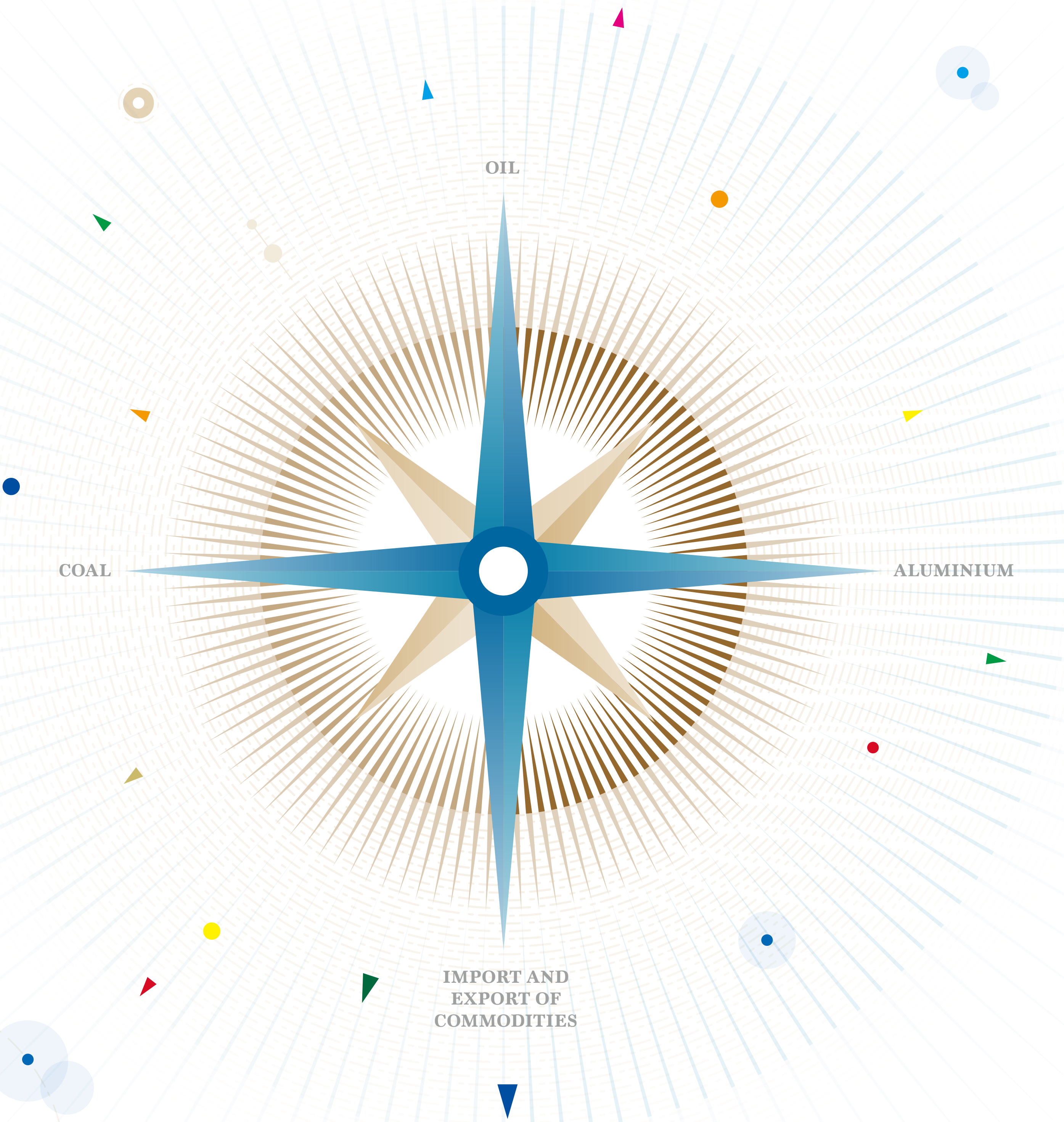
中信資源控股有限公司
CITIC Resources Holdings Limited

(incorporated in Bermuda with limited liability)
（於百慕達註冊成立之有限公司）

Stock Code 股份代號：1205



INTERIM REPORT
2021
中期報告

OIL

Major income driver with steady production and development in oilfields located in Kazakhstan, China and Indonesia.

COAL

A 14% participating interest in the Coppabella and Moorvale coal mines joint venture (a major producer of low volatile pulverized coal injection coal in the international seaborne market) and interests in a number of coal exploration operations in Australia with significant resource potential.

ALUMINIUM

(1) a 22.5% participating interest in the Portland Aluminium Smelter joint venture, one of the largest and most efficient aluminium smelting operations in the world; and (2) a 9.6117% equity interest in Alumina Limited (ASX: AWC), one of Australia's leading companies with significant global interests in bauxite mining, alumina refining and selected aluminium smelting operations.

IMPORT AND EXPORT OF COMMODITIES

An import and export of commodities business, based on strong expertise and established marketing networks, with a focus on international trade.

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Other Information
其他資料

Corporate Information

Board of Directors

Executive Directors

Mr. Sun Yufeng *(Chairman)*
Mr. Suo Zhengang
(Vice Chairman and Chief Executive Officer)
Mr. Sun Yang *(Vice Chairman)*

Non-executive Director

Mr. Chan Kin

Independent Non-executive Directors

Mr. Fan Ren Da, Anthony
Mr. Gao Pei Ji
Mr. Look Andrew

Audit Committee

Mr. Fan Ren Da, Anthony *(Chairman)*
Mr. Gao Pei Ji
Mr. Look Andrew

Remuneration Committee

Mr. Gao Pei Ji *(Chairman)*
Mr. Fan Ren Da, Anthony
Mr. Look Andrew
Mr. Suo Zhengang

Nomination Committee

Mr. Sun Yufeng *(Chairman)*
Mr. Fan Ren Da, Anthony
Mr. Gao Pei Ji

Risk Management Committee

Mr. Look Andrew *(Chairman)*
Mr. Fan Ren Da, Anthony
Mr. Gao Pei Ji
Mr. Sun Yufeng
Mr. Suo Zhengang

Company Secretary

Mr. Wong Wai Kwok

Registered Office

Clarendon House
2 Church Street, Hamilton HM 11, Bermuda

Head Office and Principal Place of Business

Suites 6701-02 & 08B
67/F, International Commerce Centre
1 Austin Road West, Kowloon, Hong Kong

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Website	:	http://resources.citic

Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building
Central, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
China CITIC Bank International Limited
China Construction Bank Corporation Hong Kong Branch
China Development Bank Hong Kong Branch
Mizuho Bank, Ltd., Hong Kong Branch
Sumitomo Mitsui Banking Corporation

Six months ended 30 June Unaudited HK$'000

Financial Results

The Board of the Company presents the unaudited consolidated interim results of the Group for the Period.

Condensed Consolidated Income Statement

	Notes	2021	2020
REVENUE	5	**1,703,857**	1,235,649
Cost of sales		**(1,340,714)**	(1,301,540)
Gross profit/(loss)		**363,143**	(65,891)
Other income and gains, net	5	**52,547**	59,697
Selling and distribution costs		**—**	(6,410)
General and administrative expenses		**(122,749)**	(97,889)
Other expenses, net		**(10,152)**	(27,800)
Finance costs	6	**(43,125)**	(88,325)
Share of profit/(loss) of:			
Associates		**77,255**	71,296
A joint venture		**172,778**	(266,100)
PROFIT/(LOSS) BEFORE TAX	7	**489,697**	(421,422)
Income tax expense	8	**(42,160)**	(8,630)
PROFIT/(LOSS) FOR THE PERIOD		**447,537**	(430,052)
ATTRIBUTABLE TO:			
Shareholders of the Company		**427,412**	(430,809)
Non-controlling interests		**20,125**	757
		447,537	(430,052)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY	10	**HK cents**	HK cents
Basic		**5.44**	(5.48)
Diluted		**5.44**	(5.48)

Unaudited HK$'000

Condensed Consolidated Statement of Comprehensive Income

	2021	2020
PROFIT/(LOSS) FOR THE PERIOD	**447,537**	(430,052)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**(15,953)**	(283,728)
Income tax effect	**4,787**	85,119
	(11,166)	(198,609)
Exchange differences on translation of foreign operations	**18,280**	(60,071)
Reclassification adjustment for a foreign operation deregistered	**—**	(18,163)
Share of other comprehensive loss of associates	**—**	(31,593)
Share of other comprehensive income of a joint venture	**1,694**	242
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**8,808**	(308,194)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**8,808**	(308,194)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**456,345**	(738,246)
ATTRIBUTABLE TO:		
Shareholders of the Company	**434,131**	(733,286)
Non-controlling interests	**22,214**	(4,960)
	456,345	(738,246)

HK$'000

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2021 Unaudited	31 December 2020 Audited
NON-CURRENT ASSETS			
Property, plant and equipment	11	**3,642,600**	3,481,533
Right-of-use assets		**84,058**	93,635
Goodwill		**24,682**	24,682
Other assets		**257,106**	259,725
Investment in an associate		**2,968,582**	2,954,414
Investment in a joint venture		**1,931,804**	1,757,333
Prepayments, deposits and other receivables	12	**43,205**	58,734
Time deposit		**79,203**	65,538
Deferred tax assets		**191,951**	187,240
Total non-current assets		**9,223,191**	8,882,834
CURRENT ASSETS			
Inventories	13	**486,639**	385,931
Trade receivables	14	**453,747**	412,653
Prepayments, deposits and other receivables	12	**158,120**	166,178
Derivative financial instruments	15	**52,210**	71,712
Pledged deposit		**42,021**	41,706
Cash and cash equivalents		**1,384,448**	2,314,285
Total current assets		**2,577,185**	3,392,465
CURRENT LIABILITIES			
Accounts payable	16	**82,260**	113,921
Tax payable		**161**	502
Accrued liabilities and other payables		**877,888**	839,084
Derivative financial instruments	15	**15,575**	14,071
Bank borrowings	17	**312,187**	141,106
Lease liabilities		**26,910**	29,900
Provisions		**49,391**	50,976
Total current liabilities		**1,364,372**	1,189,560
NET CURRENT ASSETS		**1,212,813**	2,202,905
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,436,004**	11,085,739

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Condensed Consolidated Statement of Financial Position

	Notes	30 June 2021 Unaudited	31 December 2020 Audited
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,436,004**	11,085,739
NON-CURRENT LIABILITIES			
Bank and other borrowings	17	**3,414,320**	4,673,760
Lease liabilities		**47,331**	55,953
Deferred tax liabilities		**133,615**	90,919
Provisions		**617,075**	497,789
Total non-current liabilities		**4,212,341**	5,318,421
NET ASSETS		**6,223,663**	5,767,318
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	18	**392,886**	392,886
Reserves		**5,848,960**	5,414,829
		6,241,846	5,807,715
Non-controlling interests		**(18,183)**	(40,397)
TOTAL EQUITY		**6,223,663**	5,767,318

Condensed Consolidated Statement of Changes in Equity

	Issued capital	Share premium account	Contributed surplus	Capital reserve
At 31 December 2019 (audited) and 1 January 2020	392,886	6,852	251,218	(38,579)
Total comprehensive loss for the period	—	—	—	—
Share of other reserve movements of an associate	—	—	—	—
At 30 June 2020 (unaudited)	392,886	6,852	251,218	(38,579)
At 31 December 2020 (audited) and 1 January 2021	**392,886**	**6,852**	**251,218**	**(38,579)**
Total comprehensive Income/(loss) for the Period	—	—	—	—
At 30 June 2021 (unaudited)	**392,886**	**6,852** *	**251,218** *	**(38,579)** *

* These reserve accounts comprise the consolidated reserves of HK$5,848,960,000 (31 December 2020: HK$5,414,829,000) in the condensed consolidated statement of financial position.

HK$'000

	Attributable to shareholders of the Company						
	Exchange fluctuation reserve	Cash flow hedge reserve	Investment related reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
	(27,585)	255,367	(1,326,557)	6,739,787	6,253,389	(60,640)	6,192,749
	(72,517)	(198,609)	(31,351)	(430,809)	(733,286)	(4,960)	(738,246)
	—	—	2,531	(2,531)	—	—	—
	(100,102)	56,758	(1,355,377)	6,306,447	5,520,103	(65,600)	5,454,503
	117,512	**25,691**	**(1,347,016)**	**6,399,151**	**5,807,715**	**(40,397)**	**5,767,318**
	16,191	**(11,166)**	**1,694**	**427,412**	**434,131**	**22,214**	**456,345**
	133,703 *	**14,525** *	**(1,345,322)** *	**6,826,563** *	**6,241,846**	**(18,183)**	**6,223,663**

Six months ended 30 June Unaudited HK$'000

Condensed Consolidated Statement of Cash Flows

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from/(used in) operating activities	**349,386**	(31,950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**7,366**	10,788
Dividend income from an associate	**63,087**	78,315
Purchases of items of property, plant and equipment	**(188,317)**	(148,394)
Proceeds from disposal of items of property, plant and equipment	**189**	419
Proceeds from disposal of other assets	**2,722**	8,035
Increase in a time deposit with original maturity of more than one year	**(13,361)**	—
Net cash flows used in investing activities	**(128,314)**	(50,837)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	**2,999,116**	1,811,052
Repayment of bank and other borrowings	**(4,064,350)**	(2,046,630)
Receipt of a loan from government	**7,945**	11,169
Repayment of a loan from government	**(14,242)**	(11,527)
Principal portion of lease payments	**(15,717)**	(13,950)
Interest portion of lease liabilities	**(1,406)**	(1,740)
Interest paid	**(42,374)**	(75,998)
Finance charges paid	**(19,779)**	(16,380)
Net cash flows used in financing activities	**(1,150,807)**	(344,004)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(929,735)**	(426,791)
Cash and cash equivalents at beginning of period	**2,314,285**	1,595,429
Effect of foreign exchange rate changes, net	**(102)**	(14,642)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,384,448**	1,153,996
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**657,018**	455,628
Time deposits	**727,430**	698,368
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	**1,384,448**	1,153,996

1. Basis of Preparation

These unaudited Financial Statements have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements of Appendix 16 to 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 2020.

The accounting policies and methods of computation used in the preparation of these Financial Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the new and revised HKFRSs effective as of 1 January 2021 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 23 July 2021.

2. Changes in Accounting Policies and Disclosures

The Group has adopted the following new and revised HKFRSs (which include all HKFRSs, HKASs and Interpretations) issued by the HKICPA for the first time for these Financial Statements.

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

Several amendments have been adopted for the first time in 2021, but do not have an impact on the Financial Statements of the Group.

3. Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these Financial Statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework [1]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]
HKFRS 17	Insurance Contracts [2]
Amendments to HKFRS 17	Insurance Contracts [2, 5]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [2, 4]
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use [1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract [1]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 [1]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 No mandatory effective date yet determined but available for adoption
4 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised in October 2020 to align the corresponding wording with no change in conclusion
5 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

3. Issued but not yet effective Hong Kong Financial Reporting Standards (continued)

The Group is in the process of making an assessment of the impact of these new and revise HKFRSs upon initial application. So far, it has concluded that the adoption of these new and revised HKFRSs may result in changes in accounting policies. However, for the time being, it is not in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's result of operations and financial position.

4. 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 and alumina; 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/(loss) before tax except that interest 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.

Segment assets exclude investment in an associate, investment in a joint venture, deferred tax assets, pledged deposit, 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, lease liabilities, deferred tax liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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4. Operating Segment Information (continued)

Six months ended 30 June Unaudited	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
2021					
Segment revenue:					
Sales to external customers	**566,661**	**259,383**	**320,316**	**557,497**	**1,703,857**
Other income	**16,006**	**—**	**3,884**	**5,429**	**25,319**
	582,667	**259,383**	**324,200**	**562,926**	**1,729,176**
Segment results	**122,061**	**(25,485)**	**10,791**	**240,309**	**347,676**
Reconciliation:					
Interest income and unallocated gains					**27,228**
Unallocated expenses					**(92,115)**
Unallocated finance costs					**(43,125)**
Share of profit of:					
An associate					**77,255**
A joint venture					**172,778**
Profit before tax					**489,697**
2020					
Segment revenue:					
Sales to external customers	387,595	220,333	329,082	298,639	1,235,649
Other income	1,958	33,275	2,543	6,128	43,904
	389,553	253,608	331,625	304,767	1,279,553
Segment results	(84,077)	(25,268)	3,773	17,788	(87,784)
Reconciliation:					
Interest income and unallocated gains					15,793
Unallocated expenses					(66,302)
Unallocated finance costs					(88,325)
Share of profit/(loss) of:					
Associates					71,296
A joint venture					(266,100)
Loss before tax					(421,422)

	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment assets					
30 June 2021 (unaudited)	**677,135**	**626,648**	**400,854**	**3,452,948**	**5,157,585**
31 December 2020 (audited)	400,318	666,396	385,107	3,433,465	4,885,286
Segment liabilities					
30 June 2021 (unaudited)	**521,817**	**266,914**	**54,194**	**656,647**	**1,499,572**
31 December 2020 (audited)	406,577	216,946	64,206	665,987	1,353,716

Six months ended 30 June Unaudited HK$'000

5. Revenue, Other Income and Gains, Net

An analysis of the Group's revenue is as follows:

	2021	2020
Revenue from contracts with customers		
Sale of goods:		
Aluminium smelting	**566,661**	387,595
Coal	**259,383**	220,333
Import and export of commodities	**320,316**	329,082
Crude oil	**557,497**	298,639
	1,703,857	1,235,649

(a) Disaggregated revenue information

	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
2021					
Geographical markets					
China	**—**	**—**	**—**	**557,497**	**557,497**
Australia	**—**	**—**	**313,508**	**—**	**313,508**
Europe	**207,101**	**26,655**	**—**	**—**	**233,756**
Other Asian countries	**296,336**	**143,636**	**214**	**—**	**440,186**
Others	**63,224**	**89,092**	**6,594**	**—**	**158,910**
	566,661	**259,383**	**320,316**	**557,497**	**1,703,857**
2020					
Geographical markets					
China	—	24,957	—	268,753	293,710
Australia	—	—	329,082	—	329,082
Europe	144,414	20,156	—	—	164,570
Other Asian countries	230,104	171,400	—	29,886	431,390
Others	13,077	3,820	—	—	16,897
	387,595	220,333	329,082	298,639	1,235,649

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

	2021	2020
Interest income	**7,094**	10,235
Handling service fees	**3,688**	2,364
Sale of scrap	**2,426**	1,418
Reversal of provision for long term employee benefits	**—**	1,633
Reversal of provision for abandonment cost	**—**	2,830
Reversal of provision for impairment of inventories	**2,070**	410
Government subsidies	**2,669**	—
Gain on disposal of items of property, plant and equipment	**60**	419
Gain on disposal of other assets	**—**	15,305
Reclassification adjustment for a foreign operation deregistered	**—**	18,163
Fair value gain on derivative financial instruments	**12,653**	1,984
Exchange gains, net	**11,419**	—
Others	**10,468**	4,936
	52,547	59,697

Six months ended 30 June Unaudited HK$'000

6. Finance Costs

An analysis of finance costs is as follows:

	2021	2020
Interest expense on bank and other borrowings	**44,456**	78,160
Interest expense on lease liabilities	**1,426**	1,740
Total interest expense on financial liabilities not at fair value through profit or loss	**45,882**	79,900
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	**4,467**	8,425
Over-provision in prior periods	**(8,282)**	—
Others	**1,058**	—
	43,125	88,325

7. Profit/(loss) before Tax

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

	2021	2020
Depreciation of property, plant and equipment	**205,411**	174,046
Depreciation of right-of-use assets	**15,894**	15,148
Amortisation of other assets	**793**	5,424
Gain on disposal of items of property, plant and equipment, net	**(59)**	(419)
Loss/(gain) on disposal of other assets	**124**	(15,305)
Reclassification adjustment for a foreign operation deregistered	**—**	(18,163)
Fair value (gain)/loss on derivative financial instruments	**(12,653)**	16,700 *
Exchange (gains)/losses, net	**(11,419)**	1,104 *

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

8. Income Tax Expense

	2021	2020
Current – Hong Kong	**—**	—
Current – Elsewhere		
Charge for the period	**175**	8,631
Overprovision in prior periods	**(19)**	(1)
Deferred	**42,004**	—
Total tax expense for the period	**42,160**	8,630

The statutory rate of Hong Kong profits tax was 16.5% (2020: 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 (2020: Nil).

Taxes on profits assessable elsewhere were calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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8. Income Tax Expense (continued)

Australia: The Group's subsidiaries incorporated in Australia were subject to Australian income tax at a rate of 30% (2020: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 25% (2020: 22%). 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% (2020: 15.6%).

China: The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2020: 25%).

Kazakhstan: The Group's subsidiary incorporated in Kazakhstan was subject to corporate income tax at a rate of 20% (2020: 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.

9. Dividend

The Board has resolved not to pay an interim dividend for the Period (2020: Nil).

10. Earnings/(Loss) per Share attributable to Ordinary Shareholders of the Company

The calculation of the basic earnings per share amount was based on the profit for the Period attributable to ordinary shareholders of the Company of HK$427,412,000 (2020: a loss of HK$430,809,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,857,727,149 (2020: 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 2020.

11. Property, Plant and Equipment

During the Period, the Group acquired property, plant and equipment in an aggregate cost of HK$221,472,000 (2020: HK$108,247,000) and disposed of property, plant and equipment having an aggregate carrying amount of HK$130,000 (2020: Nil).

12. Prepayments, Deposits and Other Receivables

	30 June 2021 Unaudited	31 December 2020 Audited
Prepayments	**31,430**	58,670
Deposits and other receivables	**206,388**	202,735
	237,818	261,405
Impairment allowance	**(36,493)**	(36,493)
	201,325	224,912
Portion classified as current assets	**(158,120)**	(166,178)
Non-current portion	**43,205**	58,734

Included in the Group's other receivables was an amount due from CCEL of HK$35,826,000 (31 December 2020: HK$35,826,000), which was interest free and repayable on demand.

The financial assets included in the above balances related to receivables for which there was no recent history of default and past due amounts. As at 30 June 2021 and 31 December 2020, the loss allowance was assessed to be minimal.

HK$'000

13. Inventories

	30 June 2021 Unaudited	31 December 2020 Audited
Raw materials	**157,695**	136,257
Work in progress	**21,127**	20,972
Finished goods	**307,817**	228,702
	486,639	385,931

14. Trade Receivables

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

	30 June 2021 Unaudited	31 December 2020 Audited
Within one month	**289,488**	192,336
One to two months	**5,286**	68,921
Two to three months	**53,050**	69,319
Over three months	**105,923**	82,077
	453,747	412,653

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

15. Derivative Financial Instruments

	30 June 2021 Unaudited		31 December 2020 Audited	
	Assets	Liabilities	Assets	Liabilities
Forward currency contracts	**6,733**	**3,281**	—	11,765
Forward commodity contracts	**33,228**	**12,294**	40,544	2,306
EHA2	**—**	**—**	31,168	—
EHA3	**12,249**	**—**	—	—
Current portion	**52,210**	**15,575**	71,712	14,071

Certain members of the Group enter into derivative financial instruments in the normal course of business in order to hedge their exposure to fluctuations in foreign exchange rates, commodity prices and electricity prices.

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16. Accounts Payable

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

	30 June 2021 Unaudited	31 December 2020 Audited
Within one month	**74,672**	113,839
One to three months	**4,048**	—
Over three months	**3,540**	82
	82,260	113,921

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

17. Bank and Other Borrowings

	Notes	30 June 2021 Unaudited	31 December 2020 Audited
Bank borrowings – unsecured	(a)	**2,556,507**	914,866
Other borrowings – unsecured	(b)	**1,170,000**	3,900,000
		3,726,507	4,814,866

Notes:

(a) As at 30 June 2021, the bank borrowings included:

(i) trade finance totalling A$41,000,000 (HK$240,427,000), which was interest-bearing at the Bank Bill Swap Bid Rate (or cost of funds) plus margin; and

(ii) bank loans totalling US$296,933,000 (HK$2,316,080,000), which were interest-bearing at the LIBOR plus margin.

(b) These other borrowings are loans obtained from subsidiaries of the Company's ultimate holding company, which are interest-bearing at LIBOR plus margin.

	30 June 2021 Unaudited	31 December 2020 Audited
Bank loans repayable:		
Within one year or on demand	**312,187**	141,106
In the second year	**149,760**	—
In the third to fifth years, inclusive	**2,094,560**	773,760
	2,556,507	914,866
Other borrowings repayable:		
In the second year	—	3,900,000
In the third to fifth years, inclusive	**1,170,000**	—
	1,170,000	3,900,000
Total bank and other borrowings	**3,726,507**	4,814,866
Portion classified as current liabilities	**(312,187)**	(141,106)
Non-current portion	**3,414,320**	4,673,760

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18. Share Capital

	30 June 2021 Unaudited	31 December 2020 Audited
Authorised:		
10,000,000,000 (31 December 2020: 10,000,000,000) ordinary shares of HK$0.05 each	**500,000**	500,000
Issued and fully paid:		
7,857,727,149 (31 December 2020: 7,857,727,149) ordinary shares of HK$0.05 each	**392,886**	392,886

19. Litigation and Contingent Liabilities

(a) In July 2019, KEER commenced a joint legal claim action with a general contractor of Tincy Group. Pursuant to the Shengli Oilfield Claim B, KEER was seeking a compensation from Tincy Group of RMB30,938,000 (HK$37,145,000) in respect of loss of construction contract and relevant warranty plus interest. Certain bank amount of RMB35,000,000 (HK$42,021,000) has been frozen as a blockade fund by the Dalian Court. The general contractor applied to the Dalian Court to withdraw its legal claim from the Shengli Oilfield Claim B. The general contractor was requested as a third party by the Dalian Court to participate in the litigation.

Pursuant to the civil judgement issued by the Dalian Court in December 2020, Tincy Group had to pay a compensation of RMB17,271,000 (HK$20,735,000) plus interest to KEER.

Based on a legal advice from its legal counsel, Tincy Group has justifiable arguments on determination of the contractual relationships amongst Tincy Group, KEER and the general contractor, any rights and obligations thereunder and judgement on compensation amount, in respect of which, Tincy Group lodged an appeal to the Dalian Court in January 2021. The appeal hearing has been held on 11 June 2021.

Up to the date of this report, no further notification has been issued by the Dalian Court in respect of the appeal.

(b) In May 2021, TianEnLu applied a transportation fee claim against Tincy Group to the Dalian Court. Pursuant to the transportation fee claim, TianEnLu was seeking unpaid transportation fee from Tincy Group of RMB1,315,000 (HK$1,579,000) plus interest and legal fee.

Up to the date of this report, no decision has been issued by the Dalian Court.

(c) In April 2020, Weihai commenced three claims in the Shandong High People's Court against, amongst others, CACT. It is alleged that the Claims relate to three letters of credit issued in favour of CACT as payment for the sale by CACT to Decheng of certain quantity of aluminium stored at bonded warehouses at Qingdao Port, China in 2014. CACT refutes the Claims and has engaged local counsel in China to defend the Claims accordingly. The Shandong High People's Court has issued a first instance judgment that CACT is not liable for Weihai's losses as there is no evidence of any intention to commit fraud on the part of CACT. However, the Shandong High People's Court published a notice on 16 May 2021, which states that Weihai submitted an appeal to the first instance judgment. On 30 July 2021, the Shandong High People's Court announced the appeal hearing will be held on 19 October 2021.

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20. Commitments

The Group's capital expenditure commitments are as follows:

	30 June 2021 Unaudited	31 December 2020 Audited
Contracted, but not provided for:		
Capital expenditure in respect of infrastructure and acquisition of items of property, plant and equipment	**396,105**	825,063

In addition, the Group's share of a joint venture's capital expenditure commitments are as follows:

	30 June 2021 Unaudited	31 December 2020 Audited
Contracted, but not provided for:		
Capital expenditure in respect of infrastructure and acquisition of items of property, plant and equipment	**22,818**	10,260

21. Related Party Transactions and Connected Transactions

In addition to the transactions and balances disclosed elsewhere in these Financial Statements, the Group had the following material transactions with its related parties:

(a)

Six months ended 30 June Unaudited	2021	2020
Ultimate holding company:		
Rental expenses	**1,556**	1,454
Subsidiaries of the ultimate holding company:		
Rental expense	**196**	163
Interest expenses on lease liability	**157**	134
Interest expense on bank and other borrowings	**35,572**	63,570
Handling service fees	**3,688**	2,364
Management fee income	**1,530**	1,066
A joint venture:		
Rental income	**1,786**	1,815
Service fee income	**170**	167

The above transactions were made based on mutually agreed terms.

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21. Related Party Transactions and Connected Transactions (continued)

(b) Outstanding balances with related parties:

	30 June 2021 Unaudited	31 December 2020 Audited
Subsidiaries of the ultimate holding company:		
Bank borrowing	**1,541,280** [2]	—
Other borrowings (note 17)	**1,170,000** [3]	3,900,000 [1]
Accounts payable	—	2,557
Lease liability	**9,601**	10,017

1 an unsecured loan having a tenor of five years from June 2017. The loan is interest-bearing at LIBOR plus margin. The loan was fully prepaid during the Period.

2 an unsecured loan having a tenor of three years from June 2021. The loan is interest-bearing at LIBOR plus margin.

3 an unsecured loan having a tenor of three years from March 2021. The loan is interest-bearing at LIBOR plus margin.

(c) Compensation paid to key management personnel of the Group was as follows:

Six months ended 30 June Unaudited	2021	2020
Salaries	**13,217**	12,805
Directors' fee	**435**	435
Allowances	**1,080**	1,080
Bonuses	—	—
Pension scheme contributions	**453**	319
	15,185	14,639

(d) The Group had total future minimum lease payments under non-cancellable operating leases with related parties falling due as follows:

	30 June 2021 Unaudited	31 December 2020 Audited
Within one year	**4,360**	6,731
In the second to fifth years, inclusive	**5,451**	7,129
	9,811	13,860

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22. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, were as follows:

	Carrying amounts		Fair values	
	30 June 2021 Unaudited	31 December 2020 Audited	30 June 2021 Unaudited	31 December 2020 Audited
Financial assets				
Time Deposit, non-current portion	**79,203**	65,538	**79,203**	65,538
Derivative financial instruments	**52,210**	71,712	**52,210**	71,712
	131,413	137,250	**131,413**	137,250
Financial liabilities				
Derivative financial instruments	**15,575**	14,071	**15,575**	14,071
Bank and other borrowings	**3,726,507**	4,814,866	**3,726,507**	4,814,866
	3,742,082	4,828,937	**3,742,082**	4,828,937

The fair values of financial assets included in prepayments, deposits and other receivables, trade receivables, pledged deposit, cash and cash equivalents, accounts payable, and financial liabilities included in accrued liabilities and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

Each principal subsidiary of the Company is responsible for its own fair value measurement of financial instruments. The finance team of the Company is responsible for the review and calibration of the parameters of the valuation processes. The valuation processes and results are discussed with the chief financial officer twice a year for interim and annual financial reporting purposes.

The fair values of the financial assets and liabilities are stated in the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

(a) The fair values of the non-current portion of time deposit and bank and other borrowings were calculated by discounting the expected future cash flows using rates currently available for instruments which had similar terms, credit risk and remaining maturities. The Group's own non-performance risk for time deposit and bank and other borrowings as at the end of the Period was assessed to be insignificant.

(b) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit quality. Derivative financial instruments, including forward currency contracts, forward commodity contracts, interest rate swap contracts, embedded derivative in provisional pricing arrangements, EHA2 and EHA3, were measured using valuation techniques similar to forward pricing and discounted cash flow models, which means using present value calculations. The fair values of forward currency contracts, forward commodity contracts, embedded derivative in provisional pricing arrangements, EHA2 and EHA3 were the same as their carrying amounts.

   (i) The fair values of forward currency contracts, forward commodity contracts, embedded derivative in provisional pricing arrangements and EHA3 were based on valuation techniques using significant observable market inputs and insignificant unobservable market inputs.

   (ii) The fair value of the EHA2 was based on valuation techniques using significant unobservable market inputs.

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22. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of a financial instrument together with a quantitative sensitivity analysis:

Derivative financial instrument Valuation technique	Significant unobservable inputs	Range 30 June 2021 Unaudited	 31 December 2020 Audited	Sensitivity of fair value to the changes in inputs
EHA2 Discounted cash flow method	Electricity price (per Mwh)	**N/A**	A$38 to A$69	1% increase (decrease) in the electricity price would result in an increase (a decrease) in fair value by HK$1,924,182 (HK$1,924,182) for 31 December 2020
	Discount rate	**N/A**	0.14% to 0.22%	1% increase (decrease) in the discount rate would result in a decrease (an increase) in fair value by HK$67,665 (HK$9,711) for 31 December 2020

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Assets measured at fair value:

	Fair value measurement using quoted prices in active markets (Level 1)	 significant observable inputs (Level 2)	 significant unobservable inputs (Level 3)	Total
30 June 2021 (unaudited)				
Derivative financial instruments	**—**	**52,210**	**—**	**52,210**
31 December 2020 (audited)				
Derivative financial instruments	—	40,544	31,168	71,712

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22. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

	Fair value measurement using			
	quoted prices in active markets (Level 1)	significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total
30 June 2021 (unaudited)				
Derivative financial instruments	—	**15,575**	—	**15,575**
31 December 2020 (audited)				
Derivative financial instruments	—	14,071	—	14,071

During the Period, the Group did not have any transfer of fair value measurements between Level 1 and Level 2 nor any transfers into or out of Level 3 for both financial assets and financial liabilities (2020: Nil).

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	quoted prices in active markets (Level 1)	significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	Total
30 June 2021 (unaudited)				
Bank and other borrowings	—	**3,726,507**	—	**3,726,507**
31 December 2020 (audited)				
Bank and other borrowings	—	4,814,866	—	4,814,866

Business Review and Outlook

Review

During the first half of 2021, the market had increasing expectations on economic recovery, buoyed by the sustained global economic recovery and wide application of COVID-19 vaccination. In addition, as economic stimulus measures have been implemented in various countries, a large amount of capital have flew into the commodity market. There were multiple factors led to the rise of oil prices. Brent crude oil prices averaged US$65.0 per barrel in the first half of the year, representing an increase of 63.3% year-on-year. The prices of other commodities related to the Company's principal business also increased significantly. Meanwhile, the Group continued to carry out cost reduction and efficiency improvement as well as asset value enhancement work, and strived for management and technology effectiveness. As a result, the Group recorded a turnaround from loss and achieved substantial performance improvement during the first half of the year.

During the Period, except for the coal segment recorded a comparable loss compared to the same period of last year, the results of crude oil, aluminium smelting, and import and export of commodities segments all recorded profits. During the Period, the Group achieved revenue of HK$1,703.9 million, representing an increase of 37.9% year-on-year; and recorded profit attributable to shareholders of HK$427.4 million, turning from losses into profits year-on-year.

Crude oil

During the Period, demand of the downstream is recovering as a result of gradual control of the pandemic in the world's major economies. Coupled with the steady implementation of production cut plan by the Organization of the Petroleum Exporting Countries and its allies, the crude oil market has gradually shifted from "oversupply" in 2020 to "tight-balanced". The Group seized the opportunity of rising oil prices, strived to increase production, and took advantage of the market rebound to further improve its operating results.

During the first half of the year, the Group's overall production was 8,625,000 barrels (100% basis), an increase of 264,000 barrels (100% basis) compared to the same period of 2020. Among which, the Karazhanbas oilfield has made great efforts to promote the recovery of production after the production limit, and the production has gradually restored and increased slightly by 1% compared to the same period of last year. Due to the new wells of Yuedong oilfield being put into production under the development plan and effective adjustment of workload, the production of Yuedong oilfield increased significantly by 21.4% compared to the same period of last year. The production of the two oilfields has almost reached half of the expected production for the year. In the Seram block in Indonesia, as new wells will be put into operation only in the second half of the year, coupled with the natural decline of existing oil wells, the production has dropped by 10.7% compared to the same period of last year, and the production progress is slightly lagging behind. It is expected that the total production in 2021 will be approximately 17,818,000 barrels (100% basis), 238,000 barrels less than the annual production forecast in the beginning of this year, which did not take into consideration of the impact of production limit.

In terms of results, a substantial increase in revenue of the Karazhanbas oilfield was led by a significant year-on-year increase in the realised sales price. In Yuedong oilfield, the revenue doubled compared to the same period of last year as a result of an increase in both crude oil price and sales volume. According to the production arrangement of Seram block in Indonesia, the oil lifting and sales will be arranged in the second half of the year and thus there was no sales revenue in the first half of the year. Continued stringent cost control and the rebound of international oil prices have resulted in a significant increase in the performance of the Group's crude oil business segment compared to the same period last year.

Metals

During the Period, despite a strong fundamental, the high freight rates, container shortages and shipping delays continue to plague the aluminium market. The sales volume of PAS decreased due to the limit of shipping capacity but its revenue increased significantly supported by the rebound in aluminium prices compared to the same period of last year. In addition to the fair value gain on derivative financial instruments and net exchange gains, the segment results of PAS recorded a turnaround from loss compared to the same period of last year.

During the Period, the Group's share of profit in AWC using the equity method increased compared to the same period of 2020 due to the increase in alumina prices.

Coal

As the Chinese government tightened its trade policy with Australia, the selling price of coal segment dropped compared to the same period of last year. However, the overall sales volume of this segment increased significantly compared to the same period of last year as a result of the recovery of market demand, leading to an increase in revenue. Together with the flourishing results arising from the optimization of production organization as well as cost reduction and efficiency improvement measures, the cost of sales per tonne decreased. But due to a gain on disposal of assets and a gain on deregistration of a subsidiary recorded in the same period last year, this segment thus recorded a comparable loss when compared to the same period of last year.

Import and export of commodities

During the Period, the Group's segment of import and export of commodities was affected by the rebound in commodity prices, and the selling prices increased significantly compared to the same period of last year. Coupled with the consolidation and expansion of the Group's iron ore export agency business and the disposal of the auto parts business at the end of 2020, the overall operational efficiency and profitability were greatly improved, the results of this segment thus recorded a significant increase in profit when compared with the same period of last year.

Outlook

Currently, the spread of the pandemic around the globe continues, and it is still severe in certain overseas locations where the Group operates its business. While maintaining strict epidemic prevention and control measures, the Group has also gradually popularized vaccination in accordance with government guidelines. As of 30 June 2021, the Group had maintained "zero confirmed cases" at all oilfield operation sites, and Chinese employees in the Group's overseas business locations have almost been fully vaccinated. During the second half of the year, the Group will strive to overcome the impact of the pandemic, maintain the health and safety of employees, and ensure the smooth operation of both production and operations.

Looking ahead, the Organization of the Petroleum Exporting Countries and other major oil-producing countries have eased the measures to limit production due to the increase in oil prices, in which the United States of America, a major consuming country of crude oil, also wishes for lower oil prices to control inflation. However, the rise of variants of COVID-19 virus added to the uncertainty of economic recovery and the growth of crude oil demand. On one hand, based on its work experience in 2020, the Group will further solidify the long-term mechanism of cost reduction and efficiency improvement, continuously cultivate the potential of cost reduction, improve the company's overall risk resistance ability and profitability, and take the opportunity of market recovery to further improve operating performance. On the other hand, we will strengthen our refined management, continuously promote management improvement and institutional reform, increase management efficiency and improve scientific decision-making level, and continue to strive for technology effectiveness. We will maintain and improve oilfield reserves by conducting reservoir research as well as launching and applying new technologies and new technics, so as to enhance the sustainable value of our existing assets. Meanwhile, we will also carry out research work in new fields and new projects, and strive to explore a new direction for the Company's business development.

Financial Review

Group's financial results:

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Operating results and ratios

	Six months ended 30 June 2021 Unaudited	2020 Unaudited	Increase
Revenue	**1,703,857**	1,235,649	37.9%
EBITDA [1]	**754,920**	(138,479)	N/A
Adjusted EBITDA [2]	**1,021,610**	28,656	3,465.1%
Profit/(loss) attributable to shareholders	**427,412**	(430,809)	N/A
Adjusted EBITDA coverage ratio [3]	**15.2 times**	0.2 times	
Earnings/(loss) per share (Basic) [4]	**HK 5.44 cents**	(HK 5.48 cents)	

Financial position and ratios

	30 June 2021 Unaudited	31 December 2020 Audited	Increase / (decrease)
Cash and cash equivalents	**1,384,448**	2,314,285	(40.2%)
Total assets *	**11,800,376**	12,275,299	(3.9%)
Total debt [5]	**3,800,748**	4,900,719	(22.4%)
Net debt [6]	**2,416,300**	2,586,434	(6.6%)
Equity attributable to shareholders	**6,241,846**	5,807,715	7.5%
Current ratio [7]	**1.9 times**	2.9 times	
Net debt to net total capital [8]	**27.9%**	30.8%	
Net asset value per share [9]	**HK$0.79**	HK$0.74	

1 profit/(loss) before tax + finance costs + depreciation + amortisation
2 EBITDA + (share of finance costs, depreciation, amortisation, income tax credit/expense and non-controlling interests of a joint venture)
3 adjusted EBITDA / (finance costs + share of finance costs of a joint venture)
4 profit/(loss) attributable to shareholders / weighted average number of ordinary shares in issue during the period
5 bank and other borrowings + lease liabilities
6 total debt – cash and cash equivalents
7 current assets / current liabilities
8 net debt / (net debt + equity attributable to shareholders) x 100%
9 equity attributable to shareholders / number of ordinary shares in issue at end of period
* including capital expenditure in respect of exploration, development and mining production activities during the Period, totalling HK$218,598,000 (HK$608,612,000 during the full year of 2020)

The global economy and commodity markets are recovering from the historic collapse in demand caused by the COVID-19 in 2020. The global crude oil inventory surplus that built up last year is being worked off and global oil stocks reserves is returning to pre-pandemic levels in 1H 2021.

In comparing with the same period in 2020, the average Dated Brent and Platts Dubai crude oil prices boosted by 63.3% and 56.7% to US$65.0 per barrel and US$63.6 per barrel, respectively. Revenue of the Group was climbed up by 37.9% year-on-year. The Group recorded a profit attributable to shareholders of HK$427.4 million in 1H 2021 in comparing with a loss attributable to shareholders of HK$430.8 million in 1H 2020. This was mainly due to a combination effect of a boosted-up crude oil prices and also improvement in commodity prices in 1H 2021. The substantial turnaround from a loss to a profit attributable to shareholders for the Period was primarily attributable to the following factors:

- a significant improvement in operating results of the oil business of the Group including a substantial share of profit of HK$172.8 million from the Group investment in Karazhanbas oilfield when comparing with a record of share of loss of HK$266.1 million in the same period of last year. The improvement in profitable operating result from the oil business of the Group as a whole was mainly attributable to an increase in average crude oil realised price and stringent ongoing costs control during the Period;

- the Group's aluminium smelting segment recorded a turnaround operating result from a loss in 1H 2020 to a profit in 1H 2021 which was mainly due to an increase in average selling price of aluminium as compared with the same period; and

- a reduction of finance cost of the Group of HK$45.2 million, a drop of 51.2% year-on-year, which was mainly due to the Group successfully refinanced its loan at a significant lower finance cost, debt reduction with loan prepayment by utilizing internal sources of fund in 1H 2021 as well as monetary policies globally retaining an easing basis during the Period.

The following is a description of the operating activities in each of the Group's business segments during the Period, with a comparison of their results against those in 1H 2020.

Aluminium smelting

- The Group holds a 22.5% participating interest in the Portland Aluminium Smelter joint venture in Australia. The PAS sources alumina and produces aluminium ingots.

Revenue	HK$566.7 million	(2020:	HK$387.6 million)	▲ 46%
Segment results	a profit of HK$122.1 million	(2020: a loss of HK$84.1 million)		N/A

  With the vaccination on major economies such as United States and China, the COVID-19 pandemic has begun to ease. The increase of investment in infrastructure construction has driven the demand and led to insufficient supply, the average selling price of aluminium for the Period increased by 57% as compared to 1H 2020. Despite sales volume falling by 7%, the segment recorded an improvement in both gross margin and results for the Period.

  The Group's aluminium smelting business is a net US$ denominated asset while certain costs are payable in A$. Fluctuations between A$ and US$ throughout the period caused a net exchange gain of HK$6.9 million (2020: a net exchange gain of HK$2.7 million).

- In January 2017, the Group entered into EHA2. The EHA2 swaps a floating electricity price for a fixed electricity price to minimise the variability in cash flow. Hedge accounting has been applied to the EHA2.

  In accordance with HKFRSs, the EHA2 is considered to be a derivative financial instrument and revalued at the end of each reporting period during its term and on its expiry, based on forward market prices of electricity with its fair value gain or loss recognised in the consolidated statement of comprehensive income.

- In March 2021, EHA3 was signed between the Group and the independent electricity suppliers. The counterparties to the Group under the EHA3 were AGL Energy Limited, Alinta Energy Pty Limited and Origin Energy Limited, a company listed on ASX (Stock Code: ORG). The EHA3 effectively allowed the PAS to hedge the spot price for electricity for a specific load from 1 August 2021 to 31 July 2026.

  In accordance with HKFRSs, components of EHA3, which are linked to several market factors, are considered a financial instrument embedded in the EHA3. Its fair value gain or loss is recognised in the consolidated income statement.

Coal

- The Group holds a 14% participating interest in the CMJV and interests in a number of coal exploration operations in Australia. The CMJV is a major producer of low volatile pulverized coal injection coal in the international seaborne market.

Revenue	HK$259.4 million	(2020: HK$220.3 million)	▲	18%
Segment results	a loss of HK$ 25.5 million	(2020: a loss of HK$25.3 million)	▲	1%

  With the trade policy tightened from China on Australian coal, the average selling price decreased by 10%. However, the sales volume increased 31% and the cost of sales per tonne decreased 23% due to a lower stripping ratio, resulting in an increase in both revenue and gross margin for the period. As a gain on disposal of other assets and a profit upon the deregistration of a foreign subsidiary were recorded in 1H 2020, the segment has a comparable loss with 1H 2020.

  The Group's coal business is a net US$ denominated asset while most of its costs are payable in A$. Fluctuations between A$ and US$ throughout the year caused a net exchange gain of HK$2.0 million (2020: a net exchange gain of HK$5.5 million).

- In March 2020, the Group disposed of its interests in the Gundyer west coal tenements located in Central Queensland to Fitzroy Australia Resources Pty Ltd. As a result, a pre-tax gain on disposal of other assets of HK$15.1 million was recorded in "Other income and gains" in the condensed consolidated income statement for 1H 2020.

- In 1H 2020, an exchange fluctuation reserve of HK$18.2 million was reclassified to profit or loss upon the deregistration of a foreign subsidiary. The amount was treated as a gain on deregistration of a subsidiary and recorded as "Other income and gains" in the condensed consolidated income statement for 1H 2020.

Import and export of commodities

- Exported products include aluminium ingots and alumina sourced from Australia and other countries for trade into China and other Asian countries. Imported products include steel, and vehicle and industrial batteries and tyres from China and other countries into Australia.

Revenue	HK$320.3 million	(2020: HK$329.1 million)	▼	3%
Segment results	HK$ 10.8 million	(2020: HK$ 3.7 million)	▲	186%

Revenue decreased 3% during the Period, mainly resulting from drop of sales volume. However, due to a rise of commodities prices when compared to 1H 2020, the segment result, therefore, increased by 186%.

The Group's import and export of commodities business is a net US$ denominated asset while certain costs are payable in A$. Fluctuations between A$ and US$ throughout the year caused a net exchange gain of HK$0.2 million (2020: a net exchange loss of HK$0.1 million).

- In April 2020, Weihai commenced three claims in the Shandong High People's Court against, amongst others, CACT. It is alleged that the Claims relate to three letters of credit issued in favour of CACT as payment for the sale by CACT to Decheng of certain quantity of aluminium stored at bonded warehouses at Qingdao Port, China in 2014. CACT refutes the Claims and has engaged local counsel in China to defend the Claims accordingly. The Shandong High People's Court has issued a first instance judgment that CACT is not liable for Weihai's losses as there is no evidence of any intention to commit fraud on the part of CACT. However, the Shandong High People's Court published a notice on 16 May 2021, which states that Weihai submitted an appeal to the first instance judgment. On 30 July 2021, the Shandong High People's Court announced the appeal hearing will be held on 19 October 2021. Details of the Claim have been disclosed in the announcements of the Company dated 1 September 2020, 7 January 2021 and 21 May 2021.

Crude oil (the Seram Island Non-Bula Block, Indonesia)

- CITIC Seram, an indirect wholly-owned subsidiary of the Company, owns a 41% participating interest in the PSC until 31 October 2039. CITIC Seram is the operator of the Seram Block.

  As at 31 December 2020, in respect of the PSC, the Seram Block had estimated proved oil reserves of 3.3 million barrels as determined in accordance with the standards of the PRMS.

- For the Period, the segment results of CITIC Seram recorded a loss of HK$4.8 million (2020: a profit of HK$9.6 million). The following table shows a comparison of the performance of the Seram Block for the periods stated:

		1H 2021 (41%)	1H 2020 (41%)	Change
Average benchmark Mean of Platts Singapore (MOPS):				
Platts HSFO 180 CST Singapore	(US$ per barrel)	**55.4**	33.9	▲ 63%
Platts HSFO 380 CST Singapore	(US$ per barrel)	**54.6**	32.7	▲ 67%
Average crude oil realised price	(US$ per barrel)	—	69.3	N/A
Sales volume	(barrels)	—	55,000	N/A
Revenue	(HK$ million)	—	29.9	N/A
Total production	(barrels)	**99,600**	115,000	▼ 13%
Daily production	(barrels)	**550**	632	▼ 13%

During the Period, there has been no crude oil sold due to taking into account cost of sales and inventory levels.

Production decreased by 13% year-on-year due to natural decline of existing wells. A new development well has been drilled in the Seram Block from May 2021 and crude oil production is expected to begin from July 2021.

Under cost control program, the administrative expense decreased by 12%, of which miscellaneous and travelling expenses decreased by 44% and 74% respectively.

- Since there is no tax loss deduction from previous PSC, under current PSC, corporate income tax and branch tax based on the 1H 2020 pre-tax profit and profit after corporate income tax were paid. Accordingly, an income tax expenses of HK$8.3 million was debited to "Income tax expenses" in the condensed consolidated income statement for 1H 2020.

- The Lofin area has been plugged and abandoned since 2H 2015. CITIC Seram reactivated exploration activities in Lofin area from 2020.

- In January 2021, CITIC Seram was advised by SKK MIGAS (a special task force established by the government of Indonesia to manage the upstream oil and gas business activities of the country) to offer a 10% participating interest under the PSC to a Regional-Owned Company, MEA appointed by Local Government of Maluku. MEA will set up a subsidiary to receive such 10% participating interest. Based on a letter issued by The Minister of Energy and Mineral Resources in the Republic of Indonesia, the price for the 10% participating interest was 10% of the performance bond provided by the PSC at the time of extension.

  In March 2021, CSEL submitted an offer letter to MEA and at the same time received Letter of Intent from MEA. The transfer is subject to the decision of MEA after due diligence and the final approval from the government of Indonesia. The process is expected to be completed by early 2022.

Crude oil (the Hainan-Yuedong Block, China)

- CITIC Haiyue, an indirect wholly-owned subsidiary of the Company, owns a 90% interest in Tincy Group.

  Pursuant to a petroleum contract entered into with CNPC in February 2004, as supplemented by an agreement signed in May 2010, Tincy Group holds the right to explore, develop and produce petroleum from the Hainan-Yuedong Block until 2034. Tincy Group is the operator of the Hainan-Yuedong Block in cooperation with CNPC.

  As at 31 December 2020, the Yuedong oilfield had estimated proved oil reserves of 30.3 million barrels as determined in accordance with the standards of the PRMS.

- For the Period, the segment results of CITIC Haiyue recorded a profit of HK$245.2 million (2020: HK$8.2 million), being a 2,881% increase. The following table shows a comparison of the performance of the Yuedong oilfield for the periods stated:

		1H 2021 (Tincy Group's share)	1H 2020 (Tincy Group's share)	Change
Average benchmark quote:				
Platts Dubai crude oil	(US$ per barrel)	**63.6**	40.6	▲ 57%
Average crude oil realised price	(US$ per barrel)	**63.8**	42.9	▲ 49%
Sales volume	(barrels)	**1,126,000**	807,000	▲ 39%
Revenue	(HK$ million)	**557.5**	268.8	▲ 107%
Total production	(barrels)	**1,105,000**	927,000	▲ 19%
Daily production	(barrels)	**6,100**	5,100	▲ 20%

- A 107% increase in revenue was a result of a 49% increase in the average crude oil realised price coupled with a 39% increase in sales volume filtered from increase in production when compared to 1H 2020. Production increase by 19% as compared to 1H 2020 which is mainly attributable to an increase in number of production wells in the Yuedong oilfield in 1H 2021.

- Cost of sales per barrel decreased by 13% as compared to 1H 2020, of which (a) depreciation, depletion and amortisation per barrel decreased by 10% as a result of a upward revision of estimated proved developed oil reserves; and (b) direct operating costs per barrel decreased by 18% mainly due to a decrease in repair and maintenance as well as direct labour costs when compared to 1H 2020, which were incurred for minimization of the negative impact on oil production caused by sand-attack in 1H 2020.

- Under a stringent cost control program, only essential repairs and maintenance works have been deployed to maintain production level of existing wells. Drilling program has been resumed. Capital expenditure will continue to be applied in respect of drilling new wells in the Yuedong oilfield.

- In July 2019, KEER commenced a joint legal claim action with a general contractor of Tincy Group. Pursuant to the Shengli Oilfield Claim B, KEER was seeking a compensation from Tincy Group of RMB30.9 million (HK$37.1 million) in respect of loss of construction contract and relevant warranty plus interest. Certain bank amount of RMB35.0 million (HK$42.0 million) has been frozen as a blockade fund by the Dalian Court. The general contractor applied to the Dalian Court to withdraw its legal claim from the Shengli Oilfield Claim B. The general contractor was requested as a third party by the Dalian Court to participate in the litigation.

  Pursuant to the civil judgement issued by the Dalian Court in December 2020, Tincy Group had to pay a compensation of RMB17.3 million (HK$20.7 million) plus interest to KEER.

  Based on a legal advice from its legal counsel, Tincy Group has justifiable arguments on determination of the contractual relationships amongst Tincy Group, KEER and the general contractor, any rights and obligations thereunder and judgement on compensation amount, in respect of which, Tincy Group lodged an appeal to the Dalian Court in January 2021. The appeal hearing has been held on 11 June 2021.

  Up to the date of this report, no further notification has been issued by the Dalian Court in respect of the appeal.

- In May 2021, TianEnLu applied a transportation fee claim against Tincy Group to the Dalian Court. Pursuant to the transportation fee claim, TianEnLu was seeking unpaid transportation fee from Tincy Group of RMB1.3 million (HK$1.6 million) plus interest and legal fee.

  Up to the date of this report, no decision has been issued by the Dalian Court.

Bauxite mining and alumina refining

- The Group has an interest in a world-class global portfolio of upstream mining and refining operations in the aluminium sector through its 9.6117% equity interest (2020 1H: 9.6846%) in AWC, a leading Australian company listed on the ASX (Stock Code: AWC). Other subsidiaries of CITIC Limited have a total 9.3775% equity interest in AWC. AWC is treated as an associate of the Group.

  AWC has significant global interests in bauxite mining, alumina refining and selected aluminium smelting operations through its 40% ownership of the Alcoa World Alumina and Chemicals joint venture, the world's largest alumina producer.

- On 10 August 2020, AWC reactivated dividend reinvestment plan, which allows eligible shareholders in Australia and New Zealand to reinvest dividends in additional AWC ordinary shares. The Group did not participate in the plan and equity interest in AWC is, therefore, dropped from 9.6846% to 9.6117% after AWC's new issuance of 21,837,919 shares under divided reinvestment plan

- The Group accounts for its share of profit or loss in AWC using the equity method.

Share of profit of an associate	HK$77.3 million	(2020: HK$74.1 million)	▲	4%

  The Group recorded a share of profit in respect of its interest in AWC. For the Period, the Group recorded a rise in share of profit of AWC.

  During the Period, the Group received a dividend of HK$63.1 million (1H 2020: HK$78.3 million) from AWC.

  Detailed financial results of AWC are available on its website at http://www.aluminalimited.com .

Crude oil (the Karazhanbas oilfield, Kazakhstan)

- CITIC Oil & Gas Holdings Limited, an indirect wholly-owned subsidiary of the Company, and JSC KazMunaiGas Exploration Production, through CCEL, jointly own, manage and operate KBM. Effectively, the Group owns 50% of the issued voting shares of KBM (which represents 47.31% of the total issued shares of KBM).

  KBM is engaged in the development, production and sale of oil and holds the right to explore, develop, produce and sell oil from the Karazhanbas oilfield until 2035.

  As at 31 December 2020, the Karazhanbas oilfield had estimated proved oil reserves of 167.5 million barrels as determined in accordance with the standards of the PRMS.

- The Group accounts for its share of profit or loss in CCEL using the equity method.

  Share of profit of a joint venture HK$172.8 million (2020: a loss of HK$266.1 million) N/A

  The following table shows a comparison of the performance of the Karazhanbas oilfield for the periods stated:

		1H 2021 (50%)	1H 2020 (50%)	Change
Average benchmark end-market quotes:				
Urals Mediterranean crude oil	(US$ per barrel)	**63.6**	39.2	▲ 62%
Dated Brent crude oil	(US$ per barrel)	**65.0**	39.8	▲ 63%
Average crude oil realised price	(US$ per barrel)	**62.3**	31.5	▲ 98%
Sales volume	(barrels)	**2,795,000**	3,055,000	▼ 9%
Revenue	(HK$ million)	**1,359.1**	751.6	▲ 81%
Total production	(barrels)	**3,416,000**	3,383,000	▲ 1%
Daily production	(barrels)	**18,900**	18,600	▲ 2%

  Although sales volume decreased by 9%, revenue increased by 81% when compared to 1H 2020 as a result of a 98% increase in the average crude oil realised price. Production increased by 1% as compared to 1H 2020.

  In CCEL's consolidated income statement, "Cost of sales" includes MET while "Selling and distribution costs" includes export duty and rent tax. Different progressive rates are applied in respect of these taxes. The applicable rate of MET is determined by reference to production volume whereas the applicable rates of export duty and rent tax are determined by reference to average oil prices.

  MET is charged on production volume on a quarterly basis at rates per tonne by reference to the average oil price for the quarter. Export duty is charged on export volume on a monthly basis at rates per tonne by reference to the average oil price for the month. Rent tax is charged on export revenue on a quarterly basis at rates per US$ amount by reference to the average oil price for the quarter.

  Cost of sales per barrel was comparable to 1H 2020, of which (a) direct operating costs per barrel increased by 1%; and (b) depreciation, depletion and amortisation per barrel decreased by 2%.

  Selling and distribution costs per barrel increased by 45% as compared to 1H 2020. As export duty and rent tax are charged at progressive rates which are determined by reference to average oil prices, export duty per barrel and rent tax per barrel increased by 30% and 190%, respectively, in line with increases in average oil prices.

- On 28 April 2021, CITIC Canada Petroleum Limited, a subsidiary of CCEL, entered into the sale and purchase agreements in respect of the acquisition of the entire participating interests in Caspi Bitum JV LLP and Support Service Vehicles and Well Servicing Division LLP. Details of the acquisitions are set out in the announcement of the Company dated 7 July 2021.

Liquidity, Financial Resources and Capital Structure

Cash

As at 30 June 2021, the Group maintained strong liquidity with undrawn bank facilities of HK$1,997.6 million and had cash and cash equivalents of HK$1,384.4 million.

During the Period, the outstanding balance of the A Loan (as defined below) totaling US$500.0 million (HK$3,900.0 million) were fully prepaid prior to the final maturity date of the loan facility on 29 Jun 2022.

Borrowings

As at 30 June 2021, the Group had total debt of HK$3,800.7 million, which comprised:

- unsecured bank borrowings of HK$2,556.5 million;
- unsecured other borrowing of HK$1,170.0 million; and
- lease liabilities HK$74.2 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 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 5-year term loan facility of US$500.0 million (HK$3,900.0 million) (the "**A Loan**"). The proceeds of the A Loan were used mainly to finance the repayment of a term loan of US$490.0 million (HK$3,822.0 million) signed in June 2015. On 31 March 2021, a partial amount of the A Loan totaling US$300.0 (HK$2,340.0 million) were prepaid by utilizing the Company's internal sources of available fund amounting to US$150.0 million (HK$1,170.0 million) and by refinancing from a loan drawdown of the C Loan (as defined below) amounting to US$150.0 million (HK$1,170.0 million). As at 30 June 2021, the remaining balance of the A Loan amounting to US$200.0 million (HK$1,560.0 million) was fully prepaid by refinancing from a loan drawdown of the D Loan (as defined below). As at 30 June 2021, the outstanding balance of the A Loan was zero.

In December 2019, the Company entered into an unsecured 4-year of committed US$200.0 million (HK$1,560.0 million) credit facility agreement composing of US$100.0 million term loan and US$100.0 million revolving loan in form of a self-arranged club loan with 5 financial institutions (the "**B Loan**") commencing from 31 December 2019. The purpose of the B Loan will be financing existing indebtedness and/or general corporate funding requirement to support the operation and growth of the business of the Group. As at 30 June 2021, the outstanding balance of the B Loan was US$100.0 million (HK$780.0 million).

In March 2021, the Company entered into a facility agreement with CITIC Finance International Limited (a fellow subsidiary of the Company) in respect of an unsecured 3-year term loan facility of US$150.0 million (HK$1,170.0 million) (the "**C Loan**"). The proceeds of the C Loan was used for refinancing the prepayment of partial amount of US$150.0 million (HK$1,170.0 million) of the A Loan on 31 March 2021. As at 30 June 2021, the outstanding balance of the C Loan was US$150.0 million (HK$1,170.0 million).

In June 2021, a wholly-owned subsidiary of the Company entered into an unsecured 3-year of committed US$200.0 million (HK$1,560.0 million) credit facility agreement with China CITIC Bank International Limited (a fellow subsidiary of the Company) (the "**D Loan**") commencing 24 June 2021. The proceeds of the D Loan was mainly used for the prepayment of the remaining outstanding balance of the A Loan amounting to US$200.0 million (HK$1,560.0 million) on 30 June 2021. As at 30 June 2021, the outstanding balance of the D Loan was US$200.0 million (HK$1,560.0 million).

Further details of the bank and other borrowings are set out in note 17 to these Financial Statements.

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 2021 were HK$14.8 million.

As at 30 June 2021, the Group's net debt to net total capital was 27.9% (31 December 2020: 30.8%). Of the Group's total debt, HK$339.1 million was repayable within one year, including unsecured bank loan, trade finance 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, 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.

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 2021, the Group had 187 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.

The employees of the Group's subsidiaries which operate in China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme.

The Group operates the following contribution retirement benefit schemes for its employees:

(a) a defined scheme under the superannuation legislation of Australia for those employees in Australia who are eligible to participate; and

(b) a defined scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees in Hong Kong who are eligible to participate.

Contributions are made based on a percentage of the employees' basic salaries. The assets of the above schemes are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into these schemes.

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible persons.

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 14 to the Listing Rules throughout the Period.

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 (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.

Directors' and Chief Executive's Interests in Shares and Underlying Shares

As at 30 June 2021, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO), or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which are required pursuant to the Model Code to be notified to the Company and the Stock Exchange are as follows:

Long positions in shares and underlying shares of the Company

Name of director	Nature of interest	Number of ordinary shares of HK$0.05 each held	Number of underlying shares pursuant to share options	Percentage of the total issued share capital of the Company
Mr. Sun Yang	Directly beneficially owned	4,000	—	—
Mr. Chan Kin ("**Mr. Chan**")	Corporate	786,558,488 *	—	10.01

* The figure represents an attributable interest of Mr. Chan through his interest in ASM Holdings. Mr. Chan is a significant shareholder of ASM Holdings.

Long positions in shares and underlying shares of associated corporations of the Company

Name of director	Name of associated corporation	Shares / equity derivatives	Number of shares / equity derivatives held	Nature of interest	Percentage of the total issued share capital of the associated corporation
Mr. Gao Pei Ji	CITIC Limited	Ordinary shares	20,000	Directly beneficially owned	—

Save as disclosed herein and so far as is known to the directors, as at 30 June 2021, none of the directors or the chief executive of the Company had an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO), or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which are required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Share Option Scheme

To enable the Company to continue to grant share options as an incentive or reward to eligible persons, a new share option scheme was adopted by the Company on 27 June 2014 (the "**Share Option Scheme**"). Up to the date of this report, no share option has been granted under the Share Option Scheme.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 30 June 2021, the interests and short positions of the substantial shareholders and other persons in the shares or underlying shares of the Company, as recorded in the register required to be kept under section 336 of the SFO, were as follows:

Name of shareholder	Nature of interest	Number of ordinary shares of HK$0.05 each held as long positions		Percentage of the total issued share capital of the Company
中國中信集團有限公司 (CITIC Group Corporation)	Corporate	4,675,605,697	(1)	59.50
CITIC Limited	Corporate	4,675,605,697	(2)	59.50
CITIC Corporation Limited	Corporate	4,675,605,697	(3)	59.50
CITIC Projects Management (HK) Limited	Corporate	3,895,083,904	(4)	49.57
Keentech Group Limited	Corporate	3,895,083,904	(5)	49.57
CITIC Australia Pty Limited	Corporate	750,413,793	(6)	9.55
Argyle Street Management Holdings Limited	Corporate	786,558,488	(7)	10.01
Argyle Street Management Limited	Corporate	786,558,488	(8)	10.01
ASM Connaught House General Partner Limited	Corporate	786,558,488	(9)	10.01
ASM Connaught House General Partner II Limited	Corporate	786,558,488	(10)	10.01
ASM Connaught House Fund LP	Corporate	786,558,488	(11)	10.01
ASM Connaught House Fund II LP	Corporate	786,558,488	(12)	10.01
ASM Connaught House (Master) Fund II LP	Corporate	786,558,488	(13)	10.01
Sea Cove Limited	Corporate	786,558,488	(14)	10.01
TIHT Investment Holdings III Pte. Ltd.	Corporate	786,558,488	(15)	10.01

Notes:

(1) The figure represents an attributable interest of 中國中信集團有限公司 (CITIC Group Corporation) ("**CITIC Group**") through its interest in CITIC Limited. CITIC Group is a company established in China.

(2) The figure represents an attributable interest of CITIC Limited through its interest in CITIC Corporation Limited ("**CITIC Corporation**"). CITIC Limited, a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange (Stock Code: 267), is owned as to 32.53% by CITIC Polaris Limited ("**CITIC Polaris**") and 25.60% by CITIC Glory Limited ("**CITIC Glory**"). CITIC Polaris and CITIC Glory, companies incorporated in the BVI, are direct wholly-owned subsidiaries of CITIC Group.

(3) The figure represents an attributable interest of CITIC Corporation through its interest in CITIC Projects Management (HK) Limited ("**CITIC Projects**"), CITIC Australia Pty Limited ("**CA**") and Fortune Class Investments Limited ("**Fortune Class**"). Fortune Class holds 30,108,000 shares representing 0.38% of the total issued share capital of the Company. CITIC Corporation, a company established in China, is a direct wholly-owned subsidiary of CITIC Limited. Fortune Class, a company incorporated in the BVI, is an indirect wholly-owned subsidiary of CITIC Corporation.

(4) The figure represents an attributable interest of CITIC Projects through its interest in Keentech Group Limited ("**Keentech**"). CITIC Projects, a company incorporated in the BVI, is a direct wholly-owned subsidiary of CITIC Corporation.

(5) Keentech, a company incorporated in the BVI, is a direct wholly-owned subsidiary of CITIC Projects.

(6) CA, a company incorporated in Australia, is a direct wholly-owned subsidiary of CITIC Corporation.

(7) The figure represents an attributable interest of ASM Holdings through its interest in ASM Limited, ASM Connaught House General Partner Limited ("**ASM General Partner**") and ASM Connaught House General Partner II Limited ("**ASM General Partner II**"). ASM Holdings is a company incorporated in the BVI.

(8) The figure represents an attributable interest of ASM Limited through its control of, by virtue of its position as investment manager of, ASM Connaught House Fund LP ("**ASM Fund LP**"), ASM Connaught House Fund II LP ("**ASM Fund II**") and ASM Connaught House (Master) Fund II LP ("**ASM (Master) Fund II**"). ASM Limited, a company incorporated in the BVI, is a direct wholly-owned subsidiary of ASM Holdings.

(9) The figure represents an attributable interest of ASM General Partner through its role as general partner of ASM Fund LP. ASM General Partner, a company incorporated in the Cayman Islands, is a direct wholly-owned subsidiary of ASM Holdings.

(10) The figure represents an attributable interest of ASM General Partner II through its role as general partner in ASM Fund II and ASM (Master) Fund II.

(11) The figure represents an attributable interest of ASM Fund LP through its interest in Albany Road Limited ("**Albany**"). Albany, a company incorporated in the BVI, is a direct wholly-owned subsidiary of ASM Fund LP.

(12) The figure represents an attributable interest of ASM Fund II through its interest in ASM (Master) Fund II.

(13) The figure represents an attributable interest of ASM (Master) Fund II through its interest in Caroline Hill Limited ("**Caroline**"). Caroline, a company incorporated in the BVI, is a direct wholly-owned subsidiary of ASM (Master) Fund II.

(14) The figure represents an attributable interest of Sea Cove Limited ("**Sea Cove**") through its interest in TIHT Investment Holdings III Pte. Ltd. ("**TIHT**"). Sea Cove, a company incorporated in the BVI, is owned as to more than one-third of the total issued share capital by Caroline and more than one-third of the total issued share capital by Albany.

(15) TIHT, a company incorporated in Singapore, is a direct wholly-owned subsidiary of Sea Cove.

Save as disclosed herein and in the section headed "Directors' and Chief Executive's Interests in Shares and Underlying Shares" (on page 36) and so far as is known to the directors, as at 30 June 2021, no person had an interest or a short position in the shares or underlying shares of the Company required to be recorded in the register to be kept under section 336 of the SFO.

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.

Update on Directors' Information Pursuant to Rule 13.51B(1) of the Listing Rules

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company subsequent to the date of annual report 2020 of the Company are set out below:

Name of Director(s)	Details of Change(s)
Mr. Fan Ren Da, Anthony	• retired as an independent non-executive director at the annual general meeting of Raymond Industrial Limited (stock code: 0229), a company listed on the Stock Exchange, held on 21 May 2021 and ceased to be a member of the audit committee, the remuneration committee and the nomination committee. • re-designated from an independent non-executive director to an executive director and resigned as a chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of Tenfu (Cayman) Holdings Company Limited (stock code: 6868), a company listed on the Stock Exchange, with effect from 18 May 2021.

Review of Accounts

The audit committee has reviewed this interim report with senior management of the Company.

On behalf of the Board
Sun Yufeng
Chairman

Hong Kong, 23 July 2021

Glossary of Terms

In this Interim report, unless the context otherwise requires, the following expressions have the following meanings:

A$	Australian dollar, the lawful currency of Australia
AWC	Alumina Limited
ASM Holdings	Argyle Street Management Holdings Limited
ASM Limited	Argyle Street Management Limited
ASX	Australian Securities Exchange
Board	Board of directors
BVI	British Virgin Islands
CACT	CA Commodity Trading Pty Ltd
CCEL	CITIC Canada Energy Limited
CITIC Haiyue	CITIC Haiyue Energy Limited
CITIC Seram	CITIC Seram Energy Limited
Claims	Three claims in the Shandong High People's Court in China
CMJV	Coppabella and Moorvale coal mines joint venture
CNPC	China National Petroleum Corporation
Company	CITIC Resources Holdings Limited
COVID-19	Coronavirus disease 2019
Dalian Court	Dalian Maritime Court
Decheng	Qingdao Decheng minerals Co., Ltd. (青島德誠礦業有限公司)
EHA2	Hedging agreement with several subsidiaries of AGL Energy Limited, an integrated renewable energy company listed on the ASX (Stock Code: AGL), in relation to the supply of electricity to the PAS from 1 August 2017 to 31 July 2021

EHA3	A New base load electricity contract
Financial Statements	Interim condensed consolidated financial statements
Group	CITIC Resources Holdings Limited and its subsidiaries
Hainan-Yuedong Block	Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province, China
HK$	Hong Kong dollars, the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standard
HKFRSs	Hong Kong Financial Reporting Standards
HKICPA	Hong Kong Institute of Certified Public Accountants
Karazhanbas oilfield	Karazhanbas Oil and Gas Field in Mangistau Oblast, Kazakhstan
KBM	JSC Karazhanbasmunai
KEER	Shengli Oilfield KEER Engineering and Construction Co., Ltd (勝利油田科爾工程建設有限公司)
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
LIBOR	London interbank offered rates
MEA	PT Maluku Energi Abadi
MET	Mineral extraction tax
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
PAS	Portland Aluminium Smelter
Period	six months ended 30 June 2021
PRMS	Petroleum Resources Management System
PSC	Production sharing contract which grants the right to explore, develop and produce petroleum from the Seram Block
RMB	Renminbi, the lawful currency of China
Seram Block	Seram Island Non-Bula Block, Indonesia

Shengli Oilfield Claim B	Joint legal claim action of KEER and general contractor of Tincy Group in the Dalian Court against Tincy Group
Stock Exchange	The Stock Exchange of Hong Kong Limited
TianEnLu	TianEnlu (Dalian) Shipping Co., Ltd (天恩璐(大連)航運有限公司)
Tincy Group	Tincy Group Energy Resources Limited
US$	United States dollars, the lawful currency of the United States of America
Weihai	Weihai City Commercial Bank Co., Ltd (威海市商業銀行股份有限公司)
Yuedong oilfield	Principal oilfield within Hainan-Yuedong Block, China

Note: The English names of the Chinese entities mentioned hereinabove are translated from their Chinese names. If there are any inconsistencies, the Chinese names shall prevail.

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