



# CITIC RESOURCES HOLDINGS LIMITED

For Immediate Release

## ANNOUNCES ITS INTERIM RESULTS FOR 6 MONTHS ENDED 30 JUNE 2009 AFFECTED BY THE GLOBAL ECONOMIC AND FINANCIAL CRISIS TURNOVER REDUCED 7.3%

Financial Highlights (HK\$'000)	For 6 Months ended 30 June (unaudited)		
	2009	2008	Change
Revenue	8,798,721	9,494,327	-7.3%
Gross Profit	762,935	2,155,450	-64.6%
Profit/ (Loss) attributable to shareholders	(307,307)	520,116	N/A
Earnings / (Loss) Per Share - Basic	(5.08 cents)	9.89 cents	N/A
Dividend Per Share	Nil	Nil	Nil

(Hong Kong, 6 September 2009) - CITIC Resources Holdings Limited ("CITIC Resources" or the "Company") (SEHK: 1205) today announced the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the 6 months ended 30 June 2009 (the "Period"). During the Period, CITIC Resources recorded the revenue of HK\$8,798 million (1H 2008: HK\$9,494 million), representing a fall of 7.3% over the corresponding period last year. Loss attributable to shareholders recorded HK\$307 million (1H 2008: profit attributable to shareholders HK\$ 520 million).

Mr. Sun Xinguo, Chief Executive Officer of the Group said, "The global financial and economic crisis has made the Group's operating conditions significantly more difficult. It deteriorated the demand for and prices of energy resources and commodities. 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. 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."

Mr. Sun Xinguo, Chief Executive Officer of the Group continues, "Since CITIC Resources has acquired the Yuedong Oilfield in October 2007, the construction of production facilities will be concluded this month. Oil production will be commenced in the right time which will further expand our oil business. Besides, cyclic steam stimulation and steam flooding have continued to be employed and this has proved to be a factor behind the improvement in production efficiency. After the techniques have been increasingly applied in the field on a wider scale, the oil production at the Karazhanbas oilfield will be improved."

### Business Overview

Segment Revenue (HK\$'000)	For 6 Months Ended 30 June (unaudited)		
	2009	2008	Change
Aluminium Smelting	546,467	814,981	-32.9%
Coal	188,879	172,430	9.5%
Import and Export of Commodities	6,000,903	4,824,743	24.4%
Manganese	922,868	1,442,046	-36.0%
Crude Oil	1,139,604	2,240,127	-49.1%
<b>Consolidated</b>	<b>8,798,721</b>	<b>9,494,327</b>	<b>-7.3%</b>

## **Business Highlights during the Period**

### **Crude Oil**

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 the first half of 2008. However, 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 at the Karazhanbas oilfield and this has proved to be a factor behind the improvement in production at the Karazhanbas oilfield. Efforts are being made to increase their application in the field on a wider scale as efficiently as possible. For the Seram Island Non-Bula Block in Indonesia, 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.

### **Coal**

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, the market conditions have shown improvements in demand for PCI coal.

### **Manganese**

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. 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**

During the Period, the Group completed the privatisation and delisting of CITIC Australia Trading Limited ("CATL") from the ASX and CATL is now a wholly-owned subsidiary of the Company. CATL's business can now be operated by the Group with greater flexibility to compete with other trading companies.

### **Aluminium Smelting**

The Group's aluminium operations recorded its first ever loss. Global demand for aluminium dropped drastically in 2008. Some recovery has taken place so far in 2009 but it is not projected to fully recover until possibly 2010.

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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 about 54%. CITIC Resources positions itself as a provider of diversified energy and natural resources, particularly focusing on the oil business. The principal activities of CITIC Resources and its subsidiaries include aluminium smelting, coal, import and export of commodities, manganese mining and processing, and oil exploration, development and production.

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