



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

## Company News

### CITIC Resources Holds Interim Working Meeting

CITIC Resources Holdings Limited (“CITIC Resources”) held the 2016 interim working meeting on 4 and 5 August 2016 in Hong Kong.

With the presence of all key members of the management team and department heads from each subsidiary, the meeting started with a work progress review for the first half of 2016, followed by individual discussion sessions on areas including finance, reserves, crude oil technology, internal audit, environment and social responsibility. Participants have thoroughly studied, investigated and discussed the major risks facing each business segment in order to develop risk prevention and mitigation measures. A business plan detailing work priorities, strategies and targets for the second half of 2016 were formulated during the meeting.



The market was confronted with considerable uncertainties in the first half of 2016, during which oil prices have once plunged to around 10-year low. Prices of commodities such as coal, aluminium and steel also hovered at low levels. Amid adverse market conditions, CITIC Resources has placed a strong focus on oil production by applying suitable and creative oil recovery methods, and made a

successful endeavour to raise cost efficiency while maintaining stable cash flows. The company has also stepped up conscious efforts to provide more comprehensive industry technical support, promote professional management practices and scientific decision-making by introducing accountability culture and a more sophisticated performance appraisal system. In addition to these measures, the company upheld its corporate values by promoting creativity and integrity, as well as encouraging staff members to work in a realistic and pragmatic approach. All these efforts bore fruits and the company managed to achieve a turnaround in interim results with profit attributable to shareholders standing at HK\$102.0 million. Oil production, despite stringent control on capital expenditure, also maintained steady growth. Such results have tremendously boosted staff morale and had a positive impact on corporate culture. Mr. Suo Zhengang, Vice Chairman and Chief Executive Officer of CITIC Resources, on behalf of the board, expressed his gratitude to all staff members for their efforts made in the first half of 2016.

Mr. Suo stated, "It is expected that uncertainties surrounding the global and Chinese economies will linger in the second half of 2016. Global oil and commodities prices can hardly stage a significant rebound in the near term, and the operating environment facing the company is still challenging. All members of the company have to cope with new challenges with a strong sense of responsibility and urgency. 2016 is a year of innovation and reformation: management across all levels of the company is expected to adhere to the spirit of 'Unity, Dedication, Pragmatism and Efficiency' and implement reforms with persistence. To further enhance efficiency and achieve all our targets set for the second half of 2016, we will need to undertake 'three musts': We must continue to propel budget management and performance appraisals in a comprehensive manner. We must adopt abductive reasoning to examine and eliminate, one by one, factors hindering cost control. Last but not least, we must tackle challenges and implement measures using a scientific and effective approach."

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