



CITIC PACIFIC

PRESS RELEASE

20 February 2014

2013 FULL-YEAR RESULTS

CITIC Pacific ("the Company") today announced its results for the full-year ended 31 December 2013.

HIGHLIGHTS

<i>HK\$ million</i>	2013	2012
Profit attributable to ordinary shareholders	7,588	6,954
Earnings per share (HK\$)	2.08	1.91
Dividend per share (HK\$)	0.35	0.45
	As at 31 Dec.	As at 31 Dec.
Cash and bank deposits	35,070	32,821
Ordinary shareholders' funds and perpetual capital securities	101,763	84,678

Profit attributable to ordinary shareholders for 2013 was 9% more than 2012. Profit from underlying business operations increased 42%, underpinned by the solid performance of the special steel and energy businesses. The iron ore business recorded a substantial loss as interest expenses can no longer be capitalised.

At the end of the year, CITIC Pacific had HK\$48,102 million of cash and available facilities, giving the company the financial flexibility to execute its investment plans and pay dividends.

The board recommends a final dividend of HK\$0.25 per share, thus giving shareholders a full-year dividend of HK\$0.35 per share.

Iron Ore: The Sino Iron project achieved a major milestone in 2013 with the delivery of its first shipment of magnetite concentrate in December and is now shipping regularly. The concentrate produced thus far is of high commercial quality with 66% iron content and low levels of impurities.

Improving operating reliability and efficiency and continuing the construction of the remaining four lines will be the priority and focus for the foreseeable future.

CITIC Pacific will be directly managing the construction and commissioning of lines three to six.

In the next couple of years, production cost per tonne at Sino Iron will be high as production will be limited. Depreciation will start, and there will be substantial interest expenses. Economies of scale will be achieved when all six lines are completed and operating at full

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capacity. In the meantime, the export of iron ore is bringing cash flow to the company. Sino Iron, a 30-year-plus project, is supported by continued economic growth in China and its demand for iron ore. As such, Sino Iron is creating long-term value for CITIC Pacific.

Special Steel: Attributable profit from this business was HK\$1,306 million, an increase of 519% from 2012. The solid performance of CITIC Pacific Special Steel was the result of an improved market, which contributed to an 11% rise in product sales. The overall profit margin increased due to the lower price of raw materials. For the year, total sales of special steel products rose to 7.2 million tonnes, with most of the increase coming from special steel plates.

Looking at 2014, reduced fixed asset investment as China's economy transitions from an investment-driven to a consumption-driven one, coupled with excess steel producing capacity, will continue to put pressure on the operations and profitability of steel producers in China.

Property in mainland China: Attributable profit from mainland properties was HK\$1,045 million, 15% higher than 2012, which resulted from the sale of an office building in Shanghai. Most of the company's residential projects are in the development phase with limited finished units for delivery. However, pre-sales of residential units in 2013 were at a record high, but the bookings from them will not be recognised until the units are completed and delivered to buyers.

Energy: The energy business had an outstanding year with attributable profit reaching HK\$1,822 million, an increase of 60% compared with 2012. The rise in profit came from power generation due to the substantial rise in electricity generated, especially by Ligang Power Station. Lower coal prices also helped reduce input cost. Conversely, Xin Julong coal mine in which CITIC Pacific has a 30% interest saw its profit contribution decline by 5%.

The company's other businesses continued to contribute steady cash flow and profit.

Media enquiries:

Brunswick Group Ltd

Mr Tim PAYNE
Tel: 852-3512 5066
Mobile: 852-6104 6266
tpayne@brunswickgroup.com

Ms Ginny WILMERDING
Tel: 852-3512 5028
Mobile: 852-9730 6376
gwilmerding@brunswickgroup.com

Ms Crystal CHAN
Tel: 852-3512 5032
Mobile: 852-9669 3632
cchan@brunswickgroup.com

Australian Contact:

MAGNUS Corporate Communication

Mr. John GARDNER
Tel: 61-8-6160 4901
Mobile: 61-413 355 997
jgardner@magnus.net.au

Attachment:

A full announcement of the full-year results is on CITIC Pacific's website: www.citicpacific.com.

The Full-Year Report 2013 will be posted on CITIC Pacific's website around 17 March 2014 and mailed to shareholders of record and others expressing interest around 25 March 2014.