



## CITIC RESOURCES HOLDINGS LIMITED

### CITIC RESOURCES RECORDS HALF YEAR PROFIT OF HKD167 MILLION

#### BUSINESS SEGMENTS WERE ALL PROFITABLE WITH OIL EXPLORATION AND PRODUCTION CONTINUING TO BE THE LARGEST PROFIT CONTRIBUTOR

#### Financial Highlights

	For the 6 months ended 30 June 2010 (HK\$'000)		
	2010	2009	Change
Revenue	14,207,162	8,798,721	+61.5%
Gross Profit	1,415,585	762,935	+85.5%
Profit/ (Loss) attributable to shareholders	167,528	(307,307)	N/A
Earnings / (Loss) Per Share - Basic	HK 2.77 cents	HK (5.08 cents)	N/A

(Hong Kong, 29 August 2010) – CITIC Resources Holdings Limited (“CITIC Resources” or the “Company”) (HKEx stock code: 1205) today announced the interim results of the Company and its subsidiaries (the “Group”) for the 6 months ended 30 June 2010.

During the period, the Group recorded a total revenue of approximately HK\$14.2 billion (2009: HK\$8.8 billion), representing a growth of 61.5% on a year-on-year basis. Profit attributable to shareholders amounted to approximately HK\$167 million and basic earnings per share was HK2.77 cents.

Mr. Sun Xinguo, Chief Executive Officer of the Group said, “More favourable market and operating conditions and the Group’s efforts to reduce costs have enabled the Group to achieve a turnaround in performance. More importantly, each business segment of the Group was able to generate profitable results.”

“Looking ahead, the Group is committed to improving overall oil production and will continue to review potential investment opportunities capable of enhancing the Group’s asset portfolio to achieve and maximise long-term economic benefits for the Group and shareholders,” Mr. Sun concluded.

#### Sales to external customers

	For the 6 months ended 30 June 2010 (HK\$'000)		
	2010	2009	Change
Crude Oil	1,722,939	1,139,604	+51.2%
Manganese	1,287,350	922,868	+39.5%
Import and Export of Commodities	10,371,591	6,000,903	+72.8%
Coal	220,152	188,879	+16.6%
Aluminium Smelting	605,130	546,467	+10.7%
Consolidated	14,207,162	8,798,721	+61.5%

#### Crude Oil

The Group is committed to improving oil production and adopting cost cutting measures in order to maximise investment returns and strive for a continual increase in production capacity in long run.

#### *Karazhanbas oilfield in Kazakhstan*

The Group has been able to achieve a 55% increase in the average selling prices of oil produced from the Karazhanbas oilfield in the Period when compared to selling prices for the corresponding period in 2009. The continued deployment of cyclic steam stimulation and steam flooding in the Karazhanbas oilfield is enabling the Group to produce oil at more efficient and sustainable rates that has assisted in promoting an improved production outlook for the Karazhanbas oilfield.

#### *Hainan-Yuedong Block, Bohai Bay Basin in Liaoning*

The Group has moved on to the final stage of preparation for oil production from the Yuedong oilfield in the Hainan-Yuedong Block. Approval of the environmental impact assessment was obtained in 2Q 2010 and governmental approval of the overall development plan was recently granted in August 2010. Pilot production will now commence as soon as possible.

#### *Seram Island Non-Bula Block, Indonesia*

The performance from the Group's interest in the Seram Island Non-Bula Block still lagged the Group's projections. The Group continues to carry out necessary repairs to existing wells where production has fallen as a result of their natural decline.

#### **Manganese**

The Group's manganese business was able to achieve a comparatively improved performance during the Period amid a recovery in steel markets. The Group continues to work on the potential spin-off of its manganese business. In July 2010, CITIC Dameng Holdings Limited submitted its renewed listing application to the Stock Exchange and the proposed spin-off remains subject to, among other things, the approval of the Listing Committee of the Stock Exchange and shareholders of the Company.

#### **Import and export of commodities**

Notable contributions in the Group's import and export of commodities business has been generated from the export of iron ore, aluminium ingots, alumina and coal. Demand from China grew significantly and commodities prices rebounded from the low prices seen in 2009. Average selling prices of the Group's exported products jumped more than 30% on a year-on-year basis. As a result, the export business was able to generate larger profit margins which helped to improve its overall profitability. It is expected that the steady economic growth of China will help the import and export of commodities business of the Group sustain its operating momentum.

#### **Coal**

Demand for low volatile pulverised coal injection coal ("LV PCI coal") was strong compared to the same period in the preceding year. Macarthur Coal, in which the Group holds a 17.01% interest, recorded strong underlying sales for its financial year ended 30 June 2010. As steel production in China is expected to continue to rise in 2010, the outlook for demand for LV PCI coal remains positive. With the Group and Macarthur Coal agreeing to cancel the transfer of the Group's 7% interest in the CMJV to Macarthur Coal, the Group continues to hold a direct interest in the CMJV and the right to market all coal produced by the CMJV to, among others, customers in China.

#### **Aluminium smelting**

After the Group experienced its first ever loss in 1H 2009, selling prices of aluminium have recovered to a level that has enabled the Group to record a net profit again during the Period. Cost cutting measures have proved to be effective in reducing costs and contributing to greater profit margins.

- End -

#### **About CITIC Resources Holdings Limited**

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 is 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.

For enquiries, please contact PR ASIA Consultants Limited:

Tony Wong / Charlene Hui

Tel: +852 3183 0239 / 3183 0251

Fax: +852 2583 9138

Email: [tony.wong@prasia.net](mailto:tony.wong@prasia.net) / [charlene.hui@prasia.net](mailto:charlene.hui@prasia.net)