



# 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

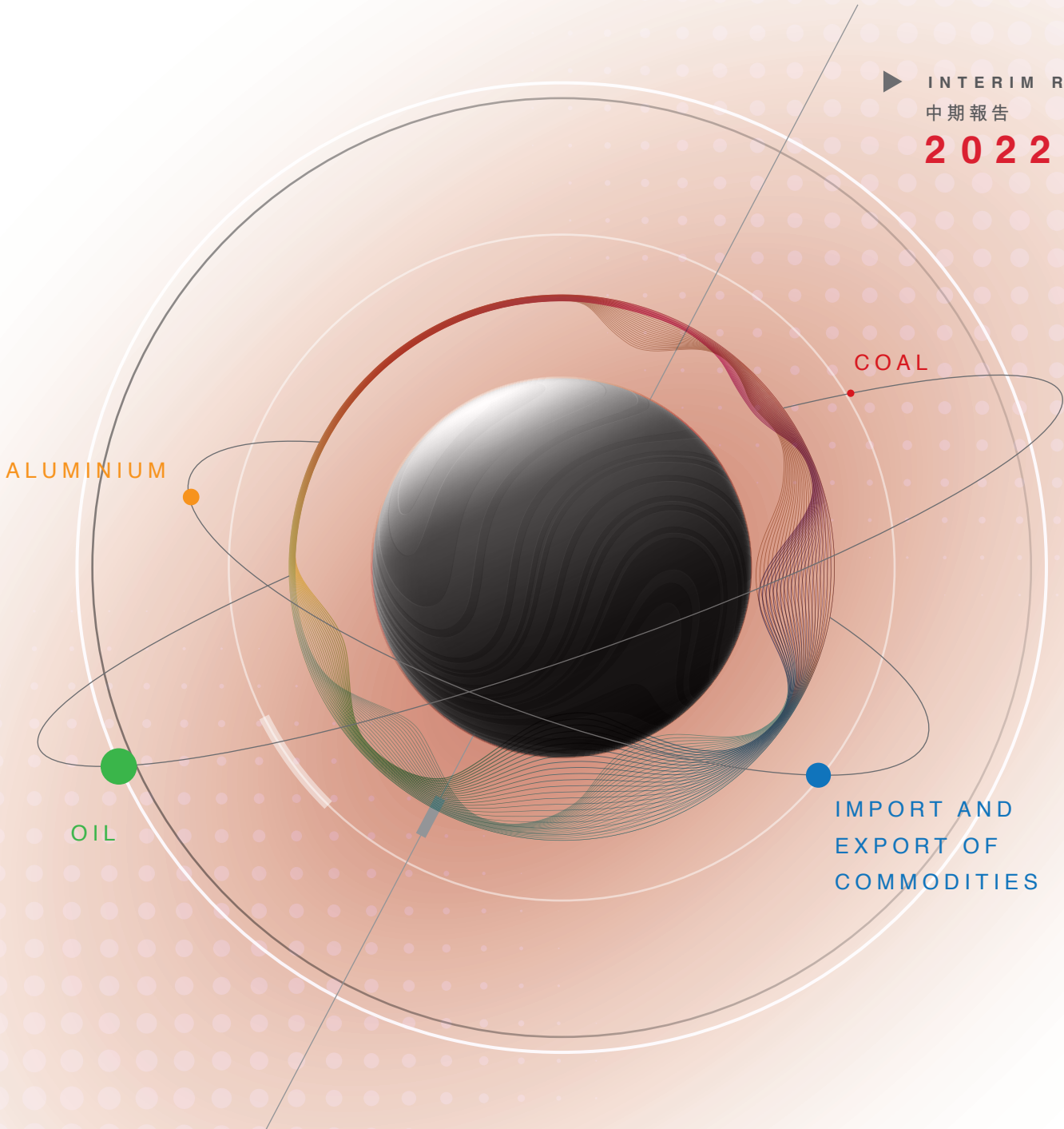
▶ INTERIM REPORT  
中期報告  
**2022**

ALUMINIUM

COAL

OIL

IMPORT AND  
EXPORT OF  
COMMODITIES





## 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.



## 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.



## 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.

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## Corporate Information

### Board of Directors

#### Executive Directors

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

#### 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. Wat Chi Ping Isaac

### 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  
17/F, Far East Finance Centre  
16 Harcourt Road, Hong Kong

### Auditor

PricewaterhouseCoopers  
*Certified Public Accountants and  
Registered Public Interest Entity Auditor*  
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

## Financial Results

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

### Condensed Consolidated Income Statement

	Notes	2022	2021
<b>REVENUE</b>	5	<b>3,228,390</b>	1,703,857
Cost of sales		<b>(2,167,863)</b>	(1,340,714)
Gross profit		<b>1,060,527</b>	363,143
Other income, gains and losses, net	5	<b>102,486</b>	52,547
General and administrative expenses		<b>(132,932)</b>	(122,749)
Other expenses, net		<b>(4,712)</b>	(10,152)
Finance costs	6	<b>(55,122)</b>	(43,125)
Share of profit of:			
An associate		<b>102,445</b>	77,255
A joint venture		<b>286,722</b>	172,778
<b>PROFIT BEFORE TAX</b>	7	<b>1,359,414</b>	489,697
Income tax expense	8	<b>(430,942)</b>	(42,160)
<b>PROFIT FOR THE PERIOD</b>		<b>928,472</b>	447,537
<b>ATTRIBUTABLE TO:</b>			
Shareholders of the Company		<b>893,288</b>	427,412
Non-controlling interests		<b>35,184</b>	20,125
		<b>928,472</b>	447,537
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY</b>	9	<b>HK cents</b>	HK cents
Basic		<b>11.37</b>	5.44
Diluted		<b>11.37</b>	5.44

**Condensed Consolidated Statement of Comprehensive Income**

	2022	2021
<b>PROFIT FOR THE PERIOD</b>	<b>928,472</b>	<b>447,537</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
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	13,060	(15,953)
Income tax effect	–	4,787
	<b>13,060</b>	<b>(11,166)</b>
Exchange differences on translation of foreign operations	(151,155)	18,280
Share of other comprehensive (loss)/income of a joint venture	(5,994)	1,694
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(144,089)	8,808
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(144,089)</b>	<b>8,808</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>784,383</b>	<b>456,345</b>
<b>ATTRIBUTABLE TO:</b>		
Shareholders of the Company	762,512	434,131
Non-controlling interests	21,871	22,214
	<b>784,383</b>	<b>456,345</b>

## Condensed Consolidated Statement of Financial Position

	Notes	30 June 2022 Unaudited	31 December 2021 Audited
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	3,569,056	3,838,772
Right-of-use assets		66,334	83,123
Goodwill		24,682	24,682
Other assets		224,111	224,676
Investment in an associate		2,934,634	2,893,101
Investment in a joint venture		2,354,493	2,073,765
Prepayments, deposits and other receivables	12	24,875	38,594
Time deposit		91,647	88,754
Deferred tax assets		–	187,832
Total non-current assets		9,289,832	9,453,299
<b>CURRENT ASSETS</b>			
Inventories	13	521,151	431,595
Trade receivables	14	588,186	704,889
Prepayments, deposits and other receivables	12	254,029	167,372
Derivative financial instruments	15	114,978	21,012
Cash and deposits	16	2,486,131	1,925,573
Total current assets		3,964,475	3,250,441
<b>CURRENT LIABILITIES</b>			
Accounts payable	17	110,998	135,803
Tax payable		54,969	54,113
Accrued liabilities and other payables		889,762	919,545
Dividend payable		353,633	–
Derivative financial instruments	15	–	643
Bank and other borrowings	18	374,989	240,669
Lease liabilities		20,432	26,463
Provisions for long-term employee benefits		41,619	46,667
Provisions		4,948	1,163
Total current liabilities		1,851,350	1,425,066
<b>NET CURRENT ASSETS</b>		2,113,125	1,825,375
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,402,957	11,278,674

## Condensed Consolidated Statement of Financial Position

	Notes	30 June 2022 Unaudited	31 December 2021 Audited
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,402,957</b>	11,278,674
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	18	2,954,640	3,418,480
Lease liabilities		31,871	41,102
Deferred tax liabilities		402,651	256,016
Provisions for long-term employee benefits		17,593	19,919
Provisions		642,093	619,833
Total non-current liabilities		4,048,848	4,355,350
<b>NET ASSETS</b>		<b>7,354,109</b>	6,923,324
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	19	392,886	392,886
Reserves		6,960,445	6,551,531
		7,353,331	6,944,417
Non-controlling interests		778	(21,093)
<b>TOTAL EQUITY</b>		<b>7,354,109</b>	6,923,324



## Condensed Consolidated Statement of Changes in Equity

	Issued capital	Share premium account	Contributed surplus	Capital reserve
At 31 December 2020 (audited) and 1 January 2021	392,886	6,852	251,218	(38,579)
Total comprehensive Income/(loss) for the Period	–	–	–	–
<b>At 30 June 2021 (unaudited)</b>	<b>392,886</b>	<b>6,852</b>	<b>251,218</b>	<b>(38,579)</b>
At 31 December 2021 (audited) and 1 January 2022	<b>392,886</b>	<b>6,852</b>	<b>251,218</b>	<b>(38,579)</b>
Total comprehensive Income/(loss) for the Period	–	–	–	–
Final dividend	–	–	–	–
<b>At 30 June 2022 (unaudited)</b>	<b>392,886</b>	<b>6,852</b>	<b>251,218</b>	<b>(38,579)</b>

Attributable to shareholders of the Company							
Exchange fluctuation reserve	Cash flow hedge reserve	Investment related reserve	Defined benefit reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
117,512	25,691	(1,392,632)	29,306	6,415,461	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	(1,390,938)	29,306	6,842,873	6,241,846	(18,183)	6,223,663
<b>182,180</b>	<b>16,308</b>	<b>(1,422,978)</b>	<b>37,703</b>	<b>7,518,827</b>	<b>6,944,417</b>	<b>(21,093)</b>	<b>6,923,324</b>
<b>(137,842)</b>	<b>13,060</b>	<b>(5,994)</b>	<b>–</b>	<b>893,288</b>	<b>762,512</b>	<b>21,871</b>	<b>784,383</b>
<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(353,598)</b>	<b>(353,598)</b>	<b>–</b>	<b>(353,598)</b>
<b>44,338</b>	<b>29,368</b>	<b>(1,428,972)</b>	<b>37,703</b>	<b>8,058,517</b>	<b>7,353,331</b>	<b>778</b>	<b>7,354,109</b>

**Condensed Consolidated Statement of Cash Flows**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash flows from operating activities	1,149,572	349,386
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	10,559	7,366
Dividend income from an associate	60,912	63,087
Purchases of items of property, plant and equipment	(244,850)	(188,317)
Proceeds from disposal of items of property, plant and equipment	784	189
Proceeds from disposal of other assets	(202)	2,722
Repayment of loan from a joint venture	23,400	–
Increase in a time deposit with original maturity of more than one year	–	(13,361)
Payment for abandonment cost	(7,345)	–
Increase in deposits with a fellow subsidiary	(270,003)	–
Net cash flows used in investing activities	(426,745)	(128,314)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank and other borrowings	635,466	2,999,116
Repayment of bank and other borrowings	(958,811)	(4,064,350)
Receipt of a loan from government	–	7,945
Repayment of a loan from government	–	(14,242)
Principal portion of lease payments	(12,970)	(15,717)
Interest portion of lease liabilities	(750)	(1,406)
Interest paid	(35,084)	(42,374)
Finance charges paid	(980)	(19,779)
Net cash flows used in financing activities	(373,129)	(1,150,807)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>349,698</b>	<b>(929,735)</b>
Cash and cash equivalents at beginning of period	1,306,724	2,314,285
Effect of foreign exchange rate changes, net	(204)	(102)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,656,218</b>	<b>1,384,448</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,289,585	657,018
Time deposits	366,633	727,430
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	1,656,218	1,384,448

# Notes to the Condensed Consolidated Financial Statements

## 1. Basis of Preparation

These unaudited interim condensed consolidated financial statements (“**Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These Financial Statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021.

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 2021, except for the adoption of new and revised standards with effect from 1 January 2022 as detailed in note 2 below.

These Financial Statements were approved and authorised for issue by the Board on 22 July 2022.

## 2. Changes in Accounting Policies and Disclosures

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract
Annual Improvements to HKFRSs	Annual Improvements to HKFRSs 2018-2020

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated 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 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Hong Kong Interpretation 5 (2020)	Presentation of financial statements-classification by the borrower of a term loan that contains a repayment on demand clause <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies <sup>1</sup>
Amendments to HKAS 8	Definition of accounting estimates <sup>1</sup>
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised 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 Portland Aluminium Smelter which sources alumina and produces aluminium ingots in Australia;
- (b) the coal segment comprises the operation of coal mines and the sale of coal in Australia;
- (c) the import and export of commodities segment comprises the export of various commodity products such as aluminium ingots 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.

#### 4. Operating Segment Information (continued)

Management monitors the results of the Group's operating segments separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, 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.

Six months ended 30 June Unaudited	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
<b>2022</b>					
<b>Segment revenue:</b>					
Sales to external customers	736,090	658,647	877,886	955,767	3,228,390
Other income	85,658	2,742	3,051	2,828	94,279
	821,748	661,389	880,937	958,595	3,322,669
<b>Segment results</b>	228,059	354,258	19,178	523,403	1,124,898
<i>Reconciliation:</i>					
Interest income and unallocated gains					8,207
Unallocated expenses					(107,736)
Unallocated finance costs					(55,122)
Share of profit of:					
An associate					102,445
A joint venture					286,722
Profit before tax					1,359,414

## 4. Operating Segment Information (continued)

Six months ended 30 June Unaudited	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
2021					
<b>Segment revenue:</b>					
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
	<b>582,667</b>	<b>259,383</b>	<b>324,200</b>	<b>562,926</b>	<b>1,729,176</b>
Segment results	122,061	(25,485)	10,791	240,309	347,676
<i>Reconciliation:</i>					
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					<b>489,697</b>

HK\$'000	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
<b>Segment assets</b>					
<b>30 June 2022 (unaudited)</b>	<b>752,979</b>	<b>569,203</b>	<b>485,194</b>	<b>3,609,881</b>	<b>5,417,257</b>
31 December 2021 (audited)	554,361	602,759	622,664	3,759,396	5,539,180
<b>Segment liabilities</b>					
<b>30 June 2022 (unaudited)</b>	<b>436,800</b>	<b>269,299</b>	<b>34,003</b>	<b>822,706</b>	<b>1,562,808</b>
31 December 2021 (audited)	436,538	258,612	66,916	803,860	1,565,926

## 5. Revenue, Other Income, Gains and Losses, Net

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

	2022	2021
Revenue from contracts with customers		
Sale of goods:		
Aluminium smelting	736,090	566,661
Coal	658,647	259,383
Import and export of commodities	877,886	320,316
Crude oil	955,767	557,497
	<b>3,228,390</b>	<b>1,703,857</b>

### (a) Disaggregated revenue information

	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
<b>2022</b>					
<b>Geographical markets</b>					
China	–	–	–	886,500	886,500
Australia	–	–	841,342	–	841,342
Europe	354,803	12,350	–	–	367,153
Other Asian countries	366,200	448,797	–	69,267	884,264
Others	15,087	197,500	36,544	–	249,131
	<b>736,090</b>	<b>658,647</b>	<b>877,886</b>	<b>955,767</b>	<b>3,228,390</b>
<b>2021</b>					
<b>Geographical markets</b>					
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
	<b>566,661</b>	<b>259,383</b>	<b>320,316</b>	<b>557,497</b>	<b>1,703,857</b>

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

	2022	2021
Interest income	10,260	7,094
Handling service fees	2,867	3,688
Sale of scrap	3,029	2,426
Reversal of provision for inventories	–	2,070
Government subsidies	–	2,669
Gain on disposal of items of property, plant and equipment	740	60
Fair value gain on derivative financial instruments	84,843	12,653
Exchange (losses)/gains, net	(6,468)	11,419
Others	7,215	10,468
	<b>102,486</b>	<b>52,547</b>



## 6. Finance Costs

An analysis of finance costs is as follows:

	2022	2021
Interest expense on bank and other borrowings	36,134	44,456
Interest expense on lease liabilities	900	1,426
Total interest expense on financial liabilities not at fair value through profit or loss	37,034	45,882
Other finance charges:		
Increase in discounted amounts of provisions arising from the passage of time	11,901	4,467
Over-provision in prior periods	–	(8,282)
Others	6,187	1,058
	55,122	43,125

## 7. Profit Before Tax

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

	2022	2021
Depreciation of property, plant and equipment	223,568	205,411
Depreciation of right-of-use assets	15,599	15,894
Amortisation of other assets	766	793
Gain on disposal of items of property, plant and equipment, net	(738)	(59)
Loss on disposal of other assets	–	124
Fair value gain on derivative financial instruments	(84,843)	(12,653)
Exchange losses/(gains), net	6,468	(11,419)

## 8. Income Tax Expense

	2022	2021
Current – Hong Kong	–	–
Current – Elsewhere		
Charge for the period	161,493	175
Overprovision in prior periods	(6)	(19)
Deferred	269,455	42,004
Total tax expense for the period	430,942	42,160

The statutory rate of Hong Kong profits tax was 16.5% (2021: 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 (2021: Nil).

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

## 8. Income Tax Expense (continued)

**Australia:** The Group's subsidiaries incorporated in Australia were subject to Australian income tax at a rate of 30% (2021: 30%).

**Indonesia:** The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 25% (2021: 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% (2021: 15%).

**China:** The Group's subsidiaries registered in China were subject to corporate income tax at a rate of 25% (2021: 25%).

**Kazakhstan:** The Group's subsidiary incorporated in Kazakhstan was subject to corporate income tax at a rate of 20% (2021: 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. Earnings Per Share Attributable to Ordinary Shareholders of the Company

The calculation of the basic earnings per share amount was based on the profit for the Period attributable to ordinary shareholders of the Company of HK\$893,288,000 (2021: HK\$427,412,000) and the weighted average number of ordinary shares in issue during the Period, which was 7,857,727,149 (2021: 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 2021.

## 10. Dividend

The Board has resolved not to pay an interim dividend for the Period (2021: Nil).

The final dividend of HK4.50 cents per ordinary share for the year ended 31 December 2021, totalling HK\$353,598,000, was approved by shareholders at the annual general meeting of the Company held on 17 June 2022 and was paid on 19 July 2022.

## 11. Property, Plant and Equipment

During the Period, the Group acquired property, plant and equipment in an aggregate cost of HK\$128,702,000 (2021: HK\$221,472,000) and disposed of property, plant and equipment having an aggregate carrying amount of HK\$440,000 (2021: HK\$130,000).

**12. Prepayments, Deposits and Other Receivables**

	30 June 2022 Unaudited	31 December 2021 Audited
Prepayments	120,448	22,367
Deposits and other receivables	160,775	208,446
	<b>281,223</b>	230,813
Impairment allowance	(2,319)	(24,847)
	<b>278,904</b>	205,966
Portion classified as current assets	(254,029)	(167,372)
Non-current portion	<b>24,875</b>	38,594

Included in the Group's other receivables was an amount due from CCEL of HK\$12,426,000 (31 December 2021: HK\$35,826,000), which was interest free and repayable on demand and the other receivables from Qingdao Decheng Minerals Co., Ltd. of a compensation of HK\$37,344,000 (31 December 2021: HK\$39,225,000).

At 30 June 2022, other receivables of HK\$2,319,000 (31 December 2021: HK\$24,847,000) were impaired and fully provided. The amount of HK\$13,773,000 was written off (31 December 2021: HK\$11,646,000) and HK\$8,775,000 was recorded in other expenses during the Period (31 December 2021: Nil).

**13. Inventories**

	30 June 2022 Unaudited	31 December 2021 Audited
Raw materials	235,952	170,022
Work in progress	23,449	22,411
Finished goods	261,750	239,162
	<b>521,151</b>	431,595

**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 2022 Unaudited	31 December 2021 Audited
Within one month	261,838	331,680
One to two months	145,859	216,475
Two to three months	89,301	82,314
Over three months	91,188	74,420
	<b>588,186</b>	704,889

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

**15. Derivative Financial Instruments**

	30 June 2022		31 December 2021	
	Unaudited		Audited	
	Assets	Liabilities	Assets	Liabilities
Forward currency contracts	24,656	–	6,000	–
Forward commodity contracts	–	–	–	643
Embedded derivatives	–	–	8,145	–
EHA3	90,322	–	6,867	–
	114,978	–	21,012	643

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.

**16. Cash and Deposits**

	30 June 2022	31 December 2021
Cash and bank balances	1,289,585	748,355
Time deposits	458,280	706,062
	1,747,865	1,454,417
Less: Time deposit with original maturity more than three months	–	(58,939)
Time deposit with original maturity more than one year	(91,647)	(88,754)
Cash and cash equivalents	1,656,218	1,306,724
Deposits with a fellow subsidiary	829,913	559,910
Time deposit with original maturity more than three months	–	58,939
Cash and deposits	2,486,131	1,925,573

**17. Accounts Payable**

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

	30 June 2022	31 December 2021
	Unaudited	Audited
Within one month	109,255	135,719
One to three months	118	61
Over three months	1,625	23
	110,998	135,803

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

## 18. Bank and Other Borrowings

	Notes	30 June 2022 Unaudited	31 December 2021 Audited
Bank borrowings – unsecured	(a)	2,471,629	2,489,149
Other borrowings – unsecured	(b)	858,000	1,170,000
		<b>3,329,629</b>	<b>3,659,149</b>

Notes:

- (a) As at 30 June 2022, the bank borrowings included:
- (i) trade finance denominated A\$41,915,429 (HK\$225,229,000), which are interest-bearing at the Bank Bill Swap Bid Rate (or cost of funds) plus margin per annum;
  - (ii) a bank loan denominated US\$159,524,000 (HK\$776,880,000), which is interest-bearing at the London interbank offered rates (“LIBOR”) plus margin per annum; and
  - (iii) a bank loan denominated US\$188,400,000 (HK\$1,469,520,000) obtained from a subsidiary of the Company’s ultimate holding company, which is interest-bearing at LIBOR plus margin per annum.
- (b) The other borrowing denominated US\$110,000,000 (HK\$858,000,000) is a loan obtained from a subsidiary of the Company’s ultimate holding Company. The other borrowing is interest-bearing at three-months LIBOR plus margin per annum.

	30 June 2022 Unaudited	31 December 2021 Audited
Bank loans repayable:		
Within one year or on demand	374,989	240,669
In the second year	2,096,640	925,600
In the third to fifth years, inclusive	–	1,322,880
	<b>2,471,629</b>	<b>2,489,149</b>
Other borrowing repayable:		
In the second year	–	–
In the third to fifth years, inclusive	858,000	1,170,000
Total bank and other borrowings	<b>3,329,629</b>	<b>3,659,149</b>
Portion classified as current liabilities	<b>(374,989)</b>	<b>(240,669)</b>
Non-current portion	<b>2,954,640</b>	<b>3,418,480</b>

## 19. Share Capital

	30 June 2022 Unaudited	31 December 2021 Audited
Authorised: 10,000,000,000 (31 December 2021: 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 2021: 7,857,727,149) ordinary shares of HK\$0.05 each	392,886	392,886

## 20. Litigation and Contingent Liabilities

In April 2020, Weihai commenced three claims (the “**Claims**”) in the Shandong High People’s Court against, amongst others, an indirect wholly-owned subsidiary of the Company, 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 Qingdao Decheng Minerals Co., Ltd. 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 judgement at the Supreme People’s Court in Beijing and the appeal hearing was held on 19 October 2021. Up to the date of this report, no judgment has been issued by the Supreme People’s Court in Beijing in respect of the appeal hearing.

## 21. Commitments

The Group’s capital expenditure commitments are as follows:

	30 June 2022 Unaudited	31 December 2021 Audited
Contracted, but not provided for: Capital expenditure in respect of infrastructure and acquisition of items of property, plant and equipment	365,417	415,561

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

	30 June 2022 Unaudited	31 December 2021 Audited
Contracted, but not provided for: Capital expenditure in respect of infrastructure and acquisition of items of property, plant and equipment	50,156	48,066

## 22. 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	2022	2021
	Subsidiaries of the ultimate holding company:		
	Interest expenses on lease liability	33	157
	Interest expense on bank and other borrowings	26,348	35,572
	Handling service fees	2,867	3,688
	Management fee income	1,784	1,530

The above transactions were made based on mutually agreed terms.

(b) Outstanding balances with related parties:

	30 June 2022 Unaudited	31 December 2021 Audited
Subsidiaries of the ultimate holding company:		
Cash and deposits	831,628	562,081
Bank borrowings	1,469,520	1,544,400
Other borrowing <sup>1</sup>	858,000	1,170,000
Lease liabilities	3,719	5,414

<sup>1</sup> an unsecured loan having a tenor of three years commencing 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:

	2022	2021
Six months ended 30 June Unaudited		
Salaries	4,930	13,217
Directors' fee	145	435
Allowances	561	1,080
Pension scheme contributions	407	453
	6,043	15,185

**22. Related Party Transactions and Connected Transactions (continued)**

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

	30 June 2022 Unaudited	31 December 2021 Audited
Within one year	4,528	6,290
In the second to fifth years, inclusive	764	2,403
	<b>5,292</b>	<b>8,693</b>

**23. Fair Value and Fair Value Hierarchy of Financial Instruments**

The fair values of financial assets included in prepayments, deposits and other receivables, trade receivables, cash and deposits, 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 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 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.



## 23. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

### 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			Total
	quoted prices in active markets (Level 1)	significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	
<b>30 June 2022 (unaudited)</b>				
Derivative financial instruments	–	114,978	–	114,978
<b>31 December 2021 (audited)</b>				
Derivative financial instruments	–	21,012	–	21,012

#### Liabilities measured at fair value:

	Fair value measurement using			Total
	quoted prices in active markets (Level 1)	significant observable inputs (Level 2)	significant unobservable inputs (Level 3)	
<b>30 June 2022 (unaudited)</b>				
Derivative financial instruments	–	–	–	–
<b>31 December 2021 (audited)</b>				
Derivative financial instruments	–	643	–	643

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 (2021: Nil).

## Business Review and Outlook

### Review

In the first half of 2022, the global economy witnessed increasingly more uncertainties. Factors such as the US dollar interest rate hike, recurrence of COVID-19 pandemic in China, the end of production curbs by OPEC and major oil-producing countries, the state of emergency in Kazakhstan, and the frequent occurrence of geopolitical events such as the Russia-Ukraine conflict had an impact on the supply-demand relationship of crude oil and other bulk commodities. On the whole, risk aversion and panic emotions continued to push commodity prices up. From January to June, the average oil price was US\$107.7 per barrel, up by 65.7% year-on-year. The realized prices of aluminum smelting and coal also increased substantially, driving the overall performance of the Group to improve significantly.

In the face of the complexity and uncertainty of external environments, the Group strives to make progress and seeks changes while maintaining stability, and solves problems by means of development. Through continuous refinement for cost reduction and efficiency improvement, deepening of reform, vigorous innovation, strengthening of teams, and continuous improvement in management, the Group has achieved high-quality development in terms of operating performance. During the period, the Group achieved revenue of HK\$3,230,000,000, representing an increase of HK\$1,520,000,000, or 89.5% year-on-year; recorded net profit attributable to the shareholders of HK\$890,000,000, representing an increase of nearly a double year-on-year. As at 30 June 2022, total assets amounted to HK\$13,250,000,000, and net assets attributable to the shareholders were HK\$7,350,000,000. The gearing ratio further dropped to 46%, being the lowest levels in recent years.

### Crude oil business

During the period, the Group seized the opportunity of rising oil prices to increase production. In the first half of 2022, three oilfields of the Group achieved working interest output of 4,805,000 barrels, representing an increase of 185,000 barrels, or approximately 4.0% year-on-year. In particular, the production from the Karazhanbas oilfield increased by 117,000 barrels year-on-year due to its production improvement properly deployed in advance. The Yuedong oilfield production increased by 83,000 barrels, mainly due to the increase in production brought about by new wells gradually commencing production. The Seram block in Indonesia achieved a reduction in its comprehensive costs through refined management, and its production decreased by 15,000 barrels year-on-year during the period.

In terms of results, the Karazhanbas oilfield is taking active measures to address the adverse impact of the increased sales discount caused by Russia-Ukraine conflict on the oilfield's profits and will continue to promote the progress of the produced water treatment plant project to ensure smooth development of the crude oil business. In addition, the application for export tariff reduction and exemption has been restarted during the period, and the selling price of asphalt products from the Karazhanbas oilfield has been significantly increased through public bidding. These measures will help further improve the Company's profitability. During the period, the Karazhanbas oilfield recorded a working interest output of 3,533,000 barrels and achieved net profit attributable to the shareholders of approximately HK\$287,000,000, representing a significant increase of 66% year-on-year. The Yuedong oilfield further promoted the adjustment of development plan, increased its exploration and development efforts and enhanced its tax planning, achieving a working interest output of 1,188,000 barrels and net profit attributable to the shareholders of approximately HK\$322,000,000, representing an increase of HK\$140,000,000 year-on-year. In respect of the Seram oilfield in Indonesia, the Group is actively promoting the Lofin-2 gas trial to enhance the value of the project. During the period, the Seram oilfield recorded a working interest output of 84,000 barrels and achieved net profit attributable to the shareholders of approximately HK\$22,000,000, representing an increase of approximately HK\$28,000,000 year-on-year.

## Non-oil businesses

In the first half of 2022, the Group's non-oil business achieved net profit attributable to the shareholders of approximately HK\$398,000,000 (representing an increase of approximately HK\$230,000,000 year-on-year), mainly due to the increases in aluminum and coal prices and the fair value gain on derivative financial instruments under the Australian Power Hedging Agreement during the period.

## Metals

In the first half of 2022, due to the combined effect of factors such as Russian sanctions, freight tensions, and the easing of the COVID-19 pandemic, aluminum prices continued to rise, with an average selling price of US\$3,232 per ton from January to June, representing an increase of approximately 26.5% year-on-year. Despite the increases in alumina prices and electricity charges in line with the rise in aluminum ingot prices, the gross profit margin increased further during the period. In addition, the results of the Group's aluminium smelters segment have significantly improved as a result of the increase in the fair value gain on derivative financial instruments under the Australian Power Hedging Agreement.

During the period, the sales volume of aluminum smelting at the Portland Aluminium Smelter of the Group was 29,000 tonnes, which was basically held steady year-on-year, accomplishing 44.1% of the annual budget of sales. According to the plan, the production capacity of the Group's aluminum smelting business will be greatly improved in the second half of the year, and it is expected to achieve the annual production task.

As a result of the increase in alumina prices, the Group's profit attributable to AWC under the equity method increased significantly compared to the same period last year. During the period, AWC paid dividends of HK\$61,000,000, and the Group accounted for approximately HK\$102,000,000 in AWC's profit, with a market capitalisation of approximately US\$280,000,000 (for the same period of 2021: US\$330,000,000) at the closing price at the end of June 2022.

## Coal

In the first half of 2022, due to the ban on imports of Russian coal by Western countries and the stagnant supply in major coal producing regions in Australia due to the rainy season, the international seaborne metallurgical market went upwards amid fluctuations, and the average realized selling price of CMJV was US\$334.7 per tonne, representing an increase of 2.7 times year-on-year. On the production side, due to the increase in freight, energy and labour costs, the cost of coal production from January to June 2022 was US\$153.2 per tonne, representing a significant increase of 57.2% year-on-year. Notwithstanding this, taking all factors into account, the overall gross profit of the coal business still greatly improved. During the period, the Group's CMJV achieved a net profit attributable to the shareholders of approximately HK\$250,000,000 from its coal business. Coal sales of 252,000 tonnes were achieved, representing a decrease of 113,000 tonnes year-on-year, mainly due to the flooding caused by heavy rainfall in Queensland, Australia in the first half of 2022, which affected the outbound coal sales volume.

## Import and export of commodities

In the first half of 2022, the Group achieved a steel import trade volume of 71,000 tonnes, representing a significant increase of 33,000 tonnes or 87.5% year-on-year. The Group's import and export of commodities segment achieved a net profit attributable to the shareholders of HK\$10,000,000, representing an increase of 99.5% year-on-year.

## Outlook

Looking forward to the second half of 2022, the global political and economic situation will remain uncertain, with the far-reaching impact of the Russia-Ukraine conflict continuing, and exchange rate risk and commodity price risk remaining prominent. While paying attention to major risk issues, the Group will also make contingency plans and strengthen its risk control, compliance and capital management and control to ensure stable development of the Company.

In the second half of the year, the special work of "cost reduction and efficiency improvement" will continue to be a key focus of the Group. Under the circumstances of high oil prices and inflation, the Company's cost control will face significant challenges. On the basis of its ongoing efforts in "cost reduction and efficiency improvement", the Group will take the implementation of "cost reduction and efficiency improvement" measures as the mainstream of cost control. On the one hand, the Group will continue to deepen the work of "cost reduction and efficiency improvement", gradually realizing the refined management in the areas of node, process, standardization and informatization, and building a refined management system for all employees, all-rounded and comprehensive business chain and whole process to further enhance asset value. On the other hand, the Group will seize the trading opportunity when the prices of bulk commodities are rising, maintain and increase the value of state-owned assets, and actively seize new opportunities for development while promoting asset transfer.

In the second half of 2022, the Group will deepen its technological innovation to enhance production efficiency and economic benefits; properly manage the impact of geopolitical events on the Company; coordinate safety production and pandemic prevention and control; and strive to achieve better results and bring better returns to shareholders.

## Financial Review

### Group's financial results:

HK\$'000

#### Operating results and ratios

	Six months ended 30 June		Increase
	2022 Unaudited	2021 Audited	
Revenue	3,228,390	1,703,857	89.5%
EBITDA <sup>1</sup>	1,654,469	754,920	119.2%
Adjusted EBITDA <sup>2</sup>	1,947,345	1,021,610	90.6%
Profit attributable to shareholders	893,288	427,412	109.0%
Adjusted EBITDA coverage ratio <sup>3</sup>	23.6 times	15.2 times	
Earnings per share (Basic) <sup>4</sup>	HK 11.37 cents	HK 5.44 cents	

#### Financial position and ratios

	30 June	31 December	Increase / (decrease)
	2022 Unaudited	2021 Audited	
Cash and deposits	2,486,131	1,925,573	29.1%
Total assets	13,254,307	12,703,740	4.3%
Total debt <sup>5</sup>	3,381,932	3,726,714	(9.3%)
Net debt <sup>6</sup>	895,801	1,801,141	(50.3%)
Equity attributable to shareholders	7,353,331	6,944,417	5.9%
Current ratio <sup>7</sup>	2.1 times	2.3 times	
Net debt to net total capital <sup>8</sup>	10.9%	20.6%	
Net asset value per share <sup>9</sup>	HK\$0.94	HK\$0.88	

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)

3 adjusted EBITDA/(finance costs + share of finance costs of a joint venture)

4 profit 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

The global economy and commodity markets are recovering from the historic collapse in demand caused by the COVID-19 in 2021. 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 2022.

In comparing with the same period in 2021, the Revenue of the Group was climbed up by 89.5%. The Group recorded a profit attributable to shareholders of HK\$893.3 million in 1H 2022 in comparing with a profit attributable to shareholders of HK\$427.4 million in 1H 2021. This was mainly due to a combination effect of a boosted-up crude oil prices and also improvement in commodity prices in 1H 2022. The substantial increase in 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\$286.7 million from the Group's investment in Karazhanbas oilfield when comparing with a record of share of profit of HK\$172.8 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; and
- a significant improvement in operating results of the Group's aluminium smelting segment and coal segment for the Period due to an increase in the average selling price of aluminium and coal as compared with the same period of last year as well as an increase of fair value gain on derivative financial instruments of electricity hedging agreements in Australia.

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 2021.

## Aluminium smelting

- The Group holds a 22.5% participating interest in the PAS JV. The PAS sources alumina and produces aluminium ingots.
- Revenue Segment results
 

Revenue	HK\$736.1 million	(2021: HK\$566.7million)	▲ 30%
Segment results	HK\$228.1 million	(2021: HK\$122.1 million)	▲ 87%
- In view of the recovery in global major economies leading to higher aluminium demand as well as disruptions to logistics transporting aluminium ingots, the average achieved selling price increased by 27% as compare to 1H 2021. In conjunction with increase in the sales volume, the segment recorded an increase in revenue, 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\$19.9 million (2021: a net exchange gain of HK\$6.9 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. EHA2 ended at 31 July 2021.
- In April 2021, EHA3 was signed between the Group and various independent electricity suppliers. The counterparties to the Group under the EHA3 were AGL Energy Limited, Alinta Energy Pty Limited and Origin Energy Limited. 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. Movements in its fair value are recognised as gain or loss in the consolidated income statement. For the period ended 30 June 2022, the EHA3 fair valuation gain amounted to HK\$83.5 million.

## Coal

- The Group holds a 14% participating interest in the CMJV and interests in a number of coal exploration projects in Australia. The CMJV is a major producer of low volatile pulverized coal injection coal in the international seaborne market.
- Revenue HK\$658.6 million (2021: HK\$259.3 million) ▲ 154%  
Segment results a profit of HK\$354.3 million (2021: a loss of HK\$25.5 million) N/A

The post-COVID recovery of the global economy, ban on imports of energy sources on Russia, disruptions to coal supplies due to logistics challenges and production issues encountered at various mines, have led the average achieved selling price to rise by 268% as compared to 1H 2021. Despite the decrease in sales volume by 31%, the segment recorded a significant improvement in revenue, gross margin and a turnaround result as compared to 1H 2021.

- 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 Period caused a net exchange gain of HK\$11.0 million (2021: a net exchange gain of HK\$2.0 million).

## Import of commodities

- Imported products include steel, and vehicle and industrial batteries and tyres from China and other countries into Australia. The Group has ceased its operations on the importation of vehicle and industrial batteries and tyres in the first half of 2021.
- Revenue HK\$877.9 million (2021: HK\$320.3 million) ▲ 174%  
Segment results HK\$19.2 million (2021: HK\$10.8 million) ▲ 78%

Attributable to an increase in both sales volume and selling price, the segment recorded a significant increase in both revenue and segment results for the Period.

The Group's import of commodities business is a net A\$ denominated asset while certain costs are payable in US\$. Fluctuations between A\$ and US\$ throughout the Period resulted in a net exchange loss of HK\$1.4 million (2021: a net exchange gain of HK\$0.2 million).

- In April 2020, Weihai commenced three claims (the "Claims") in the Shandong High People's Court against, amongst others, an indirect wholly-owned subsidiary of the Company, 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 Qingdao Decheng Minerals Co., Ltd. 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 judgement at the Supreme People's Court in Beijing and the appeal hearing was held on 19 October 2021. Up to the date of this report, no judgment has been issued by the Supreme People's Court in Beijing in respect of the appeal hearing.

## 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 in AWC, a leading Australian company listed on the ASX (Stock Code: AWC). Other subsidiaries of CITIC Limited have a total 9.3070% 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.

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

Share of profit of an associate HK\$102.4 million (2021: HK\$77.2 million) ▲ 33%

The Group recorded a share of profit in respect of its interest in AWC. For the Period, the Group recorded an increase in share of profit of AWC as a result of rise in average selling price of alumina.

During the Period, the Group received a dividend of HK\$60.9 million (2021: HK\$63.1 million) from AWC.

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

## 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 2021, in respect of the PSC, the Seram Block had estimated proved oil reserves of 3.0 million barrels as determined in accordance with the standards of the PRMS.

For the Period, the segment results of CITIC Seram recorded a profit of HK\$45.4 million (2021: a loss of HK\$4.8 million). The following table shows a comparison of the performance of the Seram Block for the periods stated:

		1H 2022 (41%)	1H 2021 (41%)	Change
Average benchmark Mean of Dated Brent crude oil	(US\$ per barrel)	107.7	65.0	▲ 66%
Average crude oil realised price	(US\$ per barrel)	106.8	–	N/A
Sales volume	(barrels)	83,100	–	N/A
Revenue	(HK\$ million)	69.3	–	N/A
Total production	(barrels)	84,400	99,600	▼ 15%
Daily production	(barrels)	470	550	▼ 15%

CITIC Seram seized the opportunity of rising crude oil price in its attempt to boost its sales revenue.

In terms of the Oseil crude oil sales, the pricing mechanism was based on HSFO fuel oil previously. The HSFO prices had been depressed in the recent years which could not reflect the underlying value of Oseil crude oil. CITIC Seram switched the pricing formula by using the Brent quotations as the benchmark. Starting from 2021, the pricing mechanism had been changed which was based on average dated Brent quotations for the month of bill of lading. As a result, the realised crude oil sales price had been increased significantly.

Production decreased by 15% year-on-year due to natural oil decline of existing wells.



Production would have decreased considerably due to the continuing natural decline of existing wells, a new development well was drilled in the Seram Block and started to produce oil since July 2021.

Under a current stringent cost control program coupled with boosted sales, this resulted in an improvement in segment result.

Since there is no tax loss deduction from previous PSC, during the Period, under current PSC, corporate income tax and branch tax based on the 1H 2022 pre-tax profit and profit after corporate income tax, were paid at a rate of 25% and 20%, respectively. Accordingly, an income tax expenses of HK\$22.6 million was debited to "Income tax expenses" in the condensed consolidated income statement for 1H 2022.

The Lofin area has been temporary plugged and abandoned since the second half of 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 divestment of 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, CITIC Seram 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. As at the date of this report, the transfer has not been completed yet.

### **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 2021, the Yuedong oilfield had estimated proved oil reserves of 29.5 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\$478.0 million (2021: HK\$245.2 million), being a 95% increase. The following table shows a comparison of the performance of the Yuedong oilfield for the periods stated:

		1H 2022	1H 2021	Change
		(Tincy Group's share)		
Average benchmark quote:				
Platts Dubai crude oil	(US\$ per barrel)	102.1	63.6	▲ 61%
Average crude oil realised price	(US\$ per barrel)	98.1	63.8	▲ 54%
Sales volume	(barrels)	1,148,000	1,126,000	▲ 2%
Revenue	(HK\$ million)	886.5	557.5	▲ 59%
Total production	(barrels)	1,188,000	1,105,000	▲ 8%
Daily production	(barrels)	6,600	6,100	▲ 8%

- A 59% increase in revenue was a result of a 54% increase in the average crude oil realised price coupled with a 2% increase in sales volume filtered from increase in production when compared to 1H 2021. Production increase by 8% as compared to 1H 2021 which is mainly attributable to an increase in number of production wells in the Yuedong oilfield in 1H 2022.
- Cost of sales per barrel decreased by 31% as compared to 1H 2021, of which (a) depreciation, depletion and amortisation per barrel increased by 6% as a result of a downward revision of estimated proved developed oil reserves; and (b) direct operating costs per barrel increased by 73% mainly due to a significant increase in Petroleum Revenue Tax when compared to 1H 2021.
- 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. It is committed to apply new technologies to improve production capacity of Yuedong oilfield.

### 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).

CCEL is an investment holding company and its operating subsidiaries are principally 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, production and sale of road bitumen and clarified oil, and provision of oilfield related services in Kazakhstan.

As at 31 December 2021, the Karazhanbas oilfield had estimated proved oil reserves of 156.2 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\$286.7 million    (2021: HK\$172.8 million)    ▲ 66%

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

		1H 2022 (50%)	1H 2021 (50%)	Change
Average benchmark end-market quotes:				
Urals Mediterranean crude oil	(US\$ per barrel)	84.6	63.6	▲ 33%
Dated Brent crude oil	(US\$ per barrel)	107.7	65.0	▲ 66%
Average crude oil realised price	(US\$ per barrel)	87.1	62.3	▲ 40%
Sales volume	(barrels)	3,123,000	2,795,000	▲ 12%
Revenue	(HK\$ million)	2,121.6	1,359.1	▲ 56%
Total production	(barrels)	3,533,000	3,416,000	▲ 3%
Daily production	(barrels)	19,500	18,900	▲ 3%
<b>Bitumen</b>				
Average selling price	(US\$/tonne)	161.6	116.3	▲ 39%
Sales volume	(tonnes)	98,000	95,000	▲ 3%
Revenue	(HK\$ million)	123.8	86.5	▲ 43%
Total production	(tonnes)	99,000	97,000	▲ 2%

Revenue of crude oil increased by 56% when compared to 1H 2021 as a result of 12% increase in sales volume and 40% increase in the average crude oil realised price. The average crude oil realised price was impacted by the increased sales discount caused by Russia-Ukraine conflict. When compared to 1H 2021, a 43% increased in revenue of bitumen during the Period was a result of a 39% increase in the average selling price of bitumen couple with a 3% increase in sales volume. Production of crude oil increased by 3% as compared to 1H 2021.

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 increased by 9% when compared to 1H 2021, of which (a) direct operating costs per barrel increased by 14% mainly as a result of an increase in wages and salaries; and (b) depreciation, depletion and amortisation per barrel decreased by 4%.

Selling and distribution costs per barrel increased by 71% as compared to 1H 2021. 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 54% and 141%, respectively, in line with increases in average oil prices.

## Liquidity, Financial Resources and Capital Structure

### Cash and Deposits

As at 30 June 2022, the Group maintained strong liquidity with undrawn bank facilities of HK\$1,840.6 million and had cash and deposits in total amount of HK\$2,486.1 million, comprising cash and cash equivalent of HK\$1,656.2 million and deposits with a fellow subsidiary of HK\$829.9 million.

### Borrowings

As at 30 June 2022, the Group had total debt of HK\$3,381.9 million, which comprised:

- unsecured bank borrowings of HK\$2,471.6 million;
- unsecured other borrowing of HK\$858.0 million; and
- lease liabilities HK\$52.3 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.

In December 2019, the Company entered into an unsecured 4-year committed US\$200.0 million (HK\$1,560.0 million) credit facility agreement comprising 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 "**A Loan**") commencing from 31 December 2019. The purpose of the A Loan is to refinance existing indebtedness and/or general corporate funding requirement to support the operation and growth of the business of the Group. As at 30 June 2022, the outstanding balance of the A 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 "**B Loan**"). The proceeds of the B Loan was used for the prepayment of the US\$500.0 million (HK\$3,900.0 million) loan amounting to US\$150.0 million (HK\$1,170.0 million) on 30 March 2021. On 31 March 2022 and 30 June 2022, a partial amount of the B loan totaling US\$40.0 million (HK\$312.0 million) were prepaid by utilizing the Company's internal sources of available fund. As at 30 June 2022, the outstanding balance of the B Loan was US\$110.0 million (HK\$858.0 million).

In June 2021, a wholly-owned subsidiary of the Company entered into an unsecured 3-year 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 "**C Loan**") commencing from 24 June 2021. The proceeds of the C Loan was mainly used for the prepayment of the remaining outstanding balance of the US\$500.0 million (HK\$3,900.0 million) loan amounting to US\$200.0 million (HK\$1,560.0 million) on 30 June 2021. On 30 June 2022, a partial amount of the C loan totaling US\$10.0 million (HK\$78.0 million) were prepaid by utilizing the Company's internal sources of available fund. As at 30 June 2022, the outstanding balance of the C Loan was US\$190.0 million (HK\$1,482.0 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 2022 were HK\$16.0 million.

As at 30 June 2022, the Group's net debt to net total capital was 10.9% (31 December 2021: 20.6%). Of the Group's total debt, HK\$390.3 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 2022, the Group had 199 full time employees (2021: 179), including management and administrative staff. In the first half of 2022, the remuneration of these full-time employees was approximately HK\$81.7 million (2021: HK\$72.7 million).

In addition, the Group would share the employee 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 some exploration rights), with approximately 1,800 employees and contract employees in total (2021: 1,800) and amounting to approximately HK\$102.8 million (2021: HK\$85.0 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.

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.

## Events Occurring after the Reporting Period

Save as disclosed in the Company's positive profit alert announcement dated 13 July 2022, 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 2022 up to the date of this report.

## 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 for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules (or on terms no less exacting than the Model Code).

All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Securities Dealings Code throughout the Period.

## Directors’ and Chief Executive’s Interests in Shares and Underlying Shares

As at 30 June 2022, 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. 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 in the section headed “Substantial Shareholders and Other Persons’ Interests in Shares and Underlying Shares” on page 36, so far as is known to the directors, as at 30 June 2022, (i) 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; and (ii) none of the directors was a director or employee of a company which had interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO..

## 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 2022, 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 <sup>(1)</sup>	59.50
CITIC Limited	Corporate	4,675,605,697 <sup>(2)</sup>	59.50
CITIC Corporation Limited	Corporate	4,675,605,697 <sup>(3)</sup>	59.50
CITIC Projects Management (HK) Limited	Corporate	3,895,083,904 <sup>(4)</sup>	49.57
Keentech Group Limited	Corporate	3,895,083,904 <sup>(5)</sup>	49.57
CITIC Australia Pty Limited	Corporate	750,413,793 <sup>(6)</sup>	9.55
Argyle Street Management Holdings Limited	Corporate	786,558,488 <sup>(7)</sup>	10.01
Argyle Street Management Limited	Corporate	786,558,488 <sup>(8)</sup>	10.01
ASM Connaught House General Partner Limited	Corporate	786,558,488 <sup>(9)</sup>	10.01
ASM Connaught House General Partner II Limited	Corporate	786,558,488 <sup>(10)</sup>	10.01
ASM Connaught House Fund LP	Corporate	786,558,488 <sup>(11)</sup>	10.01
ASM Connaught House Fund II LP	Corporate	786,558,488 <sup>(12)</sup>	10.01
ASM Connaught House (Master) Fund II LP	Corporate	786,558,488 <sup>(13)</sup>	10.01
Sea Cove Limited	Corporate	786,558,488 <sup>(14)</sup>	10.01
TIHT Investment Holdings III Pte. Ltd.	Corporate	786,558,488 <sup>(15)</sup>	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 35) and so far as is known to the directors, as at 30 June 2022, 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.

## 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, subsequent to the date of the 2021 annual report of the Company and as at the date of this report, the change in information of Directors of the Company is set out below:

<b>Name of Director</b>	<b>Details of Change</b>
Mr. Fan Ren Da Anthony	Appointed as a non-executive director of Hilong Holding Limited (stock code: 1623) with effect from 25 July 2022

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## 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 this interim report with senior management of the Company.

On behalf of the Board  
**Sun Yufeng**  
*Chairman*

Hong Kong, 22 July 2022

## 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
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	Hedging agreement with the independent electricity suppliers, AGL Energy Limited, Alinta Energy Pty Limited and Origin Energy Limited, a company listed on ASX (Stock Code: ORG)
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
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 or 1H 2022	six months ended 30 June 2022
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
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Stock Exchange	The Stock Exchange of Hong Kong Limited
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
1H 2021	six months ended 30 June 2021

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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