



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

## CITIC RESOURCES CREDIT RATING UPGRADED TO BA2 OUTLOOK STABLE STABLE FUNDING STRUCTURE STRONG RISK RESISTANCE

(Hong Kong, 4 October 2019) – CITIC Resources Holdings Limited (“**CITIC Resources**” or the “**Company**”) (HKEx stock code: 1205) announced that Moody's Investors Service (“**Moody's**”) upgraded CITIC Resources Holdings Limited Corporate family rating (CFR) from Ba3 to Ba2, the outlook remained stable.

According to Moody's, the Company's positive free cash flow was underpinned by the recovery of oil prices during the period, reduction in operating costs and the Company's prudent management of capital spending and investments, which allows the company to continuously trimming its debts. Compared to 2017, the leverage of the Company has been materially reduced. Moreover, there is a continuous supports from its parent, CITIC Group Corporation (CITIC Group, A3 stable), including a \$500 million shareholder loan that accounted for 69% of the total debt of the Company by the end of June 2019. This good mix of capital structure of the Company enables a comparative higher resilient, if there is any potential downturns in oil and gas sector, than its peers. Moody's expects the company to gradually ramping up its production in the Yuedong oilfield from 2020, incorporates Moody's forecast of global medium Brent oil prices of around \$65 per barrel, CITIC Resources' leverage ratio will remain stable.

**Mr. Suo Zhengang, Vice Chairman and Chief Executive Officer of the Group** commented, “Moody's has upgraded our credit rating in the last two consecutive years. The rating upgrades signified that Moody's affirmed the Company's steady profit growth strategy and continuous dividend paid out policy, and had seen an improving financial and operating conditions in the last couple of years. Looking forward, we will use our best endeavor to deliver our best to meet market expectations on us. On the one hand, we will leverage on strong cash flow momentum to ramp up production and increase the reserves. On the other hand, we will make the best use of internal generate cash flow to further de-gearing our leverage and adhere to cost control measures to improve risk resistance capacity. In the long run, we believe that the market can endorse our efforts and have higher confidence in investing in CITIC Resources.”

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### **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.

For media enquiries, please contact:

Hong Kong and the overseas  
PR ASIA Consultants Limited  
Lorraine Lam / Maureen Zhao  
Tel: +852 3183 0230 / 0239  
Fax: +852 2583 9138  
Email: [crh@prasia.net](mailto:crh@prasia.net)