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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 2024

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 2024 (the “**Period**”).

FINANCIAL HIGHLIGHTS

Six months ended 30 June Unaudited	2024 HK\$ million	2023 HK\$ million	Change
Revenue	3,944.6	2,043.2	93.1%
EBITDA ¹	795.5	832.8	(4.5)%
Adjusted EBITDA ²	1,096.6	1,140.2	(3.8)%
Profit attributable to ordinary shareholders of the Company	353.1	383.2	(7.9)%

¹ profit before tax + finance costs + depreciation + amortisation

² EBITDA + (share of finance costs, depreciation, amortisation, income tax expense and non-controlling interests of a joint venture)

The average Brent oil price stood at US\$84.0 per barrel during the Period. Many energy industry analysts initially expected global oil prices would rebound in the second half of this year, with Brent crude rising above US\$90.0 a barrel or higher, but that changed after the Organization for Petroleum Exporting Countries (OPEC+) announced earlier that it would begin lifting current production limits by October.

The potential additional supplies hit the global market sooner than expected, sending the oil prices lower following the announcement. There may not likely to be a clear direction in the global oil market.

During the Period, the Group recorded a profit attributable to ordinary shareholders of the Company of approximately HK\$353.1 million (30 June 2023: HK\$383.2 million), representing a decrease of approximately 7.9% as compared with the same period of last year. The decrease was mainly attributable to the following factors:

- (i) a decrease in the average selling price of coal and the softening of the average prices of aluminium sold by the Group, comparing to the same period of last year; and
- (ii) a decrease in the share of profit of a joint venture.

Despite that, all of the Group's segments and investments recorded profits for the Period. Although the Group had repaid bank and other borrowings of approximately HK\$431.5 million during the Period, the Group continues to maintain a strong financial position with cash and deposits of approximately HK\$1,221.4 million as at 30 June 2024.

FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June

Unaudited

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	3	3,944,594	2,043,222
Cost of sales		<u>(3,535,237)</u>	<u>(1,615,721)</u>
Gross profit		409,357	427,501
Other income, gains and losses, net	4	49,295	65,938
General and administrative expenses		(98,984)	(111,866)
Other expenses, net		(11,762)	(8,571)
Finance costs	5	(52,678)	(89,951)
Reversal of provision for impairment of trade and other receivables		–	739
Share of profit of:			
An associate		17,316	11,700
A joint venture		144,662	178,569
Profit before tax	6	457,206	474,059
Income tax expense	7	<u>(82,710)</u>	<u>(64,071)</u>
Profit for the period		<u>374,496</u>	<u>409,988</u>
Attributable to:			
Ordinary shareholders of the Company		353,113	383,207
Non-controlling interests		21,383	26,781
		<u>374,496</u>	<u>409,988</u>
Earnings per share attributable to ordinary shareholders of the Company	8	HK cents	HK cents
Basic		<u>4.49</u>	<u>4.88</u>
Diluted		<u>4.49</u>	<u>4.88</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June

Unaudited

	2024 HK\$'000	2023 HK\$'000
Profit for the period	<u>374,496</u>	<u>409,988</u>
Other comprehensive loss		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(59,665)	(114,685)
Share of other comprehensive (loss)/income of a joint venture	<u>(34,499)</u>	<u>7,617</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(94,164)</u>	<u>(107,068)</u>
Other comprehensive loss for the period, net of tax	<u>(94,164)</u>	<u>(107,068)</u>
Total comprehensive income for the period	<u><u>280,332</u></u>	<u><u>302,920</u></u>
Attributable to:		
Ordinary shareholders of the Company	264,832	287,503
Non-controlling interests	<u>15,500</u>	<u>15,417</u>
	<u><u>280,332</u></u>	<u><u>302,920</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2024 Unaudited HK\$'000	31 December 2023 Audited HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		3,833,788	3,988,055
Right-of-use assets		72,087	49,003
Mining assets		237,707	242,232
Exploration, evaluation and development expenditure		61,899	61,876
Investment in an associate		1,838,612	1,821,296
Investment in a joint venture		2,896,795	2,786,632
Prepayments, deposits and other receivables		43,000	44,090
Time deposit		125,852	118,497
Deferred tax assets		150,805	171,640
Pension assets		2,357	4,704
		9,262,902	9,288,025
Total non-current assets			
Current assets			
Inventories		439,025	435,861
Trade receivables	10	1,961,593	239,688
Prepayments, deposits and other receivables		100,578	104,310
Derivative financial instruments		89,253	72,691
Cash and deposits		1,221,375	1,483,816
		3,811,824	2,336,366
Total current assets			
Current liabilities			
Accounts payable	11	1,772,562	242,729
Tax payable		110,015	91,167
Accrued liabilities and other payables		625,789	606,026
Dividend payable		196,534	–
Bank and other borrowings		150,000	350,000
Lease liabilities		17,604	24,663
Provisions for long-term employee benefits		30,743	32,120
Provisions		6,277	11,531
		2,909,524	1,358,236
Total current liabilities			
Net current assets		902,300	978,130
Total assets less current liabilities		10,165,202	10,266,155

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2024	31 December 2023
	Unaudited	Audited
	HK\$'000	HK\$'000
Non-current liabilities		
Bank and other borrowings	1,208,355	1,439,880
Lease liabilities	45,085	16,196
Deferred tax liabilities	357,785	339,927
Provisions for long-term employee benefits	21,618	23,965
Provisions	607,047	604,764
	<hr/>	<hr/>
Total non-current liabilities	2,239,890	2,424,732
	<hr/>	<hr/>
Net assets	7,925,312	7,841,423
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Equity attributable to ordinary shareholders of the Company		
Issued capital	392,886	392,886
Reserves	7,437,286	7,368,897
	<hr/>	<hr/>
	7,830,172	7,761,783
Non-controlling interests	95,140	79,640
	<hr/>	<hr/>
Total equity	7,925,312	7,841,423
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NOTES

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements of the Group (“**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 D2 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 2023.

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 2023, except for the adoption of new and revised standards with effect from 1 January 2024 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 26 July 2024.

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 HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback (Amendments)
Amendments to HKFRS 7 and HKAS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan

Several amendments apply for the first time in 2024, but do not have an impact on the 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 trading of crude oil around the world and trading of alumina in Australia; and
- (d) the crude oil segment comprises the operation of oilfields and the sale of crude 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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, and share of profit 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, deferred tax assets, cash and deposits and other unallocated head office and corporate assets as these assets are managed on a group basis.

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

3. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June

Unaudited

HK\$'000

	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
2024					
Segment revenue:					
Sales to external customers	601,642	405,245	2,206,755	730,952	3,944,594
Other income, gains and losses, net	27,983	15,578	(117)	2,278	45,722
	<u>629,625</u>	<u>420,823</u>	<u>2,206,638</u>	<u>733,230</u>	<u>3,990,316</u>
Segment results	39,797	26,963	733	326,548	394,041
<i>Reconciliation:</i>					
Interest income and unallocated gains and losses, net					3,573
Unallocated expenses					(49,708)
Unallocated finance costs					(52,678)
Share of profit of:					
An associate					17,316
A joint venture					144,662
Profit before tax					<u>457,206</u>

	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
2023					
Segment revenue:					
Sales to external customers	770,240	539,350	–	733,632	2,043,222
Other income, gains and losses, net	32,489	3,142	1,736	3,239	40,606
	<u>802,729</u>	<u>542,492</u>	<u>1,736</u>	<u>736,871</u>	<u>2,083,828</u>
Segment results	682	70,998	3,779	335,118	410,577

Reconciliation:

Interest income and unallocated gains and losses, net					25,332
Unallocated expenses					(62,168)
Unallocated finance costs					(89,951)
Share of profit of:					
An associate					11,700
A joint venture					178,569
Profit before tax					<u>474,059</u>

3. OPERATING SEGMENT INFORMATION (Continued)

HK\$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment assets					
30 June 2024 (unaudited)	<u>950,187</u>	<u>824,017</u>	<u>1,663,233</u>	<u>3,465,899</u>	<u>6,903,336</u>
31 December 2023 (audited)	<u>945,664</u>	<u>764,032</u>	<u>178</u>	<u>3,585,172</u>	<u>5,295,046</u>
Segment liabilities					
30 June 2024 (unaudited)	<u>378,881</u>	<u>351,757</u>	<u>1,661,410</u>	<u>541,475</u>	<u>2,933,523</u>
31 December 2023 (audited)	<u>444,348</u>	<u>282,662</u>	<u>–</u>	<u>625,540</u>	<u>1,352,550</u>

4. OTHER INCOME, GAINS AND LOSSES, NET

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

	2024 HK\$'000	2023 HK\$'000
Interest income	27,568	39,130
Sale of scrap	1,991	2,186
Gain on disposal of items of property, plant and equipment, net	1,447	37
Fair value gain on derivative financial instruments	16,562	23,400
Exchange gain/(losses), net	475	(7,265)
Others	<u>1,252</u>	<u>8,450</u>
	<u>49,295</u>	<u>65,938</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK\$'000	2023 HK\$'000
Interest expense on bank and other borrowings	37,176	74,442
Interest expense on lease liabilities	<u>510</u>	<u>764</u>
Total interest expenses	37,686	75,206
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	11,285	10,914
Others	<u>3,707</u>	<u>3,831</u>
	<u><u>52,678</u></u>	<u><u>89,951</u></u>

6. PROFIT BEFORE TAX

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

	2024 HK\$'000	2023 HK\$'000
Depreciation of property, plant and equipment	254,238	240,760
Depreciation of right-of-use assets	21,072	19,127
Amortisation of other assets	10,356	8,912
Gain on disposal of items of property, plant and equipment, net	(1,447)	(37)
Fair value gain on derivative financial instruments	(16,562)	(23,400)
Exchange (gain)/losses, net	<u>(475)</u>	<u>7,265</u>

7. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current – Hong Kong	–	–
Current – Elsewhere		
Charge for the period	99,403	28,570
Underprovision in prior periods	21	16
Deferred taxation	<u>(16,714)</u>	<u>35,485</u>
Total tax expense for the period	<u>82,710</u>	<u>64,071</u>

The statutory rate of Hong Kong profits tax was 16.5% (2023: 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 (2023: 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% (2023: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 25% (2023: 25%). 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 15% (2023: 15%).

Mainland China: The Group's subsidiaries registered in Mainland China were subject to corporate income tax at a rate of 25% (2023: 25%).

Kazakhstan: The Group's subsidiary incorporated in Kazakhstan was subject to corporate income tax at a rate of 20% (2023: 20%).

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 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 approximately HK\$353,113,000 (2023: HK\$383,207,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,857,727,149 (2023: 7,857,727,149) shares.

The Group had no potentially dilutive ordinary shares in issue during the Period and for the six months ended 30 June 2023.

9. DIVIDEND

The Board has resolved not to pay an interim dividend for the Period (2023: Nil).

The final dividend of HK2.50 cents per ordinary share for the year ended 31 December 2023, totalling approximately HK\$196,443,000, was approved by shareholders at the annual general meeting of the Company held on 14 June 2024 and was paid on 18 July 2024.

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 Unaudited HK\$'000	31 December 2023 Audited HK\$'000
Within one month	1,952,593	234,367
One to three months	–	5,321
Over three months	9,000	–
	<u>1,961,593</u>	<u>239,688</u>

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

11. ACCOUNTS PAYABLE

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

	30 June 2024 Unaudited HK\$'000	31 December 2023 Audited HK\$'000
Within one month	1,743,005	242,729
One to three months	14,050	–
Over three months	15,507	–
	<u>1,772,562</u>	<u>242,729</u>

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

12. EVENTS AFTER THE REPORTING PERIOD

On 17 July 2024, approval from certain regulatory authority of the PRC for the Group's participation (the "Transaction") in the scheme of arrangement by way of which Alcoa Corporation ("Alcoa") acquired 100% of the ordinary shares on issue in Alumina Limited ("AWC") for scrip consideration of 0.02854 shares of Alcoa common stock for each share in AWC (the "AWC Scheme of Arrangement") was obtained. On 18 July 2024 Australian Eastern Standard Time ("AEST"), the AWC Scheme of Arrangement was approved by the requisite majorities of shareholders of AWC at the scheme meeting. On 22 July 2024 (AEST), the Court approved the AWC Scheme of Arrangement and the AWC Scheme of Arrangement had become effective on 23 July 2024 (AEST). It is currently expected that the AWC Scheme of Arrangement will be implemented on 1 August 2024 (AEST).

The Transaction constitutes a major disposal and a major acquisition of the Company. Immediately upon completion of the Transaction, the Group will cease to have any equity interest in AWC and its equity interest in Alcoa is expected to be classified as a financial asset through other comprehensive income, the subsequent measurement of which is solely based on the movement of Alcoa's share price.

Further details of the AWC Scheme of Arrangement and the Transaction were disclosed in the announcements of the Company dated 26 February 2024, 17 July 2024 and 23 July 2024 and the circular of the Company dated 17 July 2024.

BUSINESS REVIEW AND OUTLOOK

Review

Operating Environment

Under the influence of geopolitical tensions and weakening economic growth momentum, the uncertainties and challenges in the global economic environment remained severe. The global oil demand and supply is expected to remain balance or slightly surplus in forthcoming years of 2024 and 2025, with the international oil prices remaining relatively high and fluctuating in a small scale. The demand of aluminium products increased due to the high consumption of new energy vehicles. On top of China's energy conservation and carbon reduction which set a red line for aluminium smelting production capacity, the construction and release of overseas aluminium smelting production capacity were lower than expected, leading to the persistent gap between global demand and supply for aluminium smelting, and the rebounded prices of upstream aluminium products. Coal prices have remained at a low level since the drop from the high level in 2023.

During the Period, international oil prices rose slightly and aluminium prices dropped slightly year-on-year, while the coal prices dropped significantly year-on-year. Brent oil price averaged US\$84.0 per barrel during the Period, increasing by approximately 5.1% year-on-year. LME aluminium ingot price averaged US\$2,415.0 per tonne for the Period, decreasing by approximately 1.2% year-on-year. Coal price averaged US\$163.5 per tonne for the Period, decreasing by approximately 34.5% year-on-year. The fluctuations in commodity prices led to slight decline of the Group's financial performance, but the Group's production and operation were stable and the financial position was healthy, maintaining strong operational and risk management ability.

Operating Results and Analysis

The Group has been focusing on three core tasks of “resolving risks, improving quality and efficiency, and optimising management”, and has been determined to promote the improvement of quality and efficiency by adopting effective and refined management measures in all aspects of sales and production, vigorously promoting applicable new technologies and processes, and building up a technological foundation and cost advantage for sustainable development. Meanwhile, the Group has increased the reserves and production to expand the resource base, stabilising the profitability of different businesses segments and enhancing asset value, including facilitating steadily the development of Hainan Block 20 in Yuedong Oilfield, facilitating and implementing the expansion of the Caspian Bitumen Plant, and striving to realise the value of natural gas upon its commercialization in the Lofin Area at a minimal cost.

In the first half of 2024, the Group achieved revenue of approximately HK\$3.94 billion, representing a year-on-year increase in revenue of approximately HK\$1.90 billion, or approximately 93.1%, benefiting from the impact of the newly added oil and gas trading business; and recorded net profit attributable to ordinary shareholders of the Company of approximately HK\$0.35 billion, representing a year-on-year decrease of approximately HK\$0.03 billion, or approximately 7.9%, mainly due to the impact of the drop in coal prices from the high level and the high base as a result of the one-off tax benefit in the same period of 2023. As at 30 June 2024, the Group's total assets amounted to approximately HK\$13.07 billion and net assets attributable to ordinary shareholders of the Company were approximately HK\$7.83 billion. The Group continued to proactively curtail its high-interest US-dollar denominated loans, bringing down its interest-bearing debt ratio to approximately 10.4%, and delivered an annualised return on net assets of approximately 9.1%. The Group's operating results remained stable in line with expectation, with strong liquidity and healthy assets.

Oil and Gas Business

The Group continued to promote various measures to increase reserves and production, improve quality and efficiency, stabilise the profitability of its oil and gas business and enhance the value of its oil and gas properties. Through the continuous introduction of new processes and technologies and the scientific arrangement of production enhancement measures, the Group has been able to promote the improvement of production volume and economic benefits. The Group strengthened the concept of production safety management and intensified the efforts in safety management, resulting in stable production without any significant safety and environmental protection accidents. During the Period, the Group's oil and gas business achieved a working interest output of 4.722 million barrels, representing a year-on-year increase of approximately 1.1%. The oil and gas business achieved revenue of approximately HK\$0.73 billion during the Period, which was basically flat year-on-year, and contributed a net profit attributable to ordinary shareholders of the Company of approximately HK\$0.34 billion.

Non-Oil-and-Gas Businesses

During the Period, the Group fully exercised its shareholders' rights and proactively promoted the engagement of the metals and mining investment team in the management and shareholders' affairs of the Portland Aluminium Smelter ("PAS") and Coppabella and Moorvale coal mines joint venture projects ("CMJV"), facilitating the optimisation of the operation modes, increasing production capacity and reducing costs. The Group actively and properly dealt with the share swap transaction between Alumina Limited and Alcoa Corporation, with a view to protecting the interests of shareholders as a whole. During the Period, the Group's non-oil-and-gas businesses achieved a net profit attributable to ordinary shareholders of the Company of approximately HK\$54.76 million, representing a year-on-year decrease of approximately 11.8%, which was mainly attributable to the year-on-year decrease in coal prices. The oil trading business achieved revenue of approximately HK\$2.21 billion, with a trading volume of approximately 3.35 million barrels.

Outlook

With the possible reversal of the interest rate in the United States, global capital flows are likely to undergo greater changes, and the global economy will continue to be driven by the developing countries and emerging economies. Technological innovation and the development of the digital economy will continue to drive economic growth, and the global supply chain and industrial chain are expected to regain balance and stability.

For the traditional resource and energy industries, both opportunities and challenges exist in the future. The Group will build consensus and synergy to reform, actively explore investment opportunities in the upstream aluminium business and new energy sectors, and cultivate the second growth curve, while the oil trading business will move steadily to an annual trading volume of 10 million barrels. Through the dual driver of investment and trading, the Group envisages to become an influential listed company specialising in resources and energy with "dual driver of energy and mineral product investment and commodity trading".

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash and deposits

As at 30 June 2024, the Group continues to maintain a strong financial position, with cash and deposits balances amounting to approximately HK\$1,221.4 million (31 December 2023: HK\$1,483.8 million).

Borrowings

As at 30 June 2024, the Group had total debt of approximately HK\$1,421.0 million (31 December 2023: HK\$1,830.7 million), which comprised:

- unsecured bank borrowings of approximately HK\$150.0 million;
- unsecured other borrowing of approximately HK\$1,208.3 million; and
- lease liabilities of approximately HK\$62.7 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. Upon the receipt of sale proceeds following the completion of a transaction, the related borrowings are repaid accordingly.

The Group's total debt decreased by approximately HK\$409.7 million, which was mainly due to the net repayment of bank and other borrowings of approximately HK\$431.5 million from its surplus cash, together with the increase of lease liabilities of approximately HK\$21.8 million during the Period.

The Group aims to maintain the cash and deposits and undrawn banking and other facilities at a reasonable level at US\$325.1 million (equivalent to approximately HK\$2,530.0 million) and RMB80.0 million (equivalent to approximately HK\$86.2 million), respectively to meet the debt repayments and capital expenditures in the coming year.

In June 2021, a wholly-owned subsidiary of the Company entered into an unsecured 3-year committed US\$200.0 million (equivalent to approximately HK\$1,560.0 million) term loan facility agreement with China CITIC Bank International Limited (a fellow subsidiary of the Company) (the "A Loan"), effective from 24 June 2021. The proceeds of the A Loan were mainly used for the repayment of the remaining balance of a then existing loan. On 30 June 2023, the A Loan was extended for 3 years with a maturity date on 30 June 2026. On 31 January 2024, the Company fully settled the outstanding amount of the A Loan of US\$84.6 million (equivalent to approximately HK\$659.9 million), and the A Loan was terminated in advance.

On 29 December 2022, the Company entered into a facility agreement with CITIC Finance International Limited (a fellow subsidiary of the Company, “**CITIC Finance International**”) in respect of an unsecured 3-year revolving loan facility of US\$150.0 million (equivalent to approximately HK\$1,170.0 million) (the “**B Loan**”). The proceeds of the B Loan were used for refinancing the repayment of the remaining outstanding balance of the existing loans. As at 30 June 2024, the outstanding balance of the B Loan was HK\$200.0 million.

On 22 May 2023, the Company entered into a facility agreement with Mizuho Bank, Ltd, Hong Kong branch and Bank of China (Hong Kong) Limited in respect of an unsecured 3-year committed US\$100.0 million (equivalent to approximately HK\$780.0 million) revolving loan facility (the “**C Loan**”). The proceeds of the C Loan were used for operation expenses and refinancing purposes. On 15 April 2024, the Company repaid the outstanding amount of the C Loan of HK\$350.0 million. As at 30 June 2024, there was no outstanding amount of the C Loan.

On 29 January 2024, a 90% owned subsidiary of the Company entered into an unsecured 2-year RMB800.0 million (equivalent to approximately HK\$876.8 million) credit facility agreement with CITIC Finance Company Limited (a fellow subsidiary of the Company, “**CITIC Finance PRC**”) (the “**D Loan**”). The proceeds of the D Loan were used for refinancing the repayment of the remaining outstanding balance of the existing loans. As at 30 June 2024, the outstanding balance of the D Loan was RMB720.0 million (equivalent to approximately HK\$792.1 million).

On 27 May 2024, the Company entered into an unsecured 2-year RMB200.0 million (equivalent to approximately HK\$219.2 million) credit facility agreement with CITIC Finance PRC (the “**E Loan**”). The proceeds of the E Loan were used for refinancing the repayment of the remaining outstanding balance of the existing loans. As at 30 June 2024, the outstanding balance of the E Loan was RMB200.0 million (equivalent to approximately HK\$216.2 million).

On 26 June 2024, a wholly-owned subsidiary of the Company entered into an unsecured 1-year uncommitted US\$75.0 million (equivalent to approximately HK\$585.0 million) credit facility agreement with China CITIC Bank International Limited (a fellow subsidiary of the Company) (the “**F Loan**”). The proceeds of the F Loan were used for refinancing the repayment of the remaining outstanding balance of the existing loans. As at 30 June 2024, the outstanding balance of the F Loan was HK\$150.0 million.

The Group leases certain plant and machinery for its aluminium and coal mine operations under finance leases. The lease liabilities arising from these finance leases as at 30 June 2024 were HK\$10.8 million (31 December 2023: HK\$13.2 million).

As at 30 June 2024, the Group's net debt to net total capital was 2.5% (31 December 2023: 4.2%). Among the Group's total debt, approximately HK\$167.6 million (31 December 2023: HK\$374.7 million) was repayable within one year, including unsecured bank loan and lease liabilities.

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 such as electricity hedge agreements. Their purpose is to manage the price risk arising from the Group's operations and sources of finance.

New investment

There was no new investment concluded during the Period.

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 2024, the Group had 195 full time employees (30 June 2023: 202), including management and administrative staff.

During the Period, the remuneration of these full-time employees was approximately HK\$48.9 million (30 June 2023: HK\$69.1 million). In addition, the Group would share the expenses of the subcontractor remuneration of its investments as an operator (including the Seram Block, Indonesia and Hainan-Yuedong Block, China) and jointly owned investments (PAS and CMJV and certain exploration rights), involving approximately 1,750 employees in total (30 June 2023: 1,800) and amounting to approximately HK\$139.7 million (30 June 2023: HK\$146.2 million).

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.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period (six months ended 30 June 2023: Nil).

CORPORATE GOVERNANCE CODE

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 C1 to the Listing Rules throughout the Period, save and except for the following deviations from code provision C.2.1 of the Corporate Governance Code.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The roles of both the chairman of the Board (the "**Chairman**") and chief executive officer of the Company (the "**CEO**") have been vested in Mr. Hao Weibao since 18 April 2023 and up to the date of this announcement.

In view of Mr. Hao's personal profile, extensive relevant industry knowledge and working experience in multinational corporations, the Board has confidence that the vesting of both roles of the Chairman and CEO in Mr. Hao would allow for more effective planning and execution of business strategies of the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the Corporate Governance Code is not inappropriate. In addition, under the supervision of the Board which, apart from Mr. Hao who is an executive director, (i) a non-executive director and three independent non-executive directors at the time of Mr. Hao's appointments; and (ii) another executive director, a non-executive director and three independent non-executive directors as at the date of this announcement, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

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 C3 to the Listing Rules (or on terms no less exacting than the Model Code).

All directors of the Company 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.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, there was no other important event or transaction affecting the Group and which is required to be disclosed by the Company to its shareholders from 1 July 2024 up to the date of this announcement.

By Order of the Board
CITIC Resources Holdings Limited
Hao Weibao
Chairman

Hong Kong, 26 July 2024

As at the date hereof, Mr. Hao Weibao and Mr. Wang Xinli are the executive directors of the Company; Mr. Chan Kin is a non-executive director of the Company; and Dr. Fan Ren Da, Anthony, Mr. Look Andrew and Mr. Lu Dequan are independent non-executive directors of the Company.