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中信資源控股有限公司 CITIC Resources Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

PROFIT WARNING

This announcement is made by the Company pursuant to rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform Shareholders and potential investors that, based on information currently available, the Board anticipates that the Group will record a loss for the six months ending 30 June 2020 as compared to a net profit attributable to the equity shareholders of the Company of HK\$362.1 million for the six months ended 30 June 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by CITIC Resources Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group, the information currently available to the Board and an assessment of the prevailing economic environment, the Group is expected to record a loss for the six months ending 30 June 2020 (the “**Period**”), as compared to a net profit attributable to the equity shareholders of the Company of HK\$362.1 million for the six months ended 30 June 2019.

The expected loss will be mainly attributable to a significant fall in average selling price of crude oil sold by the Group in the first four months of 2020, comparing to the same period of crude oil sold last year.

The outbreak of the coronavirus disease (the “**COVID-19**”) by the end of January 2020 and the corresponding anti-pandemic measures afterward, including worldwide partial lockdown of human flows, suspension of schooling and work from home arrangements, have resulted in a significant reduction in demand for fuel in the first four months of 2020. Shrinking in demand of fuel led to collapsing demand in crude oil. The world runs out of places to store a growing glut of cheap barrels. Overflowing crude oil tanks and over supply of crude oil coupled with crude price war in the 1Q 2020 caused a plunge in crude oil prices as well as an abnormal volatility in commodity prices in the first four months of 2020.

Dated Brent and Platts Dubai crude oil prices are the key reference benchmarks of the Group in selling its crude oil. Dated Brent crude oil price had fallen to US\$19.7 per barrel by the end of April 2020, from US\$65.7 per barrel, since the beginning of this year, a drop of 70.0%. Platts Dubai crude oil price had fallen to US\$20.7 per barrel by the end of April 2020, from US\$66.1 per barrel, since the beginning of this year, a drop of 68.7%.

In response to adverse impacts caused by the outbreak of the COVID-19, the Group has implemented a number of cost control measures to mitigate them in affecting the financial performance of the Group. There has been modest stability of the crude oil prices recently. Whilst both Dated Brent and Platts Dubai crude oil prices have been stood at above US\$30 per barrel since mid of May 2020, the timing and degree of a sustainable recovery to the level at the beginning of this year remain uncertain. The crude oil business, being the core performance driver of the Group, is expected to record a significant loss for the Period. Having said that, the overall financial position of the Group remains healthy.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to it, which was neither reviewed nor audited by the Company’s auditors. Since the development of COVID-19 remains uncertain and the Group’s half year results of 2020 are subject to review by the Board, the actual results of the Group for the Period may differ from the information contained in this announcement. The Group’s consolidated results for the Period are expected to be published in July 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CITIC Resources Holdings Limited
Sun Yufeng
Chairman

Hong Kong, 22 May 2020

As at the date hereof, Mr. Sun Yufeng; Mr. Suo Zhengang and Mr. Sun Yang are executive directors of the Company, Mr. Chan Kin is a non-executive director of the Company, and Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Look Andrew are independent non-executive directors of the Company