



中信資源控股有限公司

CITIC Resources Holdings Limited

CITIC RESOURCES ANNOUNCES 2020 ANNUAL RESULTS

Financial Highlights

(HK\$ Millions)	For the 12 months ended 31 December		
	2020	2019	Change
Revenue	2,850.1	3,425.5	(16.8%)
EBITDA*	257.4	1,304.3	(80.3%)
Adjusted EBITDA ^	618.6	1,723.3	(64.1%)
Profit attributable to shareholders (loss)	(363.8)	600.3	N/A
Earnings (loss) per share / (basic)	(4.63 cents)	7.64 cents	

* EBITDA = Profit before tax + Financing cost + Depreciation + Amortisation

^ Adjusted EBITDA = EBITDA + (financing cost, depreciation, amortisation, income tax expense and non-controlling interests attributable to a joint venture)

(Hong Kong, 29 March 2021) -- CITIC Resources Holdings Limited (“CITIC Resources” or the “Company”) (Stock code: 1205.HK) announced the annual results of the Company and its subsidiaries (collectively, the “Group”) for the 12 months ended 31 December 2020 (the “Year”).

In 2020, the outbreak and wide spread of COVID-19 pandemic severely disrupted the global economy. The lockdown measures implemented worldwide have also affected global economic activities and suppressed market demands. During the year, the commodity prices related to the Group’s major businesses, such as crude oil, alumina and coal, significantly declined year-on-year. The Group’s annual performance has turned from profit to loss compared to last year. By optimizing asset structure and promoting the optimization of management system, the Group managed to maintain stable cash flow, further improve its operating efficiency and risk control capacity, thus laid the foundation for the Group’s future development.

Workload Adjustment and Capital Investment Control

Responding to severe challenges, the Group actively reduced the investment and management costs as well as refined and tightened cost control. Through striving for higher efficiency with improved technology and management level, the Group tried its best to overcome the adverse effects brought by the macro environment and realized a consolidated operating profit in the crude oil segment.

During the year, the total production of the three oil fields under the Group is around 16.75 million barrels

(100% basis), which exceeds the mid-year estimated production, but down around 5% compared to last year. Besides, due to the execution of development plans in Yuedong oilfield and the Seram Block in Indonesia, the overall estimated proved oil reserves remained relatively stable.

Assets Structure Optimization and Liquidity Improvement

At the beginning of the year, the Group proactively deployed stress tests in respond to the pressure caused by low oil prices and the pandemic, required the subsidiaries to strictly control operating risks and reduce costs. With clear goals and effective measures, the Group managed to control the operating costs and cash expenditure. Together with the cash inflow supplemented by the disposal of the equity shares in CDH, the overall liquidity of the Group has been improved in the adverse market environment.

Pandemic Prevention and Production Safety Control

As for the pandemic prevention and control, we referred to the successful experience of Mainland China and supervised the subsidiaries to formulate and gradually improve their pandemic prevention and control plans and guidelines depending on their own situations, so as to minimize the impact of the pandemic on production and operation. While taking into account of its own production safety, the Group also tried its best to contribute to the pandemic prevention work at project countries by donating a large amount of anti-pandemic supplies to local communities and medical institutions.

Outlook

In 2021, as the supply and demand of crude oil tends to be stable while the international crude oil prices continue to spike upward the Group is cautiously optimistic about the rebound in commodity prices. It is expected that with the global application of vaccination, the crude oil market is expected to gradually shift from “Oversupply” in 2020 to “Tight-Balanced”. The oil production target of the Group in 2021 is around 18 million barrels (100% basis, without considering the potential production restriction factors of the Karazhanbas oilfield), and capital expenditure is expected to reach around HK\$490 million, which is mainly used for oilfield exploration, development and production-related capital investment. The Group will adjust its work plan based on changes in the external environment and international oil price trends, and it will steadily proceed the work of exploring room in oil and gas reserves and production expansion, while ensuring investment efficiency.

Mr Suo Zhengang, Vice Chairman and CEO of the Group commented, “2021 is the first year of the ‘14th Five-Year Plan’. We will proactively plan ahead and seize the opportunities to enhance the value of our existing assets. On the one hand, we will maintain and improve oilfield reserves by conducting thorough reservoir research as well as launching and applying new technologies so as to establish a solid foundation for value enhancement of our existing assets. On the other hand, we will continue to strengthen our refined management and achieve success in operation and management with a focus on increasing asset value, while striving to exceed the annual business targets and grasping the opportunities arising from market recovery to improve our operating results. No matter how complex and volatile the external environment is, we will remain persistent, pragmatic, hardworking and dedicated, and continue to be unremitting in realizing the Company’s new development and creating value for shareholders!”

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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.

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Attachment:

*- Announcement of the 2020 Annual Results is published on the website of CITIC Resources Holdings Limited:
<http://resources.citic>.*