



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

CITIC RESOURCES ANNOUNCES 2014 INTERIM RESULTS

NET PROFIT UP 61% AMIDST MARKET UNCERTAINTY

Financial Highlights

(HK\$ Million)	For the six months ended 30 June		
	2014	2013	Change
Revenue ¹	15,141.5	21,327.7	-29.0%
EBIT ²	590.8	480.9	+22.9%
Profit Attributable to Shareholders	168.4	104.3	+61.4%

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; revenue from the share of additional 7% participating interest in the CMJV acquired in March 2013 is also proportionately included
2. Profit before tax + finance costs

(Hong Kong, 24 August 2014) – CITIC Resources Holdings Limited (“**CITIC Resources**” or the “**Company**”) (HKEx stock code: 1205) today announced unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2014 (the “**Period**”).

Affected by the weakened performance of its import and export of commodities segment which suffered from the faltering global commodities market during the Period, the Group recorded total revenue of HK\$15.1 billion, representing a drop of 29% over the same period last year. However, bolstered by an improved performance from the crude oil segment mainly attributable to the resumption of production at the Yuedong oilfield in China, as well as the granting of a preferential mineral extraction tax rate to the Karazhanbas oilfield during the Period, EBIT edged up by 23% to HK\$590.8 million with profit attributable to shareholders also up 61% to HK\$168.4 million.

Mr. Peter Kwok, Chairman of the Group, stated, “We are pleased to see the improved performance delivered by the crude oil segment and the steady progress made by the Yuedong oilfield during the Period which has helped offset the weaker results of our import and export of commodities segment which continued to face strong headwind from the tepid commodities market. Our enhanced capital structure following the full redemption of the outstanding principal amount of the US\$1 billion 6.75% senior notes due May 2014 has also allowed us to implement our business strategy with higher flexibility, paving the way for sustainable developments in the long term.”

Sales to external customers

(HK\$ Million)	For the six months ended 30 June		
	2014	2013	Change
Crude Oil ¹	871.9	102.9	+747.1%
Coal ²	365.6	344.7	+6.1%
Aluminium Smelting	545.0	538.2	+1.3%
Import and Export of Commodities	13,359.0	20,341.8	-34.3%
Consolidated	15,141.5	21,327.7	-29.0%

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. In addition, oil production at the Yuedong oilfield was temporarily suspended in 1H 2013 for construction and pipelines connection
2. Revenue from the share of additional 7% participating interest in the CMJV acquired in March 2013 is also proportionately included

Crude Oil

Following the resumption of production at the Yuedong oilfield in China and the development of two new development wells at the Seram Block in Indonesia, segment revenue increased to HK\$871.9 million during the Period. Including the Karazhanbas oilfield, the Group's share of total oil production volume grew by 28% to 4.6 million barrels for the Period.

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, with average daily production reaching 38,800 barrels (100% basis). Production from the oilfield also benefits from a preferential mineral extraction tax rate which significantly relieves costs pressure.

Yuedong oilfield in Bohai Bay Basin of Liaoning, China

During the Period, average daily production at the Yuedong oilfield reached 6,100 barrels (100% basis) following the full commissioning of the first and second artificial islands, the subsea pipelines and the onshore oil/water processing plant in 4Q 2013. The oilfield has become a positive revenue contributor to the Group's revenue. Subsequent construction and installation works at the third artificial island will be progressively carried out towards completion. The completion of the third artificial island is expected to further generate revenue to the Group.

Seram Island Non-Bula Block in Indonesia

Average daily production of the Seram Block reached 2,700 barrels (100% basis) subsequent to the drilling of two new development wells in the Oseil area. Further exploration and development works in the Oseil and Lofin areas will be undertaken to improve production as well as to explore further uplift potentials.

Coal

Taking into account the result of the additional 7% participating interest in the Coppabella and Moorvale coal mines joint venture (the "CMJV") acquired in March 2013, operating revenue from the coal segment rose by 6% year-on-year to HK\$365.6 million. Segment results, however, were adversely affected by softening commodity and market conditions. From a longer term

perspective, the Group holds an optimistic view towards the coal market and its coal business, supported by the sustained demand for quality low volatile pulverized coal injection coal.

Metals

Owing to increased sales volume that successfully offset softer selling prices brought about by a global glut, revenue from the Group's aluminium segment remained stable at HK\$545.0 million.

A share of loss of HK\$43.9 million in CITIC Dameng Holdings Limited was recorded amidst the still sluggish steel industry.

Import and Export of Commodities

Revenue from the import and export of commodities segment was adversely affected by cyclical volatility brought about by the slow recovery in the commodities market and fell by 34% to HK\$13.4 billion.

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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 Group Corporation is the largest shareholder with an approximately 59% interest in the Company.

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