CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the "**Board**") of CITIC Resources Holdings Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2015 (the "**Period**").

FINANCIAL HIGHLIGHTS

Six months ended 30 June **Unaudited**	**2015** **HK$ million**	2014 HK$ million	Change
Revenue	**2,140.7**	15,141.5	(85.9%)
EBITDA	**(453.3)**	1,050.6	N/A
Adjusted EBITDA *	**376.9**	1,739.7	(78.3%)
Profit/(loss) attributable to shareholders	**(850.3)**	168.4	N/A

* EBITDA + share of depreciation, amortisation, finance costs, income tax expense/(credit) and non-controlling interests of a joint venture + fair value loss on financial assets at fair value through profit or loss (before tax credit)

- Financial performance adversely affected by significantly lower oil prices and softening in both demand for and selling prices of commodities, mark to market reduction in fair value of investment in Alumina Limited ("**AWC**") and increased share of loss relating to interest in CITIC Dameng Holdings Limited ("**CDH**").

- Despite difficult operating environment, key achievements of the Group during the Period included:

  – improved oil production from each of the Group's oilfields (including Karazhanbas oilfield), with overall increase of 3%

  – Karazhanbas oilfield contract successfully extended to 2035

  – material gas discovery based on current drilling and testing results of Lofin-2 appraisal well

FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT
Six months ended 30 June
Unaudited

	Notes	**2015 HK$'000**	2014 HK$'000
REVENUE	3	**2,140,727**	15,141,508
Cost of sales		**(2,076,651)**	(14,667,367)
Gross profit		**64,076**	474,141
Other income and gains	4	**83,866**	173,608
Selling and distribution costs		**(11,468)**	(113,951)
General and administrative expenses		**(181,566)**	(170,747)
Other expenses, net		**(537,515)**	(26,188)
Finance costs	5	**(165,237)**	(342,786)
Share of profit/(loss) of:			
Associates		**(115,481)**	(37,597)
A joint venture		**(182,089)**	291,527
PROFIT/(LOSS) BEFORE TAX	6	**(1,045,414)**	248,007
Income tax credit/(expense)	7	**200,367**	(58,604)
PROFIT/(LOSS) FOR THE PERIOD		**(845,047)**	189,403
ATTRIBUTABLE TO:			
Shareholders of the Company		**(850,345)**	168,409
Non-controlling interests		**5,298**	20,994
		(845,047)	189,403
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	8	**HK cents**	HK cents
Basic		**(10.81)**	2.14
Diluted		**(10.81)**	2.14

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 June
Unaudited

	2015 HK$'000	2014 HK$'000
PROFIT/(LOSS) FOR THE PERIOD	**(845,047)**	189,403
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investment:		
Changes in fair value	**(435)**	(331)
Income tax effect	**131**	99
	(304)	(232)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**104,804**	(23,698)
Reclassification adjustment for losses included in the condensed consolidated income statement	**14,872**	3,598
Income tax effect	**(36,114)**	(126)
	83,562	(20,226)
Exchange differences on translation of foreign operations	**(31,868)**	(719,607)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**51,390**	(740,065)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gain on defined benefit plan:		
Changes in fair value	**—**	63,367
Income tax effect	**—**	(19,010)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**—**	44,357
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**51,390**	(695,708)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(793,657)**	(506,305)
ATTRIBUTABLE TO:		
Shareholders of the Company	**(799,226)**	(514,015)
Non-controlling interests	**5,569**	7,710
	(793,657)	(506,305)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2015 Unaudited HK$'000**	31 December 2014 Audited HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**7,354,094**	7,481,970
Prepaid land lease payments		**20,324**	20,963
Goodwill		**24,682**	24,682
Other assets		**764,905**	808,312
Investment in an associate		**1,609,920**	1,735,275
Investment in a joint venture		**1,866,505**	2,074,226
Financial assets at fair value through profit or loss		**2,459,053**	2,754,717
Available-for-sale investment		**1,298**	1,733
Prepayments, deposits and other receivables		**299,977**	306,407
Deferred tax assets		**356,777**	192,363
Total non-current assets		**14,757,535**	15,400,648
CURRENT ASSETS			
Inventories		**1,275,541**	1,276,271
Trade receivables	10	**599,853**	793,338
Prepayments, deposits and other receivables		**2,042,650**	2,036,336
Financial assets at fair value through profit or loss		**3,029**	3,029
Derivative financial instruments		**16,337**	23,759
Other assets		**—**	373
Cash and cash equivalents		**2,097,471**	3,246,421
Total current assets		**6,034,881**	7,379,527
CURRENT LIABILITIES			
Accounts payable	11	**447,269**	640,563
Accrued liabilities and other payables		**456,496**	777,059
Derivative financial instruments		**32,904**	24,505
Bank and other borrowings		**3,030,678**	3,400,173
Finance lease payables		**12,752**	13,650
Provisions		**47,990**	53,008
Total current liabilities		**4,028,089**	4,908,958
NET CURRENT ASSETS		**2,006,792**	2,470,569
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,764,327**	17,871,217

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2015 Unaudited HK$'000	31 December 2014 Audited HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**16,764,327**	17,871,217
NON-CURRENT LIABILITIES		
Bank and other borrowings	**5,591,519**	5,773,191
Finance lease payables	**33,690**	42,876
Derivative financial instruments	**594,431**	727,390
Provisions	**322,386**	319,918
Other payable	**119,546**	113,470
Total non-current liabilities	**6,661,572**	6,976,845
NET ASSETS	**10,102,755**	10,894,372
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**393,426**	393,426
Reserves	**9,676,505**	10,473,691
	10,069,931	10,867,117
Non-controlling interests	**32,824**	27,255
TOTAL EQUITY	**10,102,755**	10,894,372

NOTES

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements ("**Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

These Financial Statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

The accounting policies and methods of computation used in the preparation of these Financial Statements are consistent with the consolidated financial statements of the Group for the year ended 31 December 2014, except for the adoption of revised standards with effect from 1 January 2015 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 31 July 2015.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Financial Statements.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements 2010 – 2012 Cycle	Amendments to numbers of HKFRSs
Annual Improvements 2011 – 2013 Cycle	Amendments to numbers of HKFRSs

The adoption of the revised HKFRSs has had no significant financial effect on these Financial Statements and there have been no significant changes to the accounting policies applied in these Financial Statements.

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, and 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, dividend income, finance costs, and share of profit/(loss) of associates and a joint venture as well as head office and corporate expenses are excluded from such measurement.

3. OPERATING SEGMENT INFORMATION *(continued)*

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

Six months ended 30 June **Unaudited** **HK$'000**	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Crude oil**	**Total**
2015					
Segment revenue:					
Sales to external customers	**525,305**	**346,991**	**790,534**	**477,897**	**2,140,727**
Other income	**15,360**	**—**	**4,276**	**2,558**	**22,194**
	540,665	**346,991**	**794,810**	**480,455**	**2,162,921**
Segment results	**58,594**	**(63,200)**	**36,727**	**19,549**	**51,670**
Reconciliation:					
Interest income, dividend income and unallocated gains					**61,672**
Unallocated expenses					**(695,949)**
Unallocated finance costs					**(165,237)**
Share of loss of:					
An associate					**(115,481)**
A joint venture					**(182,089)**
Loss before tax					**(1,045,414)**
2014					
Segment revenue:					
Sales to external customers	544,975	365,641	13,359,022	871,870	15,141,508
Other income	3,912	13	28,065	1,524	33,514
	548,887	365,654	13,387,087	873,394	15,175,022
Segment results	29,000	(91,074)	168,148	223,987	330,061
Reconciliation:					
Interest income and unallocated gains					140,094
Unallocated expenses					(133,292)
Unallocated finance costs					(342,786)
Share of profit/(loss) of:					
Associates					(37,597)
A joint venture					291,527
Profit before tax					248,007

3. OPERATING SEGMENT INFORMATION *(continued)*

HK$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment assets					
30 June 2015 (unaudited)	**1,216,425**	**1,489,628**	**1,198,713**	**6,667,260**	**10,572,026**
31 December 2014 (audited)	1,136,712	1,562,174	1,385,825	6,841,543	10,926,254
Segment liabilities					
30 June 2015 (unaudited)	**937,596**	**332,407**	**127,209**	**541,187**	**1,938,399**
31 December 2014 (audited)	1,135,695	386,267	229,691	827,493	2,579,146

4. OTHER INCOME AND GAINS

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

	2015 HK$'000	2014 HK$'000
Interest income	**27,911**	49,910
Dividend income	**29,937**	—
Handling service fees	**3,941**	27,833
Fair value gains on derivative financial instruments	**12,529**	65,494
Sale of scrap	**2,830**	2,366
Others	**6,718**	28,005
	83,866	173,608

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2015 HK$'000	2014 HK$'000
Interest expense on bank and other borrowings	**149,056**	170,861
Interest expense on fixed rate senior notes, net	**—**	158,709
Interest expense on finance leases	**1,742**	2,777
Total interest expense on financial liabilities not at fair value through profit or loss	**150,798**	332,347
Amortisation of fixed rate senior notes	**—**	6,899
	150,798	339,246
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	**722**	912
Others	**13,717**	2,628
	165,237	342,786

6. PROFIT/(LOSS) BEFORE TAX

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

	2015	2014
	HK$'000	HK$'000
Depreciation	**379,322**	403,419
Amortisation of other assets	**46,941**	55,740
Amortisation of prepaid land lease payments	**647**	653
Loss on disposal/write-off of items of property, plant and equipment *	**—**	606
Fair value loss on financial assets at fair value through profit or loss *	**565,042**	—
Exchange losses/(gains), net *	**(47,293)**	11,700

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

7. INCOME TAX

	2015	2014
	HK$'000	HK$'000
Current – Hong Kong	**—**	—
Current – Elsewhere		
Charge for the period	**—**	48,848
Overprovision in prior periods	**(4,389)**	—
Deferred	**(195,978)**	9,756
Total tax expense/(credit) for the period	**(200,367)**	58,604

The statutory rate of Hong Kong profits tax was 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the Period (2014: 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% (2014: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 30% (2014: 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% (2014: 14%).

China: The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2014: 25%). No provision for China corporate income tax was made as the Group had no taxable profits arising in China during the Period (2014: 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 loss per share amount was based on the loss for the Period attributable to ordinary shareholders of the Company of HK$850,345,000 (2014: a profit of HK$168,409,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,868,527,149 (2014: 7,868,527,149) shares.

The calculation of the diluted loss per share amount was based on the loss for the Period attributable to ordinary shareholders of the Company. The weighted average number of ordinary shares used in the calculation was the number of ordinary shares in issue during the Period, as used in the basic loss 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 earnings per share amount presented for the six months ended 30 June 2014 in respect of a dilution as the share options outstanding during the prior period had no dilution effect on the basic earnings per share amount presented.

The calculations of basic and diluted loss per share amounts for the Period were based on:

	HK$'000
Loss	
Loss attributable to ordinary shareholders of the Company used in the basic loss per share calculation	850,345

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

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

9. DIVIDEND

The Board has resolved not to pay an interim dividend for the Period (2014: 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:

	30 June 2015	31 December 2014
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**292,901**	288,734
One to two months	**52,000**	118,953
Two to three months	**61,928**	103,528
Over three months	**193,024**	282,123
	599,853	793,338

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:

	30 June 2015	31 December 2014
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**327,955**	615,656
One to two months	**5,130**	—
Two to three months	**3,754**	—
Over three months	**110,430**	24,907
	447,269	640,563

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

BUSINESS REVIEW AND OUTLOOK

Review

With most developed economies seeing little improvement in their efforts to stimulate recovery and a relative slowdown in productivity in developing markets such as China during the Period, energy and commodities markets overall remained sluggish and in over-supply posing significant challenges for the Group. In particular, global oil prices which fell heavily in 2H 2014 remained low and have had an especial impact on the Group's operations and performance during the Period. In addition, the Group's import and export of commodities business faced strong headwinds from decelerated economic growth in China and heightened market competition as it sought to improve sales which has suffered as a result of the loss of key customers in 2H 2014.

The Group has continued to implement cost reduction measures including holding off unnecessary capital expenditure, which has had some limited effect on mitigating the difficulties faced by the Group during the Period.

Despite the difficult operating environment, the Group has achieved a number of important milestones during the Period, principally in its oil business. In comparison to 1H 2014, the Group improved oil production at the Karazhanbas oilfield in Kazakhstan, the Yuedong oilfield in China and the Seram Block in Indonesia. Moreover, in respect of the Karazhanbas oilfield, JSC Karazhanbasmunai ("**KBM**") obtained government approval to extend its existing right to produce and sell oil until 2035 and in Indonesia, drilling and testing of the Lofin-2 appraisal well have been encouraging with results so far indicating a material gas discovery.

In June 2015, the Group successfully concluded a 3-year term loan facility of US$490 million (the "**E Loan**") which has helped improve its financial flexibility.

Crude oil

The Group's oil production improved during the Period when compared to 1H 2014. Overall, average oil daily production reached 49,000 barrels (100% basis), an increase of 3% over the average daily production in 1H 2014. However, due almost entirely (if not entirely) to prevailing low oil prices, the Group's crude oil segment recorded a significant net loss for the Period despite the Yuedong oilfield recording a net profit for the Period following the commencement of production at Platform C in 4Q 2014.

The Karazhanbas oilfield managed a slight improvement in production during the Period with an average daily production of 39,200 barrels (100% basis) but still remained the largest contributor to the Group's oil production. Looking forward, the Karazhanbas oilfield is set to remain an important part of the Group's oil portfolio as KBM obtained government approval in June 2015 to an extension of its existing right to produce and sell oil until 2035. The successful conclusion of the extension secures the Group's investment in the Karazhanbas oilfield and cooperation with JSC KazMunaiGas Exploration Production in KBM and lifts the investment value of the oilfield for the Group.

During the Period, average daily production at the Yuedong oilfield increased by 13% when compared to 1H 2014 to 6,900 barrels (100% basis). The Group is currently employing thermal recovery technique on a trial basis with favourable initial outcomes. Upon satisfactory results of this trial, the Group will seek to utilise this technique on a wider scale within the Yuedong oilfield to enhance production.

In respect of the Seram Block, during the Period, average daily production increased by 8% when compared to 1H 2014 to 2,900 barrels (100% basis) following the successful drilling of a new development well in the Oseil area. In addition, at the end of the Period, the Lofin-2 appraisal well in the Manusela Formation had been drilled to a depth of 5,861 metres, and drilling and testing have been encouraging with results so far indicating a material gas discovery. During testing, a multi-rate test was conducted using different choke sizes over a 7 day period. On a 52/64" choke setting, the Lofin-2 appraisal well flowed gas at about 17.8 mmscfd with about 2,634 bpd water and completion fluid and about 54 bpd of 34.9° API oil/condensate with a flowing wellhead pressure of 2,250 psi over a 96 hour flow period. On the smallest 16/64" choke setting, the Lofin-2 appraisal well flowed gas at about 4.95 mmscfd with about 12 bpd of oil/condensate and about 280 bpd water with a flowing wellhead pressure of 5,000 psi over a 12 hour flow period. The Lofin-2 appraisal well has since been temporarily plugged and abandoned. An independent petroleum consulting firm has been engaged to appraise and evaluate the presence and amounts of oil/condensate and gas within the Manusela Formation.

API:	American Petroleum Institute
bpd:	barrels per day
mmscfd:	million standard cubic feet per day
psi:	pounds per square inch

Coal

The Group's coal investments 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.

Although revenue from the coal segment decreased during the Period as a result of falling coal prices amid weak market demand, the Group still managed an improvement in the results of the coal segment as a result of its cost control measures.

Metals

The Group's strategic metal investments include interests in the Portland Aluminium Smelter joint venture, AWC and CDH.

Profitability of the aluminium smelting segment for the Period improved when compared to 1H 2014 as a result of a higher average selling price for aluminium during the Period.

The Group's interest in AWC is classified as financial assets at fair value through profit or loss and measured at its fair value based on the closing price of AWC shares at the end of each reporting period. Any difference between the fair value and the carrying value is recognised in the consolidated income statement. Despite short-term market fluctuations that resulted in a significant fair value loss in the Group's investment in AWC at the end of the Period, the Group is confident that there will be reasonable returns from this investment going forward.

Prior to the end of the Period, the Group's equity interest in CDH was diluted from 38.98% to 35.43% following the issue of new shares by CDH under a share placement and further diluted to 34.36% in July 2015 as a result of CDH issuing shares as consideration for the purchase of shares of China Polymetallic Mining Limited ("**CPM**"). For the Period, the Group recorded a share of loss with respect to its interest in CDH as CDH's performance continued to be affected by softer average selling prices of major manganese products. Following the acquisition of a 29.81% interest in CPM, CDH has diversified its investment into the non-ferrous metal sector, changing itself from a pure manganese producer to an integrated mineral producer.

Import and export of commodities

During the Period, the Group's import and export of commodities business has endeavoured to improve its sales which has suffered as a result of the loss of key customers in 2H 2014. However, the commodities markets continue to be depressed due to the relative slowdown in major markets, especially China, and an increasingly difficult and competitive market. Consequently, the import and export of commodities business recorded a material decrease in trading volume and a significant reduction in profit when compared to 1H 2014.

The 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**") is still ongoing. The Group is not the subject of the Investigation and is not aware of the status of the Investigation. The Group will continue its claim in the Qingdao Maritime Court (the "**Court**") against the operator of the bonded warehouses at Qingdao port in respect of the Group's inventories stored in bonded warehouses. So far, no judgment has been issued by the Court in respect of this claim. The Group will also continue to follow up the associated market risks arising from the Investigation and the potential legal proceedings against the Group.

Financial Management

In June 2015, to finance the repayment of a US$380 million term loan facility (the "**A Loan**"), the Group entered into a facility agreement with a syndicate of financial institutions as lenders in respect of the E Loan. The remaining proceeds of the E Loan after the debt service will be used to finance the general corporate funding requirements of the Group. The successful conclusion of the E Loan demonstrates the confidence of the financial institutions in the Group's credibility and future growth.

Outlook

Looking ahead, the Group believes oil prices will remain low and demand for energy and commodities will remain weak for some more time. Taking into consideration uneven growth prospects across major economies, slowdown of economic growth in China, and industry over-capacity, the Group expects increasing business challenges and will remain alert to the changing market environment and take necessary measures. The Group will also endeavour to upgrade its research and development capabilities, enhance oil recovery techniques, and strengthen the exploration and developments of oilfields to achieve stable oil production growth to safeguard the interests of shareholders.

Taking advantage of the support from中國中信集團有限公司 (CITIC Group Corporation), the Group will foster organic growth and seek quality investment opportunities to maximise economic benefits for shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 30 June 2015, the Group had cash and cash equivalents of HK$2,097.5 million.

Borrowings

As at 30 June 2015, the Group had total debt of HK$8,668.6 million, which comprised:

- unsecured bank loans of HK$8,622.2 million; and
- finance lease payables of HK$46.4 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 the A Loan, an unsecured 3-year term loan facility of US$380 million (HK$2,964 million), to refinance the outstanding amount of an unsecured term loan facility (being US$140 million) and to finance the general corporate funding requirements of the Company. The A Loan was fully repaid in June 2015 from the proceeds of the E Loan.

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 30 June 2015 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. During the Period, US$200 million (HK$1,560 million) was prepaid by the Company, thus the outstanding balance of the C Loan as at 30 June 2015 was US$200 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 Group's US$1,000,000,000 6.75% senior notes due 2014. 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 30 June 2015 was US$310 million.

In June 2015, the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions as lenders in respect of the E Loan, an unsecured term loan facility of US$490 million (HK$3,822 million). The E Loan has two tranches, Tranche A and Tranche B, in the respective amounts of US$380 million (HK$2,964 million) and US$110 million (HK$858 million). The proceeds of Tranche A were used to finance the repayment of the A Loan. Tranche A has a tenor of three years commencing from the date of utilisation, being 29 June 2015. The proceeds of Tranche B will be used to finance the general corporate funding requirements of the Company. Tranche B has a tenor of three years commencing from the date of first utilisation. The outstanding balance of the E Loan as at 30 June 2015 was US$380 million.

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

As at 30 June 2015, the Group's net debt to net total capital was 39.5% (31 December 2014: 35.5%). Of the total debt, HK$3,043.4 million was repayable within one year, including the outstanding balance of the C Loan, short-term revolvers and trade finance.

Share capital

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

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, embedded derivatives 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 30 June 2015, 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

Throughout the Period, the Company has 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 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 Period.

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 Period.

REVIEW OF ACCOUNTS

The audit committee has reviewed these unaudited interim results with senior management of the Company.

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

Hong Kong, 31 July 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 director is Mr. Wong Kim Yin, and the independent non-executive directors are Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Shou Xuancheng.