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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 very significant net loss for the year ending 31 December 2015.

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**”).

Profit Warning

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that the Group’s businesses have been operating in an extremely difficult and competitive environment during the year and, based on information currently available, the Board anticipates that the Group will record a very significant net loss for the year ending 31 December 2015 (2014: net profit of HK\$270,415,000).

The following are the principal factors for the expected net loss of the Group:

- (A) a substantial loss from the Group’s oil business is expected for 2015 due primarily to low oil prices amid continuing market oversupply. Global oil prices which began falling in 2H 2014 have remained at low levels during 2015 with an average Brent price of US\$53.3 per barrel so far in 2015 (2014: average Brent price of US\$99.4 per barrel);
- (B) as disclosed in the Company’s 2015 interim report, the Group’s import and export of commodities business (the “**Commodities Business**”) recorded a material decrease in both revenue and profit during 1H 2015 with the relative slowdown in major markets, especially China, heightened competition and the recovery from the loss of key customers in 2H 2014 continuing to prove extremely challenging conditions. With no discernible recovery in the commodities markets, these factors have dogged the Commodities

Business during 2H 2015. As a result, the Commodities Business has also performed poorly in 2H 2015 and will record a material decrease in trading volume and significant reduction in profit for 2015 as compared to 2014;

- (C) as a result of oil and commodities prices having traded for some time, and continuing to trade, at depressed levels and with little prospect for any meaningful recovery in the near term, a number of substantial impairments will need to be recorded across the Group's assets, including its investments in CITIC Dameng Holdings Limited ("**CDH**"), an associate of the Group, and CITIC Canada Energy Limited, a joint venture;
- (D) a significant decrease in the fair value of the Group's investment in Alumina Limited ("**AWC**"), a company listed on the Australian Securities Exchange, is expected to be recorded by the Group. The Group currently owns 9.6846% of the shares of AWC and these shares are measured at their fair value based on the closing price of AWC shares at the end of each reporting period. Any difference between the fair value and the carrying value is recognised in the consolidated income statement. As at the date of this announcement, the closing price of AWC shares was A\$1.140 (HK\$6.475) per AWC share (31 December 2014: A\$1.795 (HK\$11.375) per AWC share);
- (E) further material write-offs will be made in respect of the Group's inventories stored at Qingdao port, China due to the lack of progress in the related legal proceedings and as the Company has not received any information in respect of the progress of the investigation by the Chinese authorities into the allegedly fraudulent multiple use of warehouse receipts in respect of certain aluminium and copper products stored at Qingdao port; and
- (F) a share of loss will be recorded for 2015 with respect to the Group's interest in CDH and its subsidiaries (collectively, the "**CDH Group**") as the CDH Group expects to record a loss attributable to shareholders of CDH for 2015, as disclosed by CDH in its announcement dated 3 December 2015.

The above impairments, fair value adjustment and inventory write-offs should not have a material adverse impact on the cash flow position of the Group.

General

The information contained in this announcement is a preliminary assessment made by the Board based on the latest management accounts of the Group which have not been audited or reviewed by the independent auditors of the Company.

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
Kwok Peter Viem
Chairman

Hong Kong, 4 December 2015

As at the date hereof, the executive directors of the Company are Mr. Kwok Peter Viem; Mr. Suo Zhengang; Mr. Sun Yang and Ms. Li So Mui, the non-executive directors are Mr. Ma Ting Hung and Mr. Qiu Yiyong, and the independent non-executive directors are Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Look Andrew.