



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

CITIC RESOURCES ANNOUNCES 2013 ANNUAL RESULTS

**SHORT-TERM MARKET VOLATILITY AS A DOUBLE-EDGED SWORD
 STRATEGIC INVESTMENTS TO CAPITALIZE FUTURE GROWTH**

Financial Highlights

(HK\$ Million)	For the year ended 31 December		
	2013	2012 (Restated)	Change
Revenue ¹	39,319.2	42,747.4	-8.0%
Underlying EBIT ²	492.4	1,197.2	-58.9%
Loss Attributable to Shareholders	(1,465.4)	(1,283.9)	N/A

1. After the adoption of HKFRS11 in Jan 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% interest in the CMJV acquired in March 2013 is also proportionately included
2. Profit before tax + finance cost + 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, 23 February 2014) – 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 2013 (the “**Year**”).

Ongoing fragile global economic recovery, rising overall operating costs and exchange losses arising from Australian dollar exchange rate fluctuations continued to put a strain on the Group’s operating results during the Year, with total revenue dropped by 8% year-on-year to approximately HK\$39.3 billion and underlying EBIT fell to around HK\$492 million. Taking account of the one-off expense of HK\$91.5 million arising from the cash tender offer in February 2013 in connection with the US\$1 billion 6.75% senior notes due 2014, as well as the non-cash asset impairment loss of HK\$1,689 million prudently provided for the Yuedong oilfield in China, a loss attributable to shareholders of HK\$1,465 million was recorded in the Year.

Mr. Zeng Chen, Vice Chairman and Chief Executive Officer of the Group, stated, “Although our business was negatively affected by the unfavorable macroeconomic environment, we have taken advantage of short-term market volatility to fully prepare ourselves in the long run by making a number of strategic moves that maximize the Group’s investment value. With enhanced financial flexibility, we take the opportunity to invest in Alumina Limited (“**Alumina**”) to cement our footprint in the upstream bauxite mining and alumina refinery assets, as well as to increase an additional 7% interest in the quality Coppabella and Moorvale coal mines joint venture (the

“**CMJV**”). On the other front, we are pleased to see our oil asset portfolio achieve another significant milestone with the Yuedong oilfield commencing operation in late 2013.”

Sales to external customers

(HK\$ Million)	For the year ended 31 December		
	2013	2012 (Restated)	Change
Crude Oil ¹	320.1	504.5	-36.6%
Coal ²	735.4	475.9	+54.5%
Aluminium Smelting	1,065.4	1,221.8	-12.8%
Import and Export of Commodities	37,198.4	40,545.2	-8.3%
Consolidated	39,319.2	42,747.4	-8.0%

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.
2. Revenue from the share of additional 7% interest in the CMJV acquired in March 2013 is also proportionately included

Crude Oil

As oil production from the Yuedong oilfield was temporarily suspended for construction in most of 2013, segment revenue declined to HK\$320 million. Yet including the Karazhanbas oilfield, the Group’s share of total oil production volume during the Year increased to around 7.4 million barrels. The Group will continue to step up efforts to implement effective measures to improve the productivity of its existing oil assets.

Karazhanbas oilfield in Kazakhstan

Production at the Karazhanbas oilfield remained steady and continued to be the largest profit contributor to the Group’s crude oil business during the Year, with total annual production exceeding two million tonnes (100% project basis) for the second consecutive year.

Yuedong oilfield in Bohai Bay Basin of Liaoning, China

Encouraging progress was made with the first and second artificial islands, the subsea pipelines and the onshore oil/water processing plant put into operation in early November 2013. The Group will continue to produce oil and devote its full efforts to progressively complete the remaining construction and installation works.

Seram Island Non-Bula Block in Indonesia

Production at the Seram oilfield remained stable at 431,000 barrels (the Group’s share) during the Year following the Group’s conscious efforts in new drilling to supplement the natural decline. Further exploration and development works in the Oseil and Lofin areas will be undertaken to improve production efficiency as well as to explore potentials of these areas.

Coal

Taking into consideration of revenue from the additional 7% stake acquired in the CMJV during the Year, operating revenue from the coal sector surged by 55% year-on-year to HK\$735 million. Segment results in coal sector, however, were adversely affected owing to a drop in selling price and rising operating cost. From a longer term perspective, the Group remains optimistic about its coal business supported by sustained demand for quality low volatile pulverized coal injection coal.

Metals

The Group's current portfolio of metal investment includes interests in: (i) the Portland Aluminium Smelter joint venture, (ii) Alumina and (iii) CITIC Dameng Holdings Limited ("CDH").

During the Year, segment revenue of the aluminium dropped by 13% year-on-year to HK\$1,065 million as a result of lower selling prices due to oversupply. A share of loss in CDH of HK\$108 million was recorded amid the still sluggish steel industry. Nonetheless, capturing investment opportunities brought about by market volatility for long term growth, the Group made a strategic move in the Year into the upstream bauxite mining and alumina refinery business through the successful subscription of an equity interest in Alumina, one of the Australia's leading companies with significant global interests in bauxite mining and alumina refining operations etc.

Import and Export of Commodities

Due to slowdown in commodities demand, the Group encountered a less robust operating environment in the commodities trading sector during the Year with a mild 8% yearly decline in segment revenue. However, with strong expertise and established marketing network, this segment continued to contribute satisfactory segment results for the Group.

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About CITIC Resources Holdings Limited

CITIC Resources Holdings Limited has been listed on the Hong Kong Stock Exchange since 1997. The Company positions itself as an integrated provider of strategic natural resources and key commodities with particular focus on the oil and coal businesses. 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 Group Corporation is the largest shareholder with an approximately 59% interest in the Company.

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