rose substantially from HK\$585 million to HK\$1,442 million, representing an increase of 146.6% over the same period in 2007. Coal revenue has recorded an increase of 92.8% as well.

Mr. SUN Xinguo, Chief Executive Officer of the Group, said, “While the global economic growth is slowing down, the performance of the Group’s business segments is satisfactorily outstanding. In general, business of the Group is growing, particularly in crude oil, manganese and coal business, which recorded substantial growth. Despite the satisfactory performance, there are still rooms for further improvement. Looking forward, the Group will focus its resources on raising the productivity and efficiency of the oil assets so as to release their real value. At the same time, the Group will endeavour to promote its business performance, to explore and assess more investment opportunities, to further broaden its business portfolio and to enhance shareholders’ value. We are also committed to proactively promote the return of our existing business in order to release the Group’s true investment value.”

Mr. SUN Xinguo adds, “The Group has become the largest independent shareholder of Macarthur Coal, attaining the edge to benefit from the world’s high demand for coal. In addition, the Group has acquired certain pre-operating exploration and mining rights in Gabon, Western Africa in August 2008. To further develop the Group’s manganese business, the Group plans to spin off and seek a separate listing of CITIC Dameng Holdings Limited on the Main Board of The Stock Exchange of Hong Kong Limited. The Group will focus on setting long-term and strategic plans for every type of its assets, aiming at achieving the largest return as its ultimate goal.”

## Business review & growth momentum

### Turnover by segment(HK\$ '000)

	Six months ended 30 June (unaudited)		
	2008	2007	Change
Aluminium smelting	814,981	1,050,072	-22.4%
Coal	172,430	89,452	92.8%
Import and export of commodities	4,824,743	3,327,489	45.0%
Manganese	1,442,046	584,710	146.6%
Crude Oil	2,240,127	125,656	1,682.8%
<b>Consolidated</b>	<b>9,494,327</b>	<b>5,177,379</b>	<b>83.4%</b>

### Highlights of Business during the Period

#### Crude Oil

The Group's oil investments currently comprise an almost 50% interest in the Karazhanbas oilfield in Kazakhstan, a 90% interest in the contractor's rights in the Hainan-Yuedong Block in the PRC and a 51% interest in the Seram Island Non-Bula Block ("Seram") production sharing contract in Indonesia. As the Group tries every means to promote more effective oil production techniques to enhance production and to prolong well life, cyclic steam stimulation has been partially employed on a more extensive scale in the Karazhanbas oilfield such that the Group can rely less on cold heavy oil production with sand which has a greater adverse impact on well deterioration. The Group's operations at the Hainan-Yuedong Block are now in the appraisal and development stage and the Group continues to work with China National Petroleum Corporation, making steady progress and to move to the production stage as soon as is feasible. In Seram, the Group successfully discovered the Lower Nief and Manusela carbonate oil reservoirs at the Nief Utara A-1 drilling which has resulted in an increase in proved and probable reserves of 6 million barrels with production from this new well expected to enhance production volumes from Indonesia going forward.

#### Import and export of commodities

In the first half of 2008, the Group's aluminium smelting operations performed strongly but underlying profit was affected by foreign exchange movements with the Australian dollar appreciating strongly against the United States dollar and, more significantly, by a loss of HK\$98.8 million arising from the revaluation of "embedded derivatives" in the Electricity Supply Agreement relating to the business. These factors contributed significantly to the poorer returns from aluminium smelting. The performance of the Group's import and export of commodities business was again positive with iron ore exports in particular continuing to perform strongly.

#### Coal

Much speculation centered on Macarthur Coal during the first half of 2008, with a number of suitors reported to have shown interest in Macarthur Coal. Eventually, ArcelorMittal and POSCO purchased sizeable shareholdings in Macarthur Coal although the Group remains the single largest shareholder in Macarthur Coal. Macarthur Coal is the largest producer of low volatile pulverised coal injection coal in Australia and is well placed to take advantage of the strong world steel market and growth in worldwide demand for coal. The Group has been a cornerstone investor in Macarthur Coal since the time of its listing on the Australian Stock Exchange in 2001. Macarthur Coal is regarded as a strategic investment for the Group. The Board believes there is further value in the Group's continued investment in Macarthur Coal.

#### Manganese

The expansion in the production of manganese products and high carbon ferrochromium gave rise to a robust performance during the period. This business has been augmented by the Group's acquisition in August 2008 of a 51% indirect interest in Compagnie Industrielle et Commerciale des Mines de Huazhou (Gabon), which holds certain pre-operating exploration and mining rights in Gabon, Western Africa. To further develop the Group's manganese business, the Group plans to spin off and seek a separate listing of CITIC Dameng Holdings Limited on the Main Board of The Stock Exchange of

Hong Kong Limited.

### **Financing Review during the Period**

To improve the financial well being of the Group by addressing its high gearing ratio, during the period, the Group announced a rights issue of 788,682,657 shares on the basis of three rights shares for every twenty existing shares raising about HK\$2,523.8 million before expenses. The proceeds of the rights issue have helped improve the Group's gearing ratio. The rights issue was underwritten by CITIC Group and Temasek Holdings (Private) Limited, the Group's two largest shareholders, which the Board believes demonstrates their strong support for the Group.

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### **About CITIC Resources Holdings Limited (Stock Code: 1205)**

CITIC Resources Holdings Limited (Stock code: 1205 HK) ("CITIC Resources") was listed on the Hong Kong Stock Exchange since 1997. CITIC Group is the parent company of CITIC Resources with majority stake of 53.53%. CITIC Resources positions itself as an integrated provider of energy and mineral resources with a particular focus on oil business. The principal activities of CITIC Resources and its subsidiaries include oil, aluminium, coal, import and export of commodities, and manganese.

For enquiries, please contact PR ASIA Consultants Limited:

Ms. Mianco Wong / Ms Charlene Hui

Tel: (852) 3183 0230 / 3183 0251

Fax: (852) 2583 9138

Email: mianco.wong@prasia.net / charlene.hui@prasia.net