CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

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 2016 (the "**Period**").

FINANCIAL HIGHLIGHTS

Six months ended 30 June **Unaudited**	**2016** **HK$ million**	2015 HK$ million	Change
Revenue	**1,237.4**	2,140.7	(42.2%)
EBITDA [1]	**610.6**	(453.3)	N/A
Adjusted EBITDA [2]	**506.3**	376.9	34.3%
Profit/(loss) attributable to shareholders	**102.0**	(850.3)	N/A

1 profit/(loss) before tax + finance costs + depreciation + amortisation

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

- Although the Group's financial performance was adversely affected by depressed oil prices and softening in both demand for and selling prices of commodities, the Group recorded a profit attributable to shareholders of HK$102.0 million for the Period as compared to a loss of HK$850.3 million for 1H 2015.
- The net profit was primarily attributable to:
  - a fair value gain of HK$256.3 million recorded for the Period, as compared to a loss of HK$565.0 million recorded for 1H 2015, in respect of the Group's interest in Alumina Limited ("**AWC**"); and
  - a share of profit of HK$204.0 million recorded for the Period, as compared to a share of loss of HK$182.1 million recorded for 1H 2015, with respect to the Group's interest in CITIC Canada Energy Limited ("**CCEL**"), a joint venture through which the Group owns, manages and operates the Karazhanbas oilfield in Kazakhstan.

FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT
Six months ended 30 June
Unaudited

	Notes	2016 HK$'000	2015 HK$'000
REVENUE	3	**1,237,374**	2,140,727
Cost of sales		**(1,360,563)**	(2,076,651)
Gross profit/(loss)		**(123,189)**	64,076
Other income and gains	4	**363,633**	83,866
Selling and distribution costs		**(9,176)**	(11,468)
General and administrative expenses		**(138,141)**	(181,566)
Other expenses, net		**(28,212)**	(537,515)
Finance costs	5	**(131,093)**	(165,237)
Share of profit/(loss) of:			
An associate		**(42,823)**	(115,481)
A joint venture		**204,028**	(182,089)
PROFIT/(LOSS) BEFORE TAX	6	**95,027**	(1,045,414)
Income tax credit/(expense)	7	**(1,158)**	200,367
PROFIT/(LOSS) FOR THE PERIOD		**93,869**	(845,047)
ATTRIBUTABLE TO:			
Shareholders of the Company		**102,007**	(850,345)
Non-controlling interests		**(8,138)**	5,298
		93,869	(845,047)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	8	**HK cents**	HK cents
Basic		**1.30**	(10.81)
Diluted		**1.30**	(10.81)

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

	2016	2015
	HK$'000	HK$'000
PROFIT/(LOSS) FOR THE PERIOD	**93,869**	(845,047)
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	**(391)**	(435)
Income tax effect	**117**	131
	(274)	(304)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**37,847**	104,804
Reclassification adjustment for losses included in the condensed consolidated income statement	**—**	14,872
Income tax effect	**(11,354)**	(36,114)
	26,493	83,562
Exchange differences on translation of foreign operations	**(145,723)**	(31,868)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**(119,504)**	51,390
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(25,635)**	(793,657)
ATTRIBUTABLE TO:		
Shareholders of the Company	**(7,673)**	(799,226)
Non-controlling interests	**(17,962)**	5,569
	(25,635)	(793,657)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2016 Unaudited HK$'000	31 December 2015 Audited HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,466,271**	5,988,583
Prepaid land lease payments		**17,763**	18,786
Goodwill		**24,682**	24,682
Other assets		**291,809**	270,149
Investment in an associate		**939,348**	994,020
Investment in a joint venture		**166,987**	—
Financial asset at fair value through profit or loss		**2,092,030**	1,835,713
Available-for-sale investment		**883**	1,274
Prepayments, deposits and other receivables		**98,912**	180,932
Deferred tax assets		**568,627**	580,885
Total non-current assets		**9,667,312**	9,895,024
CURRENT ASSETS			
Inventories		**722,750**	648,616
Trade receivables	10	**402,720**	482,950
Prepayments, deposits and other receivables		**1,582,377**	1,693,416
Financial assets at fair value through profit or loss		**3,029**	3,029
Derivative financial instruments		**2,008**	298
Other assets		**17,026**	42,996
Cash and cash equivalents		**1,229,332**	1,300,197
Total current assets		**3,959,242**	4,171,502
CURRENT LIABILITIES			
Accounts payable	11	**309,868**	449,818
Tax payable		**72**	853
Accrued liabilities and other payables		**226,091**	417,061
Derivative financial instruments		**36,556**	40,814
Bank borrowings		**3,687,775**	1,356,249
Finance lease payables		**13,010**	12,473
Provisions		**49,925**	45,285
Total current liabilities		**4,323,297**	2,322,553
NET CURRENT ASSETS/(LIABILITIES)		**(364,055)**	1,848,949
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,303,257**	11,743,973

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2016	31 December 2015
	Unaudited	Audited
	HK$'000	HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**9,303,257**	11,743,973
NON-CURRENT LIABILITIES		
Bank borrowings	**4,070,556**	6,449,658
Finance lease payables	**19,566**	25,719
Derivative financial instruments	**832,629**	868,924
Provisions	**300,819**	294,354
Total non-current liabilities	**5,223,570**	7,638,655
NET ASSETS	**4,079,687**	4,105,318
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**392,886**	392,886
Reserves	**3,766,826**	3,774,495
	4,159,712	4,167,381
Non-controlling interests	**(80,025)**	(62,063)
TOTAL EQUITY	**4,079,687**	4,105,318

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**").

As at 30 June 2016, the Group recorded net current liabilities of HK$364,055,000. However, the Board is of the opinion that based on the estimated future cash flows of the Group and after taking into account the existing available borrowing facilities and the Group's ability to refinance the bank borrowings when they fall due, the Group has sufficient resources to meet its financial obligations and foreseeable working capital requirements. Accordingly, these Financial Statements have been prepared on a going concern basis.

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 2015.

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 2015, except for the adoption of revised standards with effect from 1 January 2016 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 29 July 2016.

2. CHANGES IN ACCOUNTING POLICIES 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 HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements
Annual Improvements 2012 – 2014 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 an associate and a joint venture as well as head office and corporate expenses are excluded from such measurement.

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 borrowings, finance lease payables, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June **Unaudited** **HK$'000**	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Crude oil**	**Total**
2016					
Segment revenue:					
Sales to external customers	**389,517**	**189,539**	**317,898**	**340,420**	**1,237,374**
Other income	**9,112**	**6,527**	**745**	**1,830**	**18,214**
	398,629	**196,066**	**318,643**	**342,250**	**1,255,588**
Segment results	**(58,119)**	**(53,125)**	**12,000**	**(129,459)**	**(228,703)**
Reconciliation:					
Interest income and unallocated gains					**306,262**
Dividend income					**39,157**
Unallocated expenses					**(51,801)**
Unallocated finance costs					**(131,093)**
Share of profit/(loss) of:					
An associate					**(42,823)**
A joint venture					**204,028**
Profit before tax					**95,027**
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 and unallocated gains					31,735
Dividend income					29,937
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)

3. OPERATING SEGMENT INFORMATION *(continued)*

HK$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment assets					
30 June 2016 (unaudited)	**877,944**	**881,263**	**593,565**	**4,755,886**	**7,108,658**
31 December 2015 (audited)	958,011	1,000,907	717,522	5,203,866	7,880,306
Segment liabilities					
30 June 2016 (unaudited)	**1,154,111**	**216,488**	**113,947**	**236,791**	**1,721,337**
31 December 2015 (audited)	1,195,382	294,477	154,635	400,495	2,044,989

4. OTHER INCOME AND GAINS

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

	2016 HK$'000	2015 HK$'000
Interest income	**9,791**	27,911
Dividend income from financial asset at fair value through profit or loss	**39,157**	29,937
Handling service fees	**—**	3,941
Fair value gains on:		
Derivative financial instruments	**—**	12,529
Financial asset at fair value through profit or loss	**256,317**	—
Sale of scrap	**1,547**	2,830
Gain on disposal of other assets	**49,688**	—
Others	**7,133**	6,718
	363,633	83,866

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2016 HK$'000	2015 HK$'000
Interest expense on bank borrowings	**124,729**	149,056
Interest expense on finance leases	**1,224**	1,742
Total interest expense on financial liabilities not at fair value through profit or loss	**125,953**	150,798
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	**5,023**	722
Others	**117**	13,717
	131,093	165,237

6. PROFIT/(LOSS) BEFORE TAX

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

	2016 HK$'000	2015 HK$'000
Depreciation	**355,093**	379,322
Amortisation of other assets	**28,537**	46,941
Amortisation of prepaid land lease payments	**813**	647
Loss on disposal of items of property, plant and equipment, net	**11,596**	—
Gain on disposal of other assets	**(49,688)**	—
Exchange losses/(gains), net *	**39,924**	(47,293)
Fair value loss/(gain) on financial asset at fair value through profit or loss	**(256,317)**	565,042 *
Write-back of impairment of other receivables *	**(24,536)**	—

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

7. INCOME TAX

	2016 HK$'000	2015 HK$'000
Current – Hong Kong	**—**	—
Current – Elsewhere		
Charge for the period	**71**	—
Underprovison/(overprovision) in prior periods	**65**	(4,389)
Deferred	**1,022**	(195,978)
Total tax expense/(credit) for the period	**1,158**	(200,367)

The statutory rate of Hong Kong profits tax was 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the Period (2015: 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% (2015: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 30% (2015: 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% (2015: 14%).

China: The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2015: 25%).

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 per share amount was based on the profit for the Period attributable to ordinary shareholders of the Company of HK$102,007,000 (2015: a loss of HK$850,345,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,857,727,149 (2015: 7,868,527,149) shares.

The calculation of the diluted earnings per share amount was based on the profit 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 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 earnings per share amount presented for the Period in respect of a dilution as there were no dilutive potential ordinary shares arising from share options as the average share price of the Company during the Period did not exceed the exercise price of the then outstanding share options.

No adjustment was made to the basic loss per share amount presented for the six months ended 30 June 2015 in respect of a dilution as the share options outstanding during the prior period had an anti-dilutive effect on the basic loss per share amount presented.

9. DIVIDEND

The Board has resolved not to pay an interim dividend for the Period (2015: Nil).

10. TRADE RECEIVABLES

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

	30 June 2016	31 December 2015
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**262,996**	298,782
One to two months	**35,978**	50,984
Two to three months	**32,951**	61,671
Over three months	**70,795**	71,513
	402,720	482,950

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, based on the invoice date, was as follows:

	30 June 2016	31 December 2015
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**245,213**	365,881
One to three months	—	6,428
Over three months	**64,655**	77,509
	309,868	449,818

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

BUSINESS REVIEW AND OUTLOOK

Review

The global energy and commodities markets experienced fluctuations in prices which continued to pose significant challenges to the Group's operations. Despite some signs of recovery, energy and commodities prices remained weak throughout the Period compared to 1H 2015. Supported largely by temporary supply interruptions in certain oil producing countries, crude oil prices rallied to around US$50 a barrel in June 2016, but still hovered at relatively low levels.

In view of continuing low energy and commodities prices, the Group has devoted its efforts to improving production efficiency and exercising increased vigilance on costs across its operations. These initiatives have, to a certain extent, helped alleviate the negative impact of low prices on the Group's financial performance. Attributable to the fair value gain in respect of its interest in AWC, a share of profit with respect to its interest in CCEL and the gain on disposal of certain coal interests, the Group managed to achieve a turnaround in financial results and recorded a profit attributable to shareholders for the Period.

Part of the Group's ongoing business strategy is to achieve long-term growth by pursuing suitable investment opportunities. To facilitate this, in June 2016, the Group took a strategic move to sign a non-binding memorandum of understanding with ITOCHU Corporation, which enables the Group and ITOCHU Corporation to collaborate on the identification, review and co-acquisition and co-investment of suitable oil and gas exploration and production assets and projects. The Group believes that this strategic cooperation will allow both parties to gain better access to quality business opportunities leading to enhanced corporate value in the long term.

Crude oil

The Group's oil production improved during the Period when compared to 1H 2015. Overall, average daily production from its three oilfields reached 50,840 barrels (100% basis), representing a year-on-year increase of 4%. While the Group's crude oil segment recorded a loss due primarily to prevailing low oil prices, the Group recorded a share of profit with respect to its interest in CCEL, a joint venture through which the Group owns, manages and operates the Karazhanbas oilfield in Kazakhstan.

The Karazhanbas oilfield remained the largest contributor to the Group's oil production during the Period, with an average daily production of 38,600 barrels (100% basis), a slight drop of 2% when compared to 1H 2015. Attributable to a couple of factors including reductions in export duty and rent tax, the Karazhanbas oilfield managed to achieve a turnaround in financial results amid market volatility, enabling the Group to record a share of profit for the Period.

One of the key objectives at the Yuedong oilfield in China is to promote suitable oil recovery methods to further enhance production. Following favorable results from the deployment of thermal recovery in 2015, the Group has utilised this method on a more extensive scale within the Yuedong oilfield during the Period, resulting in a boost to average daily production by 18% to 8,170 barrels (100% basis) when compared to 1H 2015.

Attributable to the commencement of production of new development wells in the Oseil area, average daily production at the Seram Block in Indonesia grew by 40% year-on-year to 4,070 barrels (100% basis) during the Period.

Metals

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

The Group's equity interest in AWC is classified as financial asset at fair value through profit or loss. As the closing price of AWC shares as at the end of the Period was higher than that as at the end of 2015, the Group recorded a fair value gain in respect of its interest in AWC.

The selling prices of aluminium remained at low levels throughout the Period. Consequently, despite steady sales volume, the Group's aluminium smelting segment recorded a decline in revenue and operating result when compared to 1H 2015.

During the Period, the performance of CDH continued to be adversely affected by, among other things, low selling prices of major manganese products. Notwithstanding this, attributable to a decrease in unit cost of production, more stringent cost control measures and a smaller provision for inventories compared to 1H 2015, CDH recorded an improved operating result and thus the Group recorded a reduced share of loss for the Period with respect to its interest in CDH.

Coal

The Group has participating interests in the Coppabella and Moorvale coal mines joint venture and a number of coal exploration operations in Australia.

The global coal market remained sluggish and placed strong pressure on the Group's coal segment. Due to lower sales volume and average selling price of coal, this segment recorded a decrease in revenue. Nevertheless, operating result slightly improved attributable to reduced operating costs.

During the Period, the Group disposed of certain coal interests and a gain was realised.

Import and export of commodities

The lacklustre commodities markets continued to weigh on the Group's import and export of commodities business. As market and operating conditions remained stringent during the Period, this segment recorded a material decrease in both revenue and profit when compared to 1H 2015.

Outlook

Despite recent signs pointing to a recovery in prices, the energy and commodities markets look likely to remain volatile in the near term against the backdrop of a downbeat global economic outlook, unstable market fundamentals and increasing geopolitical tensions. While the demand and supply of crude oil market are gradually moving into balance, the Group will closely monitor the downside risks and take necessary measures to safeguard the interests of shareholders and investors.

In the face of the challenging operating environment, the Group will redouble its efforts to raise productivity and exercise strict capital discipline across its businesses. To optimise its existing business investments and foster sustainable growth, the Group will continue with its endeavours to strengthen its research and development capabilities.

The Group is taking a number of strategic initiatives to position itself to better withstand market volatility. Leveraging on the unswerving support from CITIC Limited, the Group will review methods to realise the real worth of its investments and seek potential quality investment opportunities to maximise economic benefits for shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 30 June 2016, the Group had cash and cash equivalents of HK$1,229.3 million.

Borrowings

As at 30 June 2016, the Group had total debt of HK$7,790.9 million, which comprised:

- unsecured bank loans of HK$7,758.3 million; and
- finance lease payables of HK$32.6 million.

Most of the transactions of the Group's import and export of commodities business are debt funded. However, in contrast to term loans, these 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 September 2012, the Company entered into a facility agreement with a bank in respect of an unsecured 5-year term loan facility of US$40 million (HK$312 million) (the "**A Loan**") to finance the general corporate funding requirements of the Company. The outstanding balance of the A Loan as at 30 June 2016 was US$40 million.

In March 2014, the Company entered into a facility agreement with a syndicate of financial institutions in respect of an unsecured term loan facility (the "**B Loan**") to part finance the repayment of the Group's US$1,000,000,000 6.75% senior notes due 2014. The B 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 B Loan as at 30 June 2016 was US$310 million.

In June 2015, the Company entered into a facility agreement with a syndicate of financial institutions in respect of an unsecured term loan facility of US$490 million (HK$3,822 million) (the "**C Loan**"). The C 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 an unsecured term loan facility of US$380 million that matured in June 2015. Tranche A has a tenor of three years commencing from the date of utilisation, being 29 June 2015. The proceeds of Tranche B were 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, being 31 December 2015. The outstanding balance of the C Loan as at 30 June 2016 was US$490 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 2016, the Group's net debt to net total capital was 61.2% (31 December 2015: 61.1%). Of the total debt, HK$3,700.8 million was repayable within one year, including the outstanding balance of the B 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 2016, the Group had around 340 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, 29 July 2016

As at the date hereof, Mr. Kwok Peter Viem; Mr. Suo Zhengang; Mr. Sun Yang and Ms. Li So Mui are executive directors of the Company, Mr. Ma Ting Hung is a non-executive director of the Company, and Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Look Andrew are independent non-executive directors of the Company.