CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 2017 (the "**Period**").

FINANCIAL HIGHLIGHTS

Six months ended 30 June Unaudited	**2017 HK$ million**	2016 HK$ million	Change
Revenue	**1,531.5**	1,237.4	23.8%
EBITDA [1]	**838.5**	610.6	37.3%
Adjusted EBITDA [2]	**680.7**	506.3	34.5%
Profit attributable to shareholders	**185.0**	102.0	81.4%

1 profit 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) – pre-tax fair value gain on a financial asset at fair value through profit or loss

The profit attributable to shareholders for the Period was primarily attributable to:

- the fair value gain in respect of the Group's interest in Alumina Limited ("**AWC**");
- an improvement in the performance of the Group's oil business resulting from a higher average crude oil realised price and ongoing cost control;
- a turnaround in results achieved by the Group's coal segment attributable to higher average selling price of coal; and
- a share of profit recorded with respect to the Group's interest in CITIC Dameng Holdings Limited ("**CDH**").

FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT
Six months ended 30 June
Unaudited

	Notes	2017 HK$'000	2016 HK$'000
REVENUE	3	**1,531,516**	1,237,374
Cost of sales		**(1,453,104)**	(1,360,563)
Gross profit/(loss)		**78,412**	(123,189)
Other income and gains	4	**522,008**	363,633
Selling and distribution costs		**(10,641)**	(9,176)
General and administrative expenses		**(165,618)**	(138,141)
Other expenses, net		**(62,458)**	(28,212)
Finance costs	5	**(164,571)**	(131,093)
Share of profit/(loss) of:			
Associates		**23,459**	(42,823)
A joint venture		**90,484**	204,028
PROFIT BEFORE TAX	6	**311,075**	95,027
Income tax expense	7	**(123,421)**	(1,158)
PROFIT FOR THE PERIOD		**187,654**	93,869
ATTRIBUTABLE TO:			
Shareholders of the Company		**185,022**	102,007
Non-controlling interests		**2,632**	(8,138)
		187,654	93,869
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	9	**HK cents**	HK cents
Basic		**2.35**	1.30
Diluted		**2.35**	1.30

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

	2017 **HK$'000**	2016 HK$'000
PROFIT FOR THE PERIOD	**187,654**	93,869
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	**(214)**	(391)
Income tax effect	**64**	117
	(150)	(274)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**713,399**	37,847
Income tax effect	**(214,020)**	(11,354)
	499,379	26,493
Exchange differences on translation of foreign operations	**127,932**	(145,723)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**627,161**	(119,504)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**814,815**	(25,635)
ATTRIBUTABLE TO:		
Shareholders of the Company	**800,786**	(7,673)
Non-controlling interests	**14,029**	(17,962)
	814,815	(25,635)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2017 Unaudited HK$'000**	31 December 2016 Audited HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,434,189**	4,674,326
Prepaid land lease payments		**16,329**	16,415
Goodwill		**24,682**	24,682
Other assets		**287,798**	289,988
Investments in associates		**4,230,256**	905,841
Investment in a joint venture		**258,156**	173,942
Financial asset at fair value through profit or loss		**—**	2,880,665
Derivative financial instruments		**409,991**	—
Available-for-sale investment		**569**	784
Prepayments, deposits and other receivables		**108,033**	83,260
Deferred tax assets		**—**	319,466
Total non-current assets		**9,770,003**	9,369,369
CURRENT ASSETS			
Inventories		**678,306**	577,698
Trade and notes receivables	10	**432,907**	643,767
Prepayments, deposits and other receivables		**1,328,952**	1,453,071
Financial assets at fair value through profit or loss		**3,029**	3,029
Derivative financial instruments		**339,202**	60,826
Cash and cash equivalents		**1,474,295**	1,160,989
Total current assets		**4,256,691**	3,899,380
CURRENT LIABILITIES			
Accounts payable	11	**117,602**	130,891
Tax payable		**—**	142
Accrued liabilities and other payables		**650,366**	565,039
Derivative financial instruments		**25,425**	10,387
Bank borrowings		**934,807**	1,371,809
Finance lease payables		**11,247**	13,102
Provisions		**48,169**	44,670
Total current liabilities		**1,787,616**	2,136,040
NET CURRENT ASSETS		**2,469,075**	1,763,340
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,239,078**	11,132,709

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2017 Unaudited HK$'000**	31 December 2016 Audited HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,239,078**	11,132,709
NON-CURRENT LIABILITIES			
Bank and other borrowings		**6,517,206**	6,155,518
Finance lease payables		**6,959**	12,371
Deferred tax liabilities		**17,827**	—
Provisions		**303,847**	268,530
Total non-current liabilities		**6,845,839**	6,436,419
NET ASSETS		**5,393,239**	4,696,290
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital		**392,886**	392,886
Reserves	12	**5,094,792**	4,411,872
		5,487,678	4,804,758
Non-controlling interests		**(94,439)**	(108,468)
TOTAL EQUITY		**5,393,239**	4,696,290

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**"), accounting principles generally accepted in Hong Kong 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 2016.

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 2016, except for the adoption of revised standards with effect from 1 January 2017 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 28 July 2017.

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 HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12 included in Annual Improvements 2014 – 2016 Cycle	Disclosure of Interests in Other Entities

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 (the "**PAS**") 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 into 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 before tax except that interest income, fair value gain on a financial asset at fair value through profit or loss, 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 investments in associates, 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, deferred tax liabilities, 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**
2017					
Segment revenue:					
Sales to external customers	**209,453**	**333,630**	**472,791**	**515,642**	**1,531,516**
Other income	**675**	**27**	**2,050**	**27,886**	**30,638**
	210,128	**333,657**	**474,841**	**543,528**	**1,562,154**
Segment results	**(153,200)**	**50,775**	**14,429**	**67,325**	**(20,671)**
Reconciliation:					
Interest income and unallocated gains					**423,932**
Dividend income					**67,438**
Unallocated expenses					**(108,996)**
Unallocated finance costs					**(164,571)**
Share of profit of:					
Associates					**23,459**
A joint venture					**90,484**
Profit before tax					**311,075**
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

3. **OPERATING SEGMENT INFORMATION** *(continued)*

HK$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment assets					
30 June 2017 (unaudited)	**1,339,064**	**860,231**	**636,172**	**3,955,173**	**6,790,640**
31 December 2016 (audited)	615,525	966,013	605,641	4,248,980	6,436,159
Segment liabilities					
30 June 2017 (unaudited)	**329,385**	**216,783**	**99,198**	**247,535**	**892,901**
31 December 2016 (audited)	265,254	203,889	108,731	293,879	871,753

4. **OTHER INCOME AND GAINS**

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

	2017 **HK$'000**	2016 HK$'000
Interest income	**8,951**	9,791
Dividend income from a financial asset at fair value through profit or loss	**67,438**	39,157
Handling service fees	**1,814**	—
Fair value gain on a financial asset at fair value through profit or loss *	**411,278**	256,317
Sale of scrap	**3,106**	1,547
Reversal of impairment of value added tax receivables	**24,082**	—
Gain on disposal of other assets	**—**	49,688
Others	**5,339**	7,133
	522,008	363,633

* During the Period, the Group reassessed and concluded that significant influence over AWC has been demonstrated by the Group effective 30 June 2017. Consequently, on 30 June 2017, the investment in AWC was reclassified from a financial asset at fair value through profit or loss to an investment in an associate. Prior to the reclassification, the investment in AWC was measured at its fair value based on the closing price of AWC shares on the revaluation date and any difference between the fair value and the carrying value was recognised in the condensed consolidated income statement.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2017	2016
	HK$'000	HK$'000
Interest expense on bank borrowings	**159,601**	124,729
Interest expense on a finance lease	**937**	1,224
Total interest expense on financial liabilities not at fair value through profit or loss	**160,538**	125,953
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	**4,033**	5,023
Others	**—**	117
	164,571	131,093

6. PROFIT BEFORE TAX

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

	2017	2016
	HK$'000	HK$'000
Depreciation	**359,219**	355,093
Amortisation of other assets	**3,007**	28,537
Amortisation of prepaid land lease payments	**584**	813
Loss on disposal of items of property, plant and equipment, net	**3,743** *	11,596
Gain on disposal of other assets	**—**	(49,688)
Fair value losses on derivative financial instruments *	**41,022**	—
Exchange losses, net *	**7,076**	39,924
Fair value gain on a financial asset at fair value through profit or loss	**(411,278)**	(256,317)
Reversal of impairment of other receivables *	**—**	(24,536)

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

7. INCOME TAX EXPENSE

	2017	2016
	HK$'000	HK$'000
Current – Hong Kong	**—**	—
Current – Elsewhere		
Charge for the period	**—**	71
Underprovision in prior periods	**38**	65
Deferred	**123,383**	1,022
Total tax expense for the period	**123,421**	1,158

7. INCOME TAX EXPENSE *(continued)*

The statutory rate of Hong Kong profits tax was 16.5% (2016: 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 (2016: 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% (2016: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 30% (2016: 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% (2016: 14%).

China: The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2016: 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. DIVIDEND

The Board has resolved not to pay an interim dividend for the Period (2016: Nil).

The proposed final dividend of HK1.50 cents per ordinary share for the year ended 31 December 2016, totalling HK$117,866,000, was approved by shareholders at the annual general meeting of the Company held on 23 June 2017 and was payable on or around 17 July 2017 to shareholders whose names appear on the register of members of the Company on 3 July 2017.

9. EARNINGS 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$185,022,000 (2016: HK$102,007,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,857,727,149 (2016: 7,857,727,149) 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 and for the six months ended 30 June 2016 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 and for the six months ended 30 June 2016 did not exceed the exercise price of the then outstanding share options.

10. TRADE AND NOTES RECEIVABLES

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

	30 June 2017	31 December 2016
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**267,823**	442,976
One to two months	**43,771**	37,390
Two to three months	**59,704**	80,326
Over three months	**61,609**	83,075
	432,907	643,767

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 2017	31 December 2016
	Unaudited	Audited
	HK$'000	HK$'000
Within one month	**98,897**	130,891
One to three months	**—**	—
Over three months	**18,705**	—
	117,602	130,891

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

12. RESERVES

Pursuant to a special resolution passed by shareholders at the annual general meeting of the Company held on 23 June 2017, the share premium account of the Company had been reduced and cancelled by HK$9,700,000,000. Out of the credit amount arising from such reduction and cancellation, HK$9,200,000,000 was applied to offset the entire amount of the accumulated losses of the Company while the remaining HK$500,000,000 was transferred to the contributed surplus account of the Company.

BUSINESS REVIEW AND OUTLOOK

Review

The Group recorded a significant increase in profit as compared to 1H 2016, principally supported by improvements in oil and commodities prices during the Period.

The better oil and commodities prices proved to be a major factor in helping the Group's oil business achieve an enhanced performance from normal operations for the Period and the Group's coal segment deliver a positive contribution despite substantial disruptions as a result of inclement weather, a considerable turnaround when compared to a loss for the corresponding period in 2016. In addition, a large increase in the fair value of the Group's investment in AWC and a share of profit from the Group's investment in CDH were additional key factors contributing to the Group's improved performance during the Period. The Group's aluminium smelting segment suffered a loss during the Period, pulling back the Group's overall financial performance, as the segment has yet to restore its production capacity to pre-outage level.

Despite oil and commodities prices having a positive effect on the Group's operating environment, conditions overall remained challenging and initiatives to control costs and expenditure and improve efficiency were maintained throughout the Period.

Crude oil

The operating results of the Group's crude oil segment improved significantly in the Period attributable to higher average crude oil realised price and ongoing cost control. Both the Yuedong oilfield in China and the Seram Block in Indonesia achieved turnaround in results and CITIC Canada Energy Limited, a joint venture through which the Group owns, manages and operates the Karazhanbas oilfield in Kazakhstan, continued to record a profit.

The Group has been devoting its effort in designing and implementing optimal maintenance plans to further facilitate cost control programs. As a result, during the Period, the Group managed to minimise the extent of decreasing production caused by continuing natural decline of existing wells and achieved an average oil production of 50,190 barrels per day (100% basis) which was comparable to 1H 2016. The average daily production at the Yuedong oilfield and the Seram Block decreased due to no new wells drilled, while that at the Karazhanbas oilfield remained stable.

Metals

The PAS operated at a much reduced capacity during the Period as a result of disruptions stemming from the Victorian transmission network power outage on 1 December 2016. Therefore, although strong demand raised aluminium prices, the lower sales volume resulted in the PAS recording a significant drop in both revenue and results when compared to 1H 2016. To assist in funding the restart and restoration of the PAS's production capacity and ongoing operations, the Group secured financial support from the State Government of Victoria and the Commonwealth Government of Australia under four year agreements.

The Group retains a strategic shareholding in AWC which invests in bauxite mining, alumina refining and selected aluminium smelting operations worldwide. The Group's equity interest in AWC was classified as a financial asset at fair value through profit or loss. For the Period, the Group recorded a significant fair value gain in respect of its interest in AWC.

During the Period, CDH achieved a turnaround with increases in average selling prices and volumes of major manganese products driven by an improved steel sector. As a result, the Group recorded a share of profit for the Period with respect to its interest in CDH.

Coal

The operation of the Group's coal segment was affected by the inclement weather and the halting of transportation on the rail line connecting the coal mines and the port for five weeks in 2Q 2017, leading to reduced sales volume. However, these adverse effects and impact on the Group were overturned by a significant increase in the selling price of coal. The average selling price of coal, which began trending upwards in 4Q 2016 and continued during the Period, was further boosted by shortage in coal supplies from Queensland due to inclement weather. As a result, the Group's coal segment recorded a profit during the Period, compared to a loss in 1H 2016.

Import and export of commodities

With an increase in sales volume, this segment recorded an improvement in revenue and results when compared to 1H 2016.

Outlook

Looking ahead, the Group believes that though multiple risks remain, oil and commodities prices are expected to remain steady in the near future. The Group will continue implementing cost control measures across all its businesses to manage the risks to the Group. Furthermore, the Group will also continue to look for quality investment opportunities to strengthen and improve its business portfolio.

With the ongoing support from CITIC Limited (a substantial shareholder of the Company), the Group believes that the Group's ability to achieve its objectives and create value for shareholders will be enhanced.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 30 June 2017, the Group had cash and cash equivalents of HK$1,474.3 million.

Borrowings

As at 30 June 2017, the Group had total debt of HK$7,470.2 million, which comprised:

- unsecured bank borrowings of HK$3,552.0 million;
- unsecured other borrowing of HK$3,900.0 million; and
- finance lease payables of HK$18.2 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, and matching the terms of the underlying transaction. 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**"). The A Loan was fully prepaid by instalments during the Period, with the final instalment in May 2017 using the proceeds of the D Loan (as defined below).

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 "**B Loan**"). The B Loan had 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). Each of Tranche A and Tranche B had a tenor of three years commencing from its date of utilisation, being 29 June and 31 December 2015 respectively. The B Loan was fully prepaid in June 2017 using the proceeds of the E Loan (as defined below).

In December 2016, the Company entered into a facility agreement with a syndicate of financial institutions in respect of an unsecured term loan facility of US$310 million (HK$2,418 million) (the "**C Loan**") to finance the repayment of an unsecured term loan facility of US$310 million entered into by the Company in March 2014. The C Loan has a tenor of three years commencing from the date of utilisation, being 30 December 2016. The outstanding balance of the C Loan as at 30 June 2017 was US$310 million.

In May 2017, the Company entered into a facility agreement with a bank in respect of an unsecured 3-year term loan facility of US$40 million (HK$312 million) (the "**D Loan**") to finance the repayment of the then outstanding balance of the A Loan and the general corporate funding requirements of the Company. The outstanding balance of the D Loan as at 30 June 2017 was US$30 million (HK$234 million).

In June 2017, a subsidiary of the Company entered into a facility agreement with a subsidiary of CITIC Limited (a substantial shareholder of the Company) in respect of an unsecured term loan facility of US$500 million (HK$3,900 million) (the "**E Loan**"). Repayment of the E Loan is guaranteed by the Company. The proceeds of the E Loan were used to finance the repayment of the B Loan and the general corporate funding requirements of the Company. The E Loan has a tenor of five years commencing from the date of utilisation, being 29 June 2017. The outstanding balance of the E Loan as at 30 June 2017 was US$500 million.

The Group leases certain plant and machinery for its coal mine operations. The lease is classified as a finance lease.

As at 30 June 2017, the Group's net debt to net total capital was 52.2% (31 December 2016: 57.1%). Of the total debt, HK$946.1 million was repayable within one year, including short-term revolvers, trade finance and finance lease payables.

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 electricity hedge agreements. 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 2017, 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, 28 July 2017

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. Chan Kin and Mr. Ma Ting Hung are non-executive directors 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.