CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "**Board**") of CITIC Resources Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2014.

FINANCIAL HIGHLIGHTS

Year ended 31 December	**2014 HK$ million**	2013 HK$ million	Change
Revenue	**17,805.1**	39,319.2	(54.7%)
Underlying EBIT *	**1,264.2**	492.4	156.7%
Profit/(loss) attributable to shareholders	**223.8**	(1,465.4)	N/A

* profit before tax + finance costs + asset impairment losses
(2013: loss before tax + finance costs + asset impairment losses + one-off expense of HK$91.5 million arising from the partial repurchase of the Notes (as defined below))

- 19% growth in total oil production volume during the year (100% basis), which reached the highest levels to date achieved by the Group

- Revenue and profit of the crude oil segment increased substantially attributable to rising sales volume

- Revenue and profit of the import and export of commodities segment decreased substantially due to the drop in commodity selling prices and reduced sales opportunities

- Underlying EBIT increased significantly with the Yuedong oilfield being the largest contributor

FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT
Year ended 31 December

	Notes	**2014 HK$'000**	2013 HK$'000
REVENUE	3	**17,805,124**	39,319,183
Cost of sales		**(16,867,056)**	(38,835,582)
Gross profit		**938,068**	483,601
Other income and gains	4	**788,054**	616,790
Selling and distribution costs		**(177,786)**	(26,210)
General and administrative expenses		**(339,675)**	(369,749)
Other expenses, net		**(73,030)**	(561,580)
Finance costs	5	**(504,059)**	(731,087)
Share of profit/(loss) of:			
Associates		**(34,562)**	(102,839)
A joint venture		**163,099**	360,891
		760,109	(330,183)
Provision for impairment of items of property, plant and equipment		**—**	(1,777,308)
Provision for impairment of other assets		**(56,160)**	(23,233)
Provision for impairment of inventories		**(319,800)**	—
PROFIT/(LOSS) BEFORE TAX	6	**384,149**	(2,130,724)
Income tax credit/(expense)	7	**(113,734)**	527,870
PROFIT/(LOSS) FOR THE YEAR		**270,415**	(1,602,854)
ATTRIBUTABLE TO:			
Shareholders of the Company		**223,830**	(1,465,436)
Non-controlling interests		**46,585**	(137,418)
		270,415	(1,602,854)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	8	**HK cents**	HK cents
Basic		**2.84**	(18.63)
Diluted		**2.84**	(18.63)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December

	2014 **HK$'000**	2013 HK$'000
PROFIT/(LOSS) FOR THE YEAR	**270,415**	(1,602,854)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(87)**	696
Reclassification adjustment for gains included in the consolidated income statement – gain on disposal	**—**	(9,524)
Income tax effect	**26**	3,586
	(61)	(5,242)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	**(689,583)**	(92,180)
Reclassification adjustment for gains included in the consolidated income statement	**(84,145)**	(198,038)
Income tax effect	**191,949**	83,109
	(581,779)	(207,109)
Exchange differences on translation of foreign operations	**(456,619)**	97,771
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(1,038,459)**	(114,580)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gain/(loss) on defined benefit plan:		
Changes in fair value	**(8,651)**	28,904
Income tax effect	**2,595**	(8,671)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**(6,056)**	20,233
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(1,044,515)**	(94,347)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(774,100)**	(1,697,201)
ATTRIBUTABLE TO:		
Shareholders of the Company	**(807,665)**	(1,572,347)
Non-controlling interests	**33,565**	(124,854)
	(774,100)	(1,697,201)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**7,481,970**	6,732,880
Prepaid land lease payments		**20,963**	22,822
Goodwill		**24,682**	24,682
Other assets		**808,312**	992,643
Investments in associates		**1,735,275**	4,060,832
Investment in a joint venture		**2,074,226**	2,231,903
Financial assets at fair value through profit or loss		**2,754,717**	—
Available-for-sale investments		**1,733**	1,820
Prepayments, deposits and other receivables		**306,407**	440,414
Deferred tax assets		**192,363**	174,610
Total non-current assets		**15,400,648**	14,682,606
CURRENT ASSETS			
Inventories		**1,276,271**	1,300,099
Trade receivables	10	**793,338**	2,039,010
Prepayments, deposits and other receivables		**2,036,336**	2,612,248
Financial assets at fair value through profit or loss		**3,029**	3,029
Derivative financial instruments		**23,759**	38,817
Other assets		**373**	184,215
Tax recoverable		**—**	31,918
Cash and cash equivalents		**3,246,421**	6,994,039
Total current assets		**7,379,527**	13,203,375
CURRENT LIABILITIES			
Accounts payable	11	**640,563**	958,307
Accrued liabilities and other payables		**777,059**	826,255
Derivative financial instruments		**24,505**	—
Bank and other borrowings		**3,400,173**	883,032
Finance lease payables		**13,650**	15,614
Bond obligations		**—**	6,187,321
Provisions		**53,008**	76,812
Total current liabilities		**4,908,958**	8,947,341
NET CURRENT ASSETS		**2,470,569**	4,256,034
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,871,217**	18,938,640

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December

	2014	2013
	HK$'000	HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**17,871,217**	18,938,640
NON-CURRENT LIABILITIES		
Bank and other borrowings	**5,773,191**	6,548,423
Finance lease payables	**42,876**	54,619
Deferred tax liabilities	**—**	66,840
Derivative financial instruments	**727,390**	97,305
Provisions	**319,918**	464,007
Other payables	**113,470**	46,064
Total non-current liabilities	**6,976,845**	7,277,258
NET ASSETS	**10,894,372**	11,661,382
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**393,426**	393,426
Reserves	**10,473,691**	11,274,266
	10,867,117	11,667,692
Non-controlling interests	**27,255**	(6,310)
TOTAL EQUITY	**10,894,372**	11,661,382

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments and certain equity investments which have been measured at fair value. These financial statements are presented in Hong Kong dollar ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Total comprehensive income is attributed to shareholders of the Company and also to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest, and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained, and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised standards and a new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendment to HKFRS 2 included in Annual Improvements 2010 – 2012 Cycle	Definition of Vesting Condition [1]
Amendment to HKFRS 3 included in Annual Improvements 2010 – 2012 Cycle	Accounting for Contingent Consideration in a Business Combination [1]
Amendment to HKFRS 13 included in Annual Improvements 2010 – 2012 Cycle	Short-term Receivables and Payables
Amendment to HKFRS 1 included in Annual Improvements 2011 – 2013 Cycle	Meaning of Effective HKFRSs

[1] Effective for annual periods beginning on or after 1 July 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first set of HKFRS financial statements, the nature and the impact of each amendment and interpretation are described below.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set-off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments have no impact on the Group as the Group does not have any offsetting arrangement.

The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are, directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(continued)*

HK(IFRIC) – Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payments occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. This interpretation has no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 Provisions, Contingent Liabilities and Contingent Assets which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC) – Int 21.

The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the aluminium smelting segment comprises the operation of the Portland Aluminium Smelter which sources alumina and produces aluminium ingots in Australia;

(b) the coal segment comprises the operation of coal mines and the sale of coal in Australia;

(c) the import and export of commodities segment comprises the export of various commodity products such as aluminium ingots, coal, iron ore, alumina and copper; and the import of other commodity products and manufactured goods such as steel, vehicle and industrial batteries and tyres in Australia; and

(d) the crude oil segment comprises the operation of oilfields and the sale of oil in Indonesia and China.

Management monitors the results of the Group's operating segments separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs, share of profit/(loss) of associates and a joint venture, and impairment on assets as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in associates, investment in a joint venture, available-for-sale investments, deferred tax assets, financial assets at fair value through profit or loss, tax recoverable, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings, finance lease payables, bond obligations, deferred tax liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2014 HK$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment revenue:					
Sales to external customers	**1,001,026**	**743,206**	**14,447,495**	**1,613,397**	**17,805,124**
Other income	**8,264**	**2,677**	**30,704**	**13,722**	**55,367**
	1,009,290	**745,883**	**14,478,199**	**1,627,119**	**17,860,491**
Segment results	**144,627**	**(175,040)**	**192,961**	**503,162**	**665,710**
Reconciliation:					
Interest income and unallocated gains					**732,687**
Provision for impairment of other assets					**(56,160)** *
Provision for impairment of inventories					**(319,800)** #
Unallocated expenses					**(262,766)**
Unallocated finance costs					**(504,059)**
Share of profit/(loss) of:					
Associates					**(34,562)**
A joint venture					**163,099**
Profit before tax					**384,149**
Segment assets	**1,136,712**	**1,562,174**	**1,385,825**	**6,841,543**	**10,926,254**
Reconciliation:					
Investment in an associate					**1,735,275**
Investment in a joint venture					**2,074,226**
Unallocated assets					**8,044,420**
Total assets					**22,780,175**
Segment liabilities	**1,135,695**	**386,267**	**229,691**	**827,493**	**2,579,146**
Reconciliation:					
Unallocated liabilities					**9,306,657**
Total liabilities					**11,885,803**
Other segment information:					
Depreciation and amortisation	**96,848**	**106,884**	**766**	**507,025**	**711,523**
Unallocated amounts					**7,383**
					718,906
Impairment losses reversed in the consolidated income statement	**—**	**—**	**(1,615)**	**—**	**(1,615)**
Capital expenditure	**14,626**	**26,334**	**1,247**	**1,432,582**	**1,474,789**
Unallocated amounts					**13,500**
					1,488,289 **

* Provision for impairment of other assets related to the coal segment.

\# Provision for impairment of inventories related to the import and export of commodities segment.

** Capital expenditure consists of additions to property, plant and equipment and other assets.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2013 HK$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment revenue:					
Sales to external customers	1,065,424	735,350	37,198,353	320,056	39,319,183
Other income	152,866	8,060	50,562	5,104	216,592
	1,218,290	743,410	37,248,915	325,160	39,535,775
Segment results	93,186	(104,675)	397,326	(145,684)	240,153
Reconciliation:					
Interest income and unallocated gains					400,198
Provision for impairment of items of property, plant and equipment					(1,777,308) *
Provision for impairment of other assets					(23,233) #
Unallocated expenses					(497,499)
Unallocated finance costs					(731,087)
Share of profit/(loss) of :					
Associates					(102,839)
A joint venture					360,891
Loss before tax					(2,130,724)
Segment assets	1,280,489	1,711,497	2,742,037	6,117,463	11,851,486
Reconciliation:					
Investments in associates					4,060,832
Investment in a joint venture					2,231,903
Unallocated assets					9,741,760
Total assets					27,885,981
Segment liabilities	596,611	362,648	703,931	617,444	2,280,634
Reconciliation:					
Unallocated liabilities					13,943,965
Total liabilities					16,224,599
Other segment information:					
Depreciation and amortisation	95,133	96,026	703	193,736	385,598
Unallocated amounts					2,873
					388,471
Impairment losses reversed in the consolidated income statement	—	—	(3,874)	—	(3,874)
Capital expenditure	16,275	1,021,465	697	1,593,673	2,632,110
Unallocated amounts					14,033
					2,646,143 **

* Provision for impairment of items of property, plant and equipment related to the crude oil segment.

\# Provision for impairment of other assets related to the coal segment.

** Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments and other assets (but excluding the carbon emission units).

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2014	2013
	HK$'000	HK$'000
China	**13,235,457**	33,109,633
Australia	**1,640,443**	1,522,259
Europe	**617,779**	1,157,921
America	**—**	24,908
Other Asian countries	**2,268,126**	3,497,645
Others	**43,319**	6,817
	17,805,124	39,319,183

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2014	2013
	HK$'000	HK$'000
Hong Kong	**3,852**	4,925
China	**7,522,712**	6,829,751
Australia	**4,165,030**	3,786,320
Kazakhstan	**2,087,664**	2,250,652
Other Asian countries	**618,982**	641,885
	14,398,240	13,513,533

The non-current assets information above is based on the location of the assets which exclude other assets, available-for-sale investments and deferred tax assets.

Information about a major customer

Revenue of HK$2,884,230,000 (2013: HK$5,110,400,000) was derived from sales by the import and export of commodities segment to a single customer, representing more than 10% of the Group's revenue.

4. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	2014	2013
	HK$'000	HK$'000
Interest income	**76,439**	119,663
Handling service fees	**30,202**	48,049
Fair value gains, net, on:		
Available-for-sale investments		
(transferred from equity on disposal)	**—**	9,524
Cash flow hedge (transferred from equity)	**113,888**	187,742
Derivative financial instruments	**98,531**	225,781
Financial assets at fair value through profit or loss	**411,997** *	—
Sale of scrap	**5,364**	6,751
Others	**51,633**	19,280
	788,054	616,790

* During the annual review of the appropriateness of continued accounting of the Group's investment in Alumina Limited ("**AWC**") as an investment in an associate, it was reassessed and concluded that significant influence over AWC no longer exists. In addition, it was considered that the fair value adopted to measure the investment provides a more relevant and reliable basis to reflect the value and to assess the performance of the investment going forward. Accordingly, the investment has been reclassified from an associate to financial assets designated as at fair value through profit or loss in 2014. On the date of reassessment, the investment was measured at fair value based on the closing share price of AWC on that date. A fair value gain of HK$411,997,000, being the difference between the fair value and carrying value, has been recognised in the consolidated income statement.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2014	2013
	HK$'000	HK$'000
Interest expense on bank and other borrowings	**324,224**	273,781
Interest expense on fixed rate senior notes, net	**157,789**	429,528
Interest expense on finance leases	**8,443**	4,872
Total interest expense on financial liabilities not at fair value through profit or loss	**490,456**	708,181
Amortisation of fixed rate senior notes	**6,899**	18,860
	497,355	727,041
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	**6,704**	3,005
Others	**—**	1,041
	504,059	731,087

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax was arrived at after charging/(crediting):

	2014 **HK$'000**	2013 HK$'000
Cost of inventories sold	**16,867,056**	38,835,582
Depreciation	**606,534**	287,849
Amortisation of other assets	**111,065**	98,848
Amortisation of prepaid land lease payments	**1,307**	1,774
Loss on disposal/write-off of items of property, plant and equipment, net *	**2,529**	702
Exchange losses/(gains), net *	**(15,688)**	352,789
Provision for impairment of items of property, plant and equipment	**—**	1,777,308
Provision for impairment of other assets	**56,160**	23,233
Provision for impairment of inventories	**319,800**	—
Gain on disposal of available-for-sale investments	**—**	(9,524)
Loss on repurchase of fixed rate senior notes *	**—**	91,498
Loss on purchase of fixed rate senior notes *	**—**	2,052

* These amounts were included in "Other expenses, net" in the consolidated income statement.

7. INCOME TAX

	2014 **HK$'000**	2013 HK$'000
Current – Hong Kong	**—**	—
Current – Elsewhere		
Charge for the year	**346**	50,396
Underprovision in prior years	**378**	4,021
Deferred	**113,010**	(582,287)
Total tax expense/(credit) for the year	**113,734**	(527,870)

The statutory rate of Hong Kong profits tax was 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2013: Nil).

Taxes on profits assessable elsewhere were calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Australia: The Group's subsidiaries incorporated in Australia were subject to Australian income tax at a rate of 30% (2013: 30%). No provision for Australian income tax was made as the Group had no assessable profits arising in Australia during the year.

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 30% (2013: 30%). The Group's subsidiary owning a participating interest in the oil and gas properties in Indonesia was subject to branch tax at the effective tax rate of 14% (2013: 14%).

China: The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2013: 25%). No provision for China corporate income tax was made as the Group had tax losses brought forward which can be used to offset the taxable profits arising in China during the year (2013: Nil).

According to HKAS 12 Income Taxes, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount was based on the profit for the year attributable to ordinary shareholders of the Company of HK$223,830,000 (2013: a loss of HK$1,465,436,000) and the weighted average number of ordinary shares in issue during the year, which was 7,868,527,149 (2013: 7,867,380,574) shares.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary shareholders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment was made to the basic loss per share amount presented for the year ended 31 December 2013 in respect of a dilution as the share options outstanding during the prior year had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted earnings per share amounts for the year ended 31 December 2014 were based on:

	HK$'000
Earnings	
Profit attributable to ordinary shareholders of the Company used in the basic earnings per share calculation	223,830

	Number of shares
Shares	
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	7,868,527,149
Effect of dilution – weighted average number of ordinary shares: share options	— *
	7,868,527,149

* There were no dilutive potential ordinary shares arising from share options as the average share price of the Company did not exceed the exercise price of the outstanding share options during the year.

9. DIVIDEND

No interim dividend was paid during the year and the prior year. The directors do not recommend the payment of any final dividend in respect of the year (2013: Nil).

10. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, was as follows:

	2014	2013
	HK$'000	HK$'000
Within one month	**288,734**	1,034,139
One to two months	**118,953**	161,329
Two to three months	**103,528**	448,547
Over three months	**282,123**	394,995
	793,338	2,039,010

The Group normally offers credit terms of 30 to 120 days to its established customers.

11. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at the end of the reporting period, based on the invoice date, was as follows:

	2014	2013
	HK$'000	HK$'000
Within one month	**615,656**	935,078
One to three months	**—**	—
Over three months	**24,907**	23,229
	640,563	958,307

The accounts payable are non-interest-bearing and are normally settled on terms of 30 to 90 days.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's annual audited financial statements for the year ended 31 December 2014. The report includes an emphasis of matter, without qualification.

"**Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 25 to the financial statements, in which the directors provide a summary of the Group's position around the inventories located at Qingdao port. The financial statements detail the amount of the inventories and extent of provision the directors believe is appropriate to recognise.

We note that as the matter is still before the Qingdao Maritime Court, the Group has not been able to access the bonded warehouses, and the investigation by the Chinese authorities is still ongoing. In consideration of the above, there is material inherent uncertainty as to the carrying amount of the inventories. Adjustments either to increase or decrease the carrying amount of the inventories may be necessary subject to the resolution of the matter."

Details of "note 25 to the financial statements" have been included in the "Import and export of commodities" section of BUSINESS REVIEW of this announcement.

BUSINESS REVIEW

The Group continues to position itself as an integrated provider of strategic natural resources and key commodities with businesses across energy, metals and the import and export of commodities sectors.

Crude oil

In 2014, total production from all of the Group's oilfields, including the Karazhanbas oilfield in Kazakhstan, reached the highest levels to date achieved by the Group, with an average daily production of 48,100 barrels (100% basis), representing a 19% increase. The decline in oil prices in 2H 2014 nevertheless had an impact on the financial performance of the Group for the year.

Supported by the Group's continued efforts to explore and adopt more effective oil recovery techniques to improve oilfield sustainability, the Karazhanbas oilfield remained the largest contributor to the Group's overall oil production volume during the year, with an average daily production of 39,000 barrels (100% basis). Though adversely affected by the fall in oil prices, the oilfield managed to raise its gross profit margin for the year as a result of obtaining preferential mineral extraction tax rate during the year. The Group also commenced active discussions with relevant governmental and regulatory authorities in Kazakhstan regarding the renewal of the Karazhanbas oilfield licence.

Following the full commissioning of its production system in 4Q 2013, the Yuedong oilfield in China became a major contributor to the Group's revenue, with an average daily production of 6,300 barrels (100% basis). Platform C (the third artificial island) commenced production in 4Q 2014, which marked another significant milestone in the development of the oilfield. One key objective at the oilfield is to promote more effective oil recovery techniques to enhance production. To achieve this, thermal recovery will be employed in several production wells on a trial basis. Upon satisfactory results of this trial, the Group will seek to employ this technique on a more extensive scale within the oilfield to enhance production.

Following the successful drilling of two new development wells, production at the Seram Block in Indonesia went up steadily with an average daily production of around 2,800 barrels (100% basis). This additional production helps supplement the continuing natural decline of existing wells. The Group will continue to drill new wells to enhance production and carry out necessary maintenance works to enhance sustainability of existing wells. Further exploration activities will also be conducted to explore the reserves prospects particularly in the Lofin area.

Coal

The Group's coal investments currently comprise a 14% participating interest in the Coppabella and Moorvale coal mines joint venture and certain interests in a number of coal exploration operations in Australia where the Group works together with a subsidiary of Peabody Energy Corporation.

Operating revenue from the coal segment remained stable but nevertheless a loss was recorded due to falling coal prices.

Metals

The Group's strategic metal investments include interests in the Portland Aluminium Smelter joint venture, AWC and CITIC Dameng Holdings Limited ("**CDH**").

During the year, the Group's aluminium smelting operations recorded a better gross profit as a result of ongoing cost saving efforts and a higher average selling price. As the global aluminium market has started to show moderate signs of recovery attributable to improved global demand and producer discipline, the Group expects to have a more efficient cost structure and a better return from this business going forward. With the world-class global portfolio of upstream mining and refining operations owned by AWC, the Group is positive about the prospects of this segment.

Although affected by softer prices for major products, CDH achieved an increase in revenue due to stronger sales during the year. As a result, the Group recorded a reduced share of loss with respect to its interest in CDH.

Import and export of commodities

The current challenges faced by the Group of cyclical market volatility and reduced sales opportunities are illustrated by the Group's import and export of commodities business. Profitability was hampered by the drop in commodity selling prices and reduced sales opportunities due to poorer demand resulting from persistent slow global economic recovery and the relative slowdown in the Chinese economy. Moreover, the export business suffered from a loss of business from a number of long standing customers in 2H 2014 which the Group attributes to an investigation commenced by the Chinese authorities into the allegedly fraudulent multiple use of warehouse receipts in respect of certain aluminium and copper products stored at Qingdao port, China (the "**Investigation**"). The Group is not the subject of the Investigation and as at the date of this announcement, the Group is not aware of the status or result of the Investigation.

As 223,270 tonnes of alumina and 7,486 tonnes of copper owned by CITIC Australia Commodity Trading Pty Limited ("**CACT**"), an indirect wholly-owned subsidiary of the Company, are stored in bonded warehouses at Qingdao port (the "**Inventories**"), and in light of the Investigation, CACT applied to the Qingdao Maritime Court (the "**Court**") in June 2014 for asset protection orders to protect the Inventories and prevent their unauthorised removal from Qingdao port. The Court granted two asset protection orders for 99,824 tonnes of alumina and 7,486 tonnes of copper. The Court, however, did not grant an asset protection order in respect of 123,446 tonnes of alumina (the "**Non-protected Alumina**").

In June 2014, CACT filed a claim (the "**Claim**") with the Court against the operator of the bonded warehouses at Qingdao port (the "**Operator**") requiring the Operator to confirm the Group's ownership of the Inventories and to release and deliver all of the Inventories to the Group or, failing which, to compensate the Group in respect of the Inventories. There have been three hearings in respect of the Claim but no judgment has been issued by the Court in respect of the Claim so far. The Group intends to continue to take steps to recover all of the Inventories or otherwise to receive appropriate compensation including pursuing the Claim against the Operator.

As at 31 December 2014, the Inventories had a gross carrying value of HK$979.2 million. Since the Court did not grant an asset protection order in respect of the Non-protected Alumina and CACT has not been able to access the bonded warehouses due to the Investigation and due to the ongoing nature of the Claim, a provision of HK$319.8 million (before tax) was made at the end of the year in respect of the Non-protected Alumina on a prudent basis.

Through an announcement dated 15 August 2014 issued by Qingdao Port International Co., Ltd. and an announcement dated 27 August 2014 issued by 山煤國際能源集團股份有限公司 (Shanxi Coal International Energy Group Co., Ltd.), the Company became aware that ABN AMRO Bank, N.V., Singapore Branch and 山煤煤炭進出口有限公司 (Shanxi Coal Import & Export Co., Ltd.) had commenced legal proceedings in China against CACT (the "**Potential Legal Proceedings**"). Details of the Potential Legal Proceedings have been disclosed in the announcements of the Company dated 18 and 27 August 2014 respectively. CACT has not been served with the Potential Legal Proceedings so far and the Company is at present unable to consider or comment on the substance of the Potential Legal Proceedings.

The Group will continue to closely monitor the associated market risks arising from the Investigation, the Claim and the Potential Legal Proceedings.

FINANCIAL MANAGEMENT

To further strengthen its liquidity, during the year, the Group entered into a facility agreement with a syndicate of financial institutions as lenders in respect of an unsecured term loan facility of US$310 million. The response from the financial institutions has provided clear proof of the Group's strong funding capacity and shown their confidence in the Group's credibility and future growth.

The Group's gearing ratio and capital structure were also improved by the full redemption of the outstanding balance of its US$1,000,000,000 6.75% senior notes due 2014 (the "**Notes**"), being US$798.9 million (HK$6,231.4 million), in May 2014.

OUTLOOK

The Group expects energy and commodities markets will be volatile in the near term as product prices continue to remain weak and recovery in major markets, such as Europe, fragile and in some cases stagnant amid excess market supply and adverse currency fluctuations.

The Group does not believe that the recent volatility in global energy and commodity prices, especially oil prices, represents the market trend in the long term. Taking account of prevailing market conditions, the Group will continue its efforts to implement effective measures to improve the productivity of its existing assets to help maximise investment returns when prices, in particular oil prices, recover and minimise discretionary and expansionary capital expenditure without adversely affecting its performance and prospects.

In a move to develop the Karazhanbas oilfield in a longer-term perspective, the Group will endeavor with the relevant governmental and regulatory authorities in Kazakhstan to extend the Karazhanbas oilfield licence for a further 15 years after its current expiry in 2020. At the same time, the Group will continue to further explore the use of enhanced oil recovery techniques in the Karazhanbas oilfield and the Yuedong oilfield to extract improved production and efficiency.

The Group will capitalise on its strong relationship and support from 中國中信集團有限公司 (CITIC Group Corporation) and continue to optimise its existing business portfolio and look for ways to enhance the value of its investments. Concurrently, the Group will continue to review potential investment opportunities to deliver economic benefits for shareholders consistent with the Group's business development goals.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 31 December 2014, the Group had cash and cash equivalents of HK$3,246.4 million.

Borrowings

As at 31 December 2014, the Group had total debt of HK$9,229.9 million, which comprised:

- unsecured bank loans of HK$9,173.4 million; and
- finance lease payables of HK$56.5 million.

Most transactions of CITIC Australia Trading Pty Limited ("**CATL**"), a wholly-owned subsidiary of the Company, are debt funded which means CATL is highly geared. However, in contrast to term loans, CATL's borrowings are self liquidating, transaction specific and of short durations, matching the term of the underlying trade. When sale proceeds are received at the completion of a transaction, the related borrowings are repaid accordingly.

In June 2012, the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions as lenders in respect of an unsecured 3-year term loan facility of US$380 million (HK$2,964 million) (the "**A Loan**") to refinance the final repayment (being US$140 million) of an unsecured term loan facility and to finance the general corporate funding requirements of the Company. The outstanding balance of the A Loan as at 31 December 2014 was US$380 million and matures in June 2015.

In September 2012, the Company, as borrower, entered into a facility agreement with a bank as lender in respect of an unsecured 5-year term loan facility of US$40 million (HK$312 million) (the "**B Loan**") to finance the general corporate funding requirements of the Company. The outstanding balance of the B Loan as at 31 December 2014 was US$40 million.

In November 2012, the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions as lenders in respect of an unsecured term loan facility of US$400 million (HK$3,120 million) (the "**C Loan**") to finance the general corporate funding requirements of the Company. The C Loan has a tenor of five years commencing from the date of first utilisation, being 14 May 2013, subject to a put option requiring repayment on the date falling three years from such date. The outstanding balance of the C Loan as at 31 December 2014 was US$400 million.

In March 2014, the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions as lenders in respect of an unsecured term loan facility (the "**D Loan**") to finance the repayment of the Notes. The D Loan has a total facility amount of US$310 million (HK$2,418 million) and a tenor of three years commencing from the date of first utilisation, being 12 May 2014. The outstanding balance of the D Loan as at 31 December 2014 was US$310 million.

The Group leases certain of its plant and machinery for its coal mine operation. The leases are classified as finance leases.

The bond obligations as at 31 December 2013 represented the outstanding amount of the Notes issued by CITIC Resources Finance (2007) Limited, a direct wholly-owned subsidiary of the Company. The Notes were fully redeemed in May 2014.

As at 31 December 2014, the Group's net debt to net total capital was 35.5% (2013: 36.5%). Of the total debt, HK$3,413.8 million was repayable within one year, including mainly the outstanding balance of the A Loan and trade finance.

Share capital

There was no movement in the share capital of the Company during the year.

Financial risk management

The Group's diversified business is exposed to a variety of risks, such as market risks (including foreign currency risk, price risk, interest rate risk and inflation risk), credit risk and liquidity risk. The management of such risks is dictated by a set of internal policies and procedures designed to minimise potential adverse effects to the Group. The policies and procedures have proved effective.

The Group enters into derivative transactions, including principally forward currency contracts, forward commodity contracts, interest rate swap contracts, an embedded derivative and an electricity hedge agreement. Their purpose is to manage the foreign currency risk, price risk, interest rate risk and inflation risk arising from the Group's operations and sources of finance.

Opinion

The Board is of the opinion that, after taking into account the existing available borrowing facilities and internal resources, the Group has sufficient resources to meet its foreseeable working capital requirements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group had around 530 full time employees, including management and administrative staff.

The Group's remuneration policy seeks to provide fair market remuneration in a form and value to attract, retain and motivate high quality staff. Remuneration packages are set at levels to ensure comparability and competitiveness with other companies in the industry and market competing for a similar talent pool. Emoluments are also based on an individual's knowledge, skill, time commitment, responsibilities and performance and by reference to the Group's profits and performance. Rent-free quarters are provided to some employees in Indonesia.

CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has, for the year ended 31 December 2014, applied the principles and complied with the applicable code provisions, and also complied with certain recommended best practices, of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for dealings in the securities of the Company by its directors (the "**Securities Dealings Code**") that is based on the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules (or on terms no less exacting than the Model Code).

All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Securities Dealings Code throughout the year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors.

The audit committee has reviewed these annual results with management and the external auditors of the Company.

By Order of the Board
CITIC Resources Holdings Limited
Kwok Peter Viem
Chairman

Hong Kong, 13 February 2015

As at the date hereof, the executive directors of the Company are Mr. Kwok Peter Viem; Mr. Qiu Yiyong; Mr. Sun Yang; Mr. Guo Tinghu and Ms. Li So Mui, the non-executive directors are Mr. Wong Kim Yin and Mr. Zeng Chen, and the independent non-executive directors are Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji; Mr. Hu Weiping and Mr. Shou Xuancheng.