中信資源控股有限公司
CITIC Resources Holdings Limited

(incorporated in Bermuda with limited liability)
(Stock Code: 1205)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 2018 (the "**Period**").

FINANCIAL HIGHLIGHTS

Six months ended 30 June **Unaudited**	**2018** **HK$ million**	2017 HK$ million	Change
Revenue	**2,145.2**	1,531.5	40.1%
EBITDA [1]	**1,015.8**	838.5	21.2%
Adjusted EBITDA [2]	**1,322.9**	680.7	94.3%
Profit attributable to shareholders	**529.1**	185.0	186.0%

1 profit before tax + finance costs + depreciation + amortisation + asset impairment losses

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

All of the Group's segments and investments recorded profits for the Period.

- An improvement in operating results of the Group's oil business, including the Karazhanbas oilfield in Kazakhstan, attributable to a relatively higher average crude oil realised price and stringent ongoing cost control

- A turnaround in results achieved by the Group's aluminium smelting segment, attributable to a higher sales volume of aluminium (as a result of the restoration of production at the Portland Aluminium Smelter (the "**PAS**") to pre-outage capacity in 4Q 2017) and an increase in average selling price of aluminium

- A share of profit recorded with respect to the Group's interest in each of CITIC Dameng Holdings Limited ("**CDH**") and Alumina Limited ("**AWC**")

FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT
Six months ended 30 June
Unaudited

	Notes	2018 HK$'000	2017 HK$'000
REVENUE	3	**2,145,175**	1,531,516
Cost of sales		**(1,615,840)**	(1,453,104)
Gross profit		**529,335**	78,412
Other income and gains	4	**54,740**	522,008
Selling and distribution costs		**(13,022)**	(10,641)
General and administrative expenses		**(195,586)**	(165,618)
Other expenses, net		**(56,024)**	(62,458)
Finance costs	5	**(132,756)**	(164,571)
Share of profit of:			
Associates		**214,524**	23,459
A joint venture		**254,139**	90,484
		655,350	311,075
Provision for impairment of items of property, plant and equipment		**(86,814)**	—
Provision for impairment of other assets		**(13,026)**	—
PROFIT BEFORE TAX	6	**555,510**	311,075
Income tax expense	7	**(164)**	(123,421)
PROFIT FOR THE PERIOD		**555,346**	187,654
ATTRIBUTABLE TO:			
Shareholders of the Company		**529,125**	185,022
Non-controlling interests		**26,221**	2,632
		555,346	187,654
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	9	**HK cents**	HK cents
Basic		**6.73**	2.35
Diluted		**6.73**	2.35

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

	2018 HK$'000	2017 HK$'000
PROFIT FOR THE PERIOD	**555,346**	187,654
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Equity instrument at fair value through other comprehensive income:		
Changes in fair value	—	(214)
Income tax effect	—	64
	—	(150)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**(421,463)**	713,399
Income tax effect	**126,438**	(214,020)
	(295,025)	499,379
Exchange differences on translation of foreign operations	**(41,445)**	127,932
Share of other comprehensive loss of associates	**(21,989)**	—
Share of other comprehensive loss of a joint venture	**(810)**	—
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(359,269)**	627,161
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Equity instrument at fair value through other comprehensive income:		
Changes in fair value	**(337)**	—
Income tax effect	**101**	—
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(236)**	—
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**(359,505)**	627,161
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**195,841**	814,815
ATTRIBUTABLE TO:		
Shareholders of the Company	**173,655**	800,786
Non-controlling interests	**22,186**	14,029
	195,841	814,815

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2018 Unaudited HK$'000	31 December 2017 Audited HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**3,522,614**	3,860,246
Prepaid land lease payments		**15,574**	16,411
Goodwill		**24,682**	24,682
Other assets		**255,931**	268,600
Investments in associates		**4,317,595**	4,327,686
Investment in a joint venture		**1,169,269**	915,940
Derivative financial instrument		**217,903**	496,054
Equity instrument at fair value through other comprehensive income		**508**	845
Prepayments, deposits and other receivables		**24,736**	52,910
Deferred tax assets		**57,569**	—
Total non-current assets		**9,606,381**	9,963,374
CURRENT ASSETS			
Inventories		**649,108**	642,719
Trade receivables	10	**575,104**	546,212
Prepayments, deposits and other receivables		**1,158,982**	1,168,261
Financial assets at fair value through profit or loss		**2,190**	3,029
Derivative financial instruments		**239,264**	403,649
Cash and cash equivalents		**1,678,266**	1,405,672
Total current assets		**4,302,914**	4,169,542
CURRENT LIABILITIES			
Accounts payable	11	**127,303**	167,093
Tax payable		**165**	73
Accrued liabilities and other payables		**735,998**	604,982
Derivative financial instruments		**3,046**	9,553
Bank borrowings		**142,362**	386,206
Finance lease payables		**5,773**	8,970
Provisions		**44,118**	46,312
Total current liabilities		**1,058,765**	1,223,189
NET CURRENT ASSETS		**3,244,149**	2,946,353
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,850,530**	12,909,727

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2018	31 December 2017
	Unaudited	Audited
	HK$'000	HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**12,850,530**	12,909,727
NON-CURRENT LIABILITIES		
Bank and other borrowings	**6,608,839**	6,602,069
Finance lease payables	**913**	3,020
Deferred tax liabilities	**—**	67,365
Provisions	**294,744**	290,323
Total non-current liabilities	**6,904,496**	6,962,777
NET ASSETS	**5,946,034**	5,946,950
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**392,886**	392,886
Reserves	**5,648,185**	5,671,287
	6,041,071	6,064,173
Non-controlling interests	**(95,037)**	(117,223)
TOTAL EQUITY	**5,946,034**	5,946,950

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 2017.

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 2017, except for the adoption of new and revised standards with effect from 1 January 2018 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 27 July 2018.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and 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 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers
Amendment to HKAS 40	Transfers of Investment Property
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements 2014 – 2016 Cycle	Amendments to HKFRS 1 and HKAS 28

The adoption of the new and revised HKFRSs has had no significant financial effect on 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 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.

3. OPERATING SEGMENT INFORMATION *(continued)*

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, share of profit of associates and a joint venture, and provision for impairment of assets as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in associates, investment in a joint venture, equity instrument at fair value through other comprehensive income, deferred tax assets, financial assets at fair value through profit or loss, 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**
2018					
Segment revenue:					
Sales to external customers	**635,191**	**420,924**	**439,142**	**649,918**	**2,145,175**
Other income	**2,052**	**—**	**2,302**	**28,926**	**33,280**
	637,243	**420,924**	**441,444**	**678,844**	**2,178,455**
Segment results	**24,926**	**98,373**	**29,476**	**305,348**	**458,123**
Reconciliation:					
Interest income and unallocated gains					**21,460**
Provision for impairment of items of property, plant and equipment					**(86,814)***
Provision for impairment of other assets					**(13,026)***
Unallocated expenses					**(160,140)**
Unallocated finance costs					**(132,756)**
Share of profit of:					
Associates					**214,524**
A joint venture					**254,139**
Profit before tax					**555,510**
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

* in respect of the coal segment

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

HK$'000	**Aluminium smelting**	**Coal**	**Import and export of commodities**	**Crude oil**	**Total**
Segment assets					
30 June 2018 (unaudited)	**1,077,156**	**598,672**	**651,868**	**3,247,356**	**5,575,052**
31 December 2017 (audited)	1,499,505	769,864	641,366	3,469,620	6,380,355
Segment liabilities					
30 June 2018 (unaudited)	**336,992**	**223,560**	**65,632**	**247,757**	**873,941**
31 December 2017 (audited)	346,647	240,463	64,551	310,858	962,519

4. **OTHER INCOME AND GAINS**

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

	2018 HK$'000	2017 HK$'000
Interest income	**14,829**	8,951
Dividend income from a financial asset at fair value through profit or loss	**—**	67,438
Handling service fees	**2,104**	1,814
Fair value gain on a financial asset at fair value through profit or loss *	**—**	411,278
Sale of scrap	**2,678**	3,106
Reversal of impairment of other receivables	**10,929**	24,082
Gain on disposal of partial participating interest in a production sharing contract	**15,870**	—
Others	**8,330**	5,339
	54,740	522,008

* The Group reassessed and concluded that significant influence over AWC has been demonstrated by the Group effective 30 June 2017. Consequently, the investment was reclassified from a financial asset at fair value through profit or loss to an investment in an associate on 30 June 2017. Prior to the reclassification, the investment was measured at its fair value based on the closing price of AWC shares on 29 June 2017. As a result, a pre-tax fair value gain of HK$411,278,000 in respect of the Group's interest in AWC was recognised in the condensed consolidated income statement, representing the excess amount of such fair value over its carrying amount as at 31 December 2016.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2018	2017
	HK$'000	HK$'000
Interest expense on bank and other borrowings	**131,525**	159,601
Interest expense on a finance lease	**338**	937
Total interest expense on financial liabilities not at fair value through profit or loss	**131,863**	160,538
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	**893**	4,033
	132,756	164,571

6. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging:

	2018	2017
	HK$'000	HK$'000
Depreciation	**224,682**	359,219
Amortisation of other assets	**2,392**	3,007
Amortisation of prepaid land lease payments	**631**	584
Loss on disposal of items of property, plant and equipment *	**309**	3,743
Provision for impairment of items of property, plant and equipment	**86,814**	—
Provision for impairment of other assets	**13,026**	—
Fair value losses on derivative financial instruments, net *	**18,602**	41,022
Exchange losses, net *	**25,651**	7,076

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

7. INCOME TAX EXPENSE

	2018	2017
	HK$'000	HK$'000
Current – Hong Kong	**—**	—
Current – Elsewhere		
Charge for the period	**172**	—
Underprovision/(overprovision) in prior periods	**(8)**	38
Deferred	**—**	123,383
Total tax expense for the period	**164**	123,421

The statutory rate of Hong Kong profits tax was 16.5% (2017: 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 (2017: 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% (2017: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 30% (2017: 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% (2017: 14%).

China: The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2017: 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 (2017: Nil).

The final dividend of HK 2.50 cents per ordinary share for the year ended 31 December 2017, totalling HK$196,443,000, was approved by shareholders at the annual general meeting of the Company held on 22 June 2018 and was payable on or around 17 July 2018.

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$529,125,000 (2017: HK$185,022,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,857,727,149 (2017: 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 2017 in respect of a dilution. There were no dilutive potential ordinary shares arising from share options as the respective average share price of the Company during the Period and during the six months ended 30 June 2017 did not exceed the exercise price of the then outstanding share options.

10. TRADE RECEIVABLES

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

	30 June 2018 Unaudited HK$'000	31 December 2017 Audited HK$'000
Within one month	**356,169**	324,727
One to two months	**44,231**	74,532
Two to three months	**73,978**	45,716
Over three months	**100,726**	101,237
	575,104	546,212

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 2018 Unaudited HK$'000	31 December 2017 Audited HK$'000
Within one month	**109,330**	148,125
One to three months	**—**	—
Over three months	**17,973**	18,968
	127,303	167,093

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

BUSINESS REVIEW AND OUTLOOK

Review

The surge in oil and commodities prices fostered a favourable market condition which has enabled the Group to achieve a better financial performance than in the past few years. Brent crude oil prices hit three-and-a-half-year high with an average of around US$70 per barrel for the Period.

All of the Group's businesses recorded profits for the Period. The Yuedong oilfield in China, the Karazhanbas oilfield in Kazakhstan and AWC made significant contributions to the performance of the Group. The PAS, as a result of the restoration of its pre-outage production capacity in 4Q 2017, made a positive contribution to the Group. For these reasons, the Group achieved a significant increase in profit for the Period.

Crude oil

Attributable to the higher average crude oil realised price and stringent ongoing cost control, the Group's crude oil business as a whole achieved a substantial improvement in operating results.

During the Period, the Group continued to implement optimal maintenance plans to minimise the negative impact on oil production caused by the continuing natural decline of existing wells. In respect of production, the Karazhanbas oilfield showed a slight increase, the Yuedong oilfield maintained at a stable level whereas the Seram Block in Indonesia had a significant drop due to a greater natural decline of existing wells. The Group's overall average daily production was 49,450 barrels (100% basis) for the Period, representing a slight decrease when compared to 50,190 barrels (100% basis) for 1H 2017.

In May 2018, the Group completed its sale of a 10% participating interest in the production sharing contract which grants the right to explore, develop and produce petroleum from the Seram Block (the "**PSC**") to an independent third party and the PSC was successfully renewed for a term of 20 years commencing from 1 November 2019. The Group retains a 41% participating interest in the PSC and remains the operator of the Seram Block.

Metals

The PAS resumed to its normal operation since the restoration of its pre-outage production capacity in 4Q 2017. As a result, both the production and sales volumes increased during the Period. Coupled with an increase in average selling price of aluminium, the Group's aluminium smelting segment achieved a turnaround in results.

The Group's equity interest in AWC was reclassified on 30 June 2017 from a financial asset at fair value through profit or loss to an investment in an associate. In respect of the Group's interest in AWC, a share of profit using the equity method was recorded for the Period whereas a fair value gain was recorded for 1H 2017.

For the Period, CDH recorded a drop in profit from normal operations, due to a decrease in both average selling prices and sales volumes of some of the major manganese products.

Coal

Attributable to an increase in sales volume, a comparable average selling price of coal and a reduction of costs, the Group's coal segment recorded a better operating profit for the Period. However, the positive impact was partly offset by the provision for impairment in respect of certain capital works and mining assets. As a result, the Group's coal segment recorded a lower profit for the Period compared to 1H 2017.

Import and export of commodities

During the Period, the Group further strengthened its marketing strategy to meet the ever-changing market environment and trading behaviours. Attributable to an increase in commodities prices, this segment recorded a better profit.

Outlook

The Group believes that oil and commodities prices will at least remain steady at current levels, which should continue to benefit the Group. The Group will ride on the current favourable market conditions to facilitate its business development. As the global economic and political environments cast uncertainties on oil and commodities prices, the Group will continue to closely monitor the fast-paced market environment and take appropriate actions to create returns for shareholders.

With the renewal of the PSC, the Group will consider resuming the exploration of the Lofin area of the Seram Block. The Group will also endeavour in promoting application of new technologies to improve productivity in the Yuedong oilfield and plans to add new wells in the oilfield under a managed drilling program.

The Group will also continue to look for quality investment opportunities to strengthen its business portfolio, release investment value and promote sustainable growth. Last but not the least, the ongoing support from CITIC Limited will drive the Group to achieve its objectives.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash

As at 30 June 2018, the Group had cash and cash equivalents of HK$1,678.3 million.

Borrowings

As at 30 June 2018, the Group had total debt of HK$6,757.9 million, which comprised:

- unsecured bank borrowings of HK$2,851.2 million;
- unsecured other borrowing of HK$3,900.0 million; and
- finance lease payables of HK$6.7 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 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 "**A Loan**"). The proceeds of the A Loan were used to finance the repayment of an unsecured term loan facility of US$310 million entered into by the Company in March 2014. The A Loan has a tenor of three years commencing from 30 December 2016. The outstanding balance of the A Loan as at 30 June 2018 was US$310 million.

In May 2017, the Company entered into a facility agreement with a bank in respect of an unsecured term loan facility of US$40 million (HK$312 million) (the "**B Loan**"). The proceeds of the B Loan were used to finance the repayment of the then outstanding balance of an unsecured term loan facility of US$40 million entered into by the Company in September 2012 and the general corporate funding requirements of the Company. The B Loan has a tenor of three years commencing from 15 May 2017. The outstanding balance of the B Loan as at 30 June 2018 was US$40 million.

In June 2017, a wholly-owned 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 "**C Loan**"). The proceeds of the C Loan were used to finance the repayment of an unsecured term loan facility of US$490 million (HK$3,822 million) entered into by the Company in June 2015 and the general corporate funding requirements of the Company. The C Loan has a tenor of five years commencing from 29 June 2017. The outstanding balance of the C Loan as at 30 June 2018 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 2018, the Group's net debt to net total capital was 45.7% (31 December 2017: 48.0%). Of the total debt, HK$148.1 million was repayable within one year, including 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 2018, the Group had around 310 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, 27 July 2018

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 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.