



CITIC RESOURCES HOLDINGS LIMITED
中信資源控股有限公司

2016 INTERIM RESULTS

TURNAROUND IN FINANCIAL PERFORMANCE
NET PROFIT REACHED HK\$102 MILLION AMID MARKET VOLATILITY

Financial Highlights

(HK\$ Million)	For the six months ended 30 June		
	2016	2015	Change
Revenue	1,237.4	2,140.7	(42%)
EBITDA [*]	610.6	(453.3)	N/A
Adjusted EBITDA [^]	506.3	376.9	+34%
Profit/(Loss) attributable to shareholders	102.0	(850.3)	N/A

* EBITDA = Profit/ (loss) before tax + finance costs + depreciation + amortization

[^] Adjusted EBITDA = EBITDA + (share of depreciation, amortisation, finance costs, income tax expense/(credit) and non-controlling interests of a joint venture) + fair value loss/(gain) on financial asset at fair value through profit or loss

(Hong Kong, 31 July 2016) – CITIC Resources Holdings Limited (“**CITIC Resources**” or the “**Company**”) (HKEx stock code: 1205) announced unaudited interim results and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2016 (the “**Period**”).

The Group’s revenue went down to HK\$1,237.4 million due primarily to prevailing soft energy and commodities prices during the Period. However, the Group continued with its endeavours to raise cost efficiency across its operations which helped alleviate the negative impact of low prices on the Group’s financial performance. In addition, attributable to the fair value gain in respect of its interest in Alumina Limited (“**AWC**”), a share of profit with respect to its interest in CITIC Canada Energy Limited (“**CCEL**”) and the gain on disposal of certain coal interests, the Group managed to achieve a turnaround in financial results with EBITDA and profit attributable to shareholders standing at HK\$610.6 million and HK\$102.0 million respectively.

Mr. Suo Zhengang, Vice Chairman and Chief Executive Officer of the Group, stated, “In the first half of 2016, global crude oil and commodities prices staged a modest rebound but still hovered at relatively low levels in general. Amid considerable market uncertainties, we have strengthened our management practices and exercised strict controls over budgets and expenses. These efforts bore fruit and we continued to obtain a year-on-year increase in overall crude oil production and

achieved a turnaround in interim results. We have also signed a non-binding memorandum of understanding with ITOCHU Corporation for strategic collaboration in the oil and gas exploration and production businesses. The Group's performance, I believe, will be further enhanced once market conditions improve."

Sales to External Customers

(HK\$ Million)	For the six months ended 30 June		
	2016	2015	Change
Crude Oil*	340.4	477.9	(29%)
Coal	189.5	347.0	(45%)
Aluminium Smelting	389.5	525.3	(26%)
Import and Export of Commodities	317.9	790.5	(60%)
Consolidated	1,237.4	2,140.7	(42%)

* After the adoption of HKFRS11 in January 2013, the share of crude oil sales from the Karazhanbas oilfield is no longer consolidated into the revenue of the Group

Crude Oil

Overall, average daily production from the Group's three oilfields climbed by 4% year-on-year to 50,840 barrels (100% basis). Owing to prevailing low oil prices, revenue from the oil segment declined by 29% to HK\$340.4 million. Although segment results from the Yuedong oilfield and the Seram Block recorded a loss of HK\$129.5 million, the Group recorded a share of profit of HK\$204.0 million from CCEL, a joint venture through which the Group owns, manages and operates the Karazhanbas oilfield in Kazakhstan. The three oilfields continued to implement cost control measures to raise cost efficiency.

Karazhanbas oilfield in Kazakhstan

The Karazhanbas oilfield remained the largest contributor to the Group's oil production, with an average daily production of 38,600 barrels (100% basis), a slight drop of 2% from 1H 2015. Buoyed by a number of factors including the reductions in export duty and rent tax, the Karazhanbas oilfield achieved a net profit and as a result, the Group recorded a share of profit for the Period.

Yuedong oilfield in the Bohai Bay Basin of Liaoning, China

The Group continued to employ thermal recovery and received satisfactory outcomes. Average daily production leapt by 18% year-on-year to 8,170 barrels (100% basis).

Seram Island Non-Bula Block in Indonesia

Thanks to the commencement of production of new development wells in the Oseil area, average daily production volume at the Seram Block reached 4,070 barrels (100% basis), an increase of 40% compared to the same period last year.

Daily oilfield production (100% basis)

Daily production (barrels)	For the six months ended 30 June		
	2016	2015	Change
Karazhanbas oilfield in Kazakhstan	38,600	39,200	(2%)
Yuedong oilfield in China	8,170	6,900	+18%
Seram Island Non-Bula Block in Indonesia	4,070	2,900	+40%
Consolidated	50,840	49,000	+4%

Coal

Although segment revenue was negatively affected by the weak global coal market, segment results slightly improved due to the adoption of effective cost control measures. In addition, the Group disposed of certain coal interests and a gain was realised.

Metals

During the Period, tepid aluminium market weighed on the Group's aluminium smelting business. Revenue went down when compared to 1H 2015 and a segment loss was recorded. However, the Group recorded a fair value gain of HK\$256.3 million for the Period with respect to its interest in AWC.

The performance of CITIC Dameng Holdings Limited ("CDH") continued to be adversely affected by, among other things, low selling prices of major manganese products. However, owing partly to its cost control measures, CDH recorded an improved operating result and thus the Group recorded a reduced share of loss for the Period with respect to its interest in CDH.

Import and Export of Commodities

The Group's import and export of commodities business continued to face strong headwinds from the still sluggish commodities markets. During the Period, this segment recorded a material decrease in both revenue and profit from 1H 2015.

Business Outlook

Global crude oil and commodities prices look likely to fluctuate at low levels for some more time, attributable to downside risks arising from political and economic uncertainties, as well as a lack of effective demand in the market. The Group will remain alert to market changes and continue to make conscious efforts to raise operating efficiency through continuing implementation of cost control measures. Concurrently, as a move to foster sustainable growth, the Group will timely seek suitable investment opportunities to continuously strengthen its business portfolio.

- End -

About CITIC Resources Holdings Limited (HKEx stock code: 1205)

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, investments in manganese, bauxite mining, alumina refinery and aluminium smelting, as well as the import

and export of commodities. CITIC Limited is the largest shareholder with about 60% interest in the Company.

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