

PRESS RELEASE



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

2014 ANNUAL RESULTS

NET PROFIT TURNED AROUND OIL PRODUCTION ACHIEVING THE HIGHEST LEVEL TO DATE

Financial Highlights

(HK\$ Million)	For the year ended 31 December		
	2014	2013	Change
Revenue [^]	17,805.1	39,319.2	-54.7%
Underlying EBIT	1,264.2*	492.4**	+156.7%
Profit/(Loss) Attributable to Shareholders	223.8	(1,465.4)	N/A

[^] After the adoption of HKFRS11 in January 2013, the share of crude oil sales from the Karazhanbas oilfield is no longer consolidated to the revenue of the Group; revenue from the share of additional 7% participating interest in the CMJV acquired in March 2013 is also proportionately included

* Underlying EBIT in 2014 = Profit before tax + finance costs + asset impairment losses

** Underlying EBIT in 2013 = Loss before tax + finance costs + asset impairment losses + one-off expense of HK\$91.5 million arising from the cash tender offer in February 2013 of the US\$1 billion 6.75% senior notes due 2014

(Hong Kong, 15 February 2015) – CITIC Resources Holdings Limited (“**CITIC Resources**” or the “**Company**”) (HKEx stock code: 1205) today announced the audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2014 (the “**Year**”).

During the Year, the Group’s underlying EBIT increased by 156.7% to HK\$1,264 million with profit attributable to shareholders turning around to HK\$224 million.

Owing to softer product prices brought about by the still tepid commodities and energy market, the Group experienced a contraction in its import and export of commodities business. Total revenue dropped by 54.7% year-on-year to around HK\$17.8 billion. Notwithstanding this, the Group’s net profit managed to demonstrate strong growth attributable to the increase in oil segment revenue resulting from the 18.6% surge in oil production, enhanced operating profit of the aluminum smelting segment following the recovery of aluminum prices, the notable improvement of the manganese sector, and the reduction in finance costs after the full redemption of the outstanding balance of the US\$1 billion 6.75% senior notes.

Mr. Qiu Yiyong, Vice Chairman and Chief Executive Officer of the Group, stated, “During the Year, the Group has, amid escalating market uncertainty, taken effective measures to enhance management and press ahead with the deployment of new technologies and techniques. With Platform C at the Yuedong oilfield commencing production, total oil production has increased by around 2.75 million barrels to achieve the highest levels to date; and the Group has recorded a significant fourfold increase in oil segment revenue. Although recent volatility in oil prices has put a strain on the overall industry and affected our operating and financial performances in the short term, we believe oil is still an irreplaceable resource and the industry remains attractive with lucrative investment value in the foreseeable future. The fall in oil prices has created an avenue of new investment opportunities, and we will grasp this window to timely seek appropriate oil investment projects to strengthen our oil portfolio.”

Sales to external customers

(HK\$ Million)	For the year ended 31 December		
	2014	2013	Change
Crude Oil ¹	1,613.4	320.0	+404.1%
Coal ²	743.2	735.4	+1.1%
Aluminium Smelting	1,001.0	1,065.4	-6.0%
Import and Export of Commodities	14,447.5	37,198.4	-61.2%
Consolidated	17,805.1	39,319.2	-54.7%

1. After the adoption of HKFRS11 in January 2013, the share of crude oil sales from the Karazhanbas oilfield is no longer consolidated to the revenue of the Group. Profit contribution from the Karazhanbas oilfield is recorded as share of profit of a joint venture. In addition, oil production at the Yuedong oilfield was temporarily suspended for construction and pipelines connection in most of 2013
2. Revenue from the share of an additional 7% participating interest in the CMJV, acquired in March 2013, is also proportionately included

Crude Oil

As a result of the full commissioning of the production system at the Yuedong oilfield in China, the more extensive use of new oil recovery techniques at the Karazhanbas oilfield, and the successful drilling of two new development wells at the Seram Block in Indonesia, total oil production volume grew by 18.6% to around 17.6 million barrels during the Year, the highest achievement by the Group to date (including the Karazhanbas oilfield, 100% basis). Segment revenue recorded a fourfold increase to HK\$1,613.4 million.

Karazhanbas oilfield in Kazakhstan

With the promotion of new oil recovery techniques that help enhance oilfield sustainability, production at the Karazhanbas oilfield climbed steadily with average daily production exceeding 39,000 barrels (100% basis). Although the oilfield was affected by falling oil prices in the second half of the year, it managed to reap the benefit of a preferential mineral extraction tax rate which lifted its gross profit margin. Meanwhile, the Group has started discussion with relevant governmental and regulatory authorities in Kazakhstan regarding the renewal of the licence.

Yuedong oilfield in the Bohai Bay Basin of Liaoning, China

The Yuedong oilfield reached another significant milestone with the third artificial island commencing production in Q4 2014. With an expanded production system, average daily production at the Yuedong oilfield amounted to 6,300 barrels (100% basis) during the Year. In conjunction, as an ongoing effort to enhance oilfield productivity, preparation works for thermal recovery testing have been implemented on a trial basis, and the Group will use the technique on an extensive scale upon satisfactory results of this trial.

Seram Island Non-Bula Block in Indonesia

Average daily production of the Seram Block increased to around 2,800 barrels (100% basis) following the successful drilling of two new development wells in the Oseil area in early 2014. Further exploration and development works in the Oseil and Lofin areas will be implemented to enhance production and reserves.

Coal

Operating revenue from the coal sector remained stable at HK\$743.2 million but an operating loss of HK\$175.0 million was recorded owing to the fall in coal prices.

Metals

Buoyed by the recovery of aluminum prices and the Group's ongoing cost saving efforts and a higher average selling price, the Group's Portland Aluminum Smelter joint venture in Australia recorded an increase in gross profit. Although the aluminum smelting segment was affected by the contraction in sales volume and recorded a 6.0% year-on-year drop in revenue, it managed to achieve an operating profit of HK\$144.6 million.

Although affected by softer prices of its major products, CITIC Dameng Holdings Limited ("CDH") recorded a 9.6% increase in revenue following the strong growth in sales volume over last year. Together with the success of its ongoing cost saving measures, CDH managed to turn around during the Year. The Group's share of loss of this associate significantly narrowed down to HK\$10.5 million after factoring in relevant costs.

Import and Export of Commodities

The Group's import and export of commodities segment continued to face intense pressure resulting from cyclical market volatility and reduced sales opportunities, with revenue falling by 61.2% to HK\$14.4 billion.

Business Outlook

The global economy will still be subject to considerable uncertainties in 2015 and the Group expects that prices of bulk commodities will remain weak. In the near term, oil prices are expected to face pressure and coal prices are unlikely to improve significantly. Alumina prices, however, would gradually recover. In a conscious effort to mitigate the associated market risks, the Group will strive to enhance management and take effective measures to improve cost efficiency, as well as deploy new technologies and techniques. The Group will also continue to assess and grasp potential quality investment opportunities to strengthen its core business and maximize value for shareholders.

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About CITIC Resources Holdings Limited

CITIC Resources Holdings Limited has been listed on the Hong Kong Stock Exchange since 1997. Principal activities of the Company include the exploration, development and production of oil and coal, the import and export of commodities as well as investments in bauxite mining, alumina refinery, aluminium smelting, and manganese. CITIC Limited is the largest shareholder with an approximately 59% interest in the Company.

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