



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

2021 INTERIM RESULTS RELEASE

(For the 6 months ended 30 Jun 2021)

July 30th, 2021

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Business Overview

Overview: Assets Allocation



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

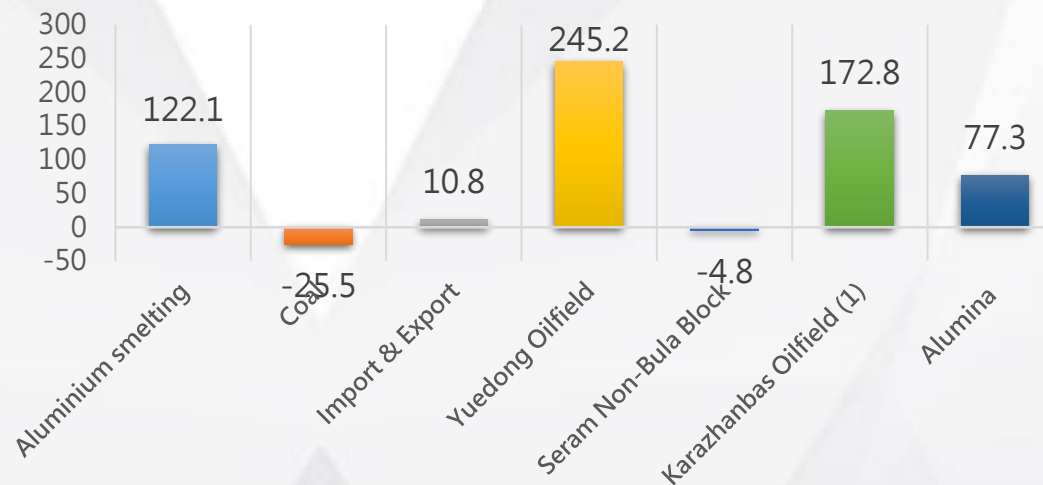
Oil and Gas Assets

- **Kazakhstan**
Karazhanbas oilfield 50%
- **Liaoning Province, China**
Hainan-Yuedong Block 90%
- **Indonesia**
Seram Non-Bula block 41%

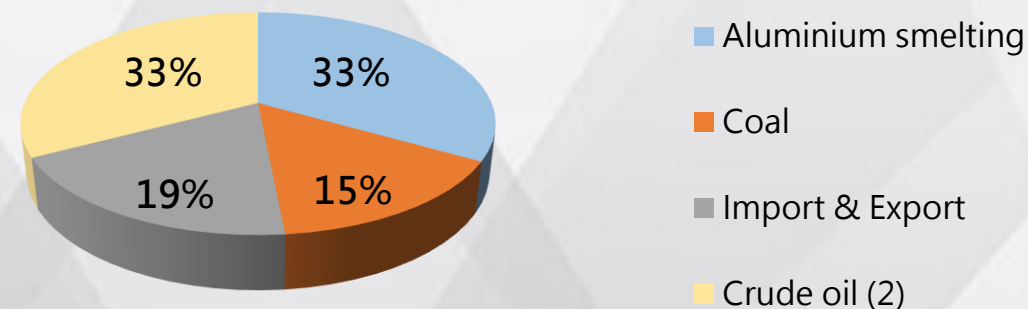
Non-oil Project Investment

- **Australia**
Portland Aluminium Smelter 22.5%
- **Australia**
Coppabella and Moorvale Coal Mines Joint Venture 14%
- **Australia**
CITIC Australia Trading Pty Limited 100%
- **Australia**
Alumina Limited 9.6117%

Segment Results/Share of Profit (HK\$M)



Revenue



Remarks:

(1) As share of profit of a joint venture

(2) Only consolidate revenues of Yuedong oilfield and Seram Block



Overview – Oil and Gas Assets

	<i>Kazakhstan The Karazhanbas oilfield</i>	<i>Liaoning Province, China Hainan-Yuedong Block</i>	<i>Indonesia Seram Block</i>
Shareholding	50%	90%	41%
Partners	KMG	CNPC	CSEL PT Petro Indo Mandiri Gulf Petroleum Inv. Co. KSCC PT GHJ Seram Indonesia Lion International Inv. Ltd.
Proved Oil Reserves as at Dec 2020	167.5 million barrels	30.3 million barrels	3.3 million barrels
Contract Expiry	2035	2034	2039
Total Production in 2021 1H (100% basis)	6.83 million barrels	1.52 million barrels	0.28 million barrels
Highlights	<ul style="list-style-type: none">• MET preferential rate of 0.5%• Low proportion of domestic oil sales• <i>Potential increase in reserve⁽¹⁾</i>	<ul style="list-style-type: none">• Low operating costs• Small sales discount• Potential production upside under the development plan⁽²⁾	<ul style="list-style-type: none">• Natural gas resources to be explored

Remarks:

(1) In April 2021, the State Commission on Mineral Reserves of the Republic of Kazakhstan confirmed that the Karazhanbas Oilfield has an increase in OOIP of 8.2 million tons, and an increase in recoverable reserve of 5 million tons. This is up to confirmation from an independent reserve valuation institute in the end of the year.

(2) Till Jun 30th 2021, there were in total 46 new wells drilled under the new development plan of Yuedong Oilfield.



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2021 1H Operating Performance

Market Overview

- 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 flown into the commodity market. There were multiple factors led to the rise of oil prices and commodity prices.
- Average Brent oil price is \$65.0/bbl, up by 63.3%.
- LME spot aluminium price is \$2,246/ton, up by 40.6%. Coal price decreased compared to 2020 1H.

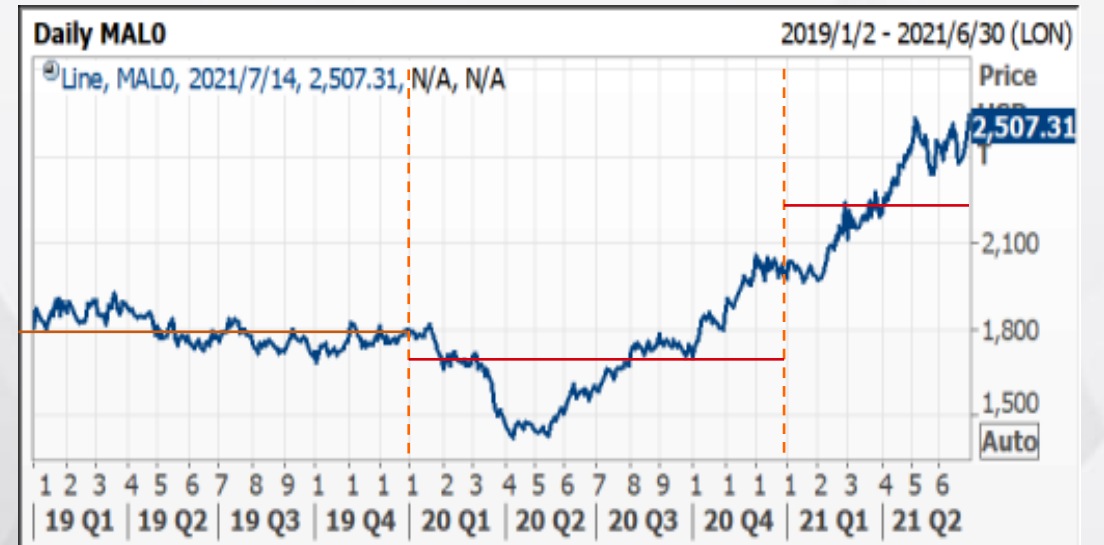
Brent Oil Price Trend

2019	2020	2021 1H	US\$/bbl
<u>\$65</u>	<u>\$42</u>	<u>\$65</u>	



LME Spot Aluminium Price Trend

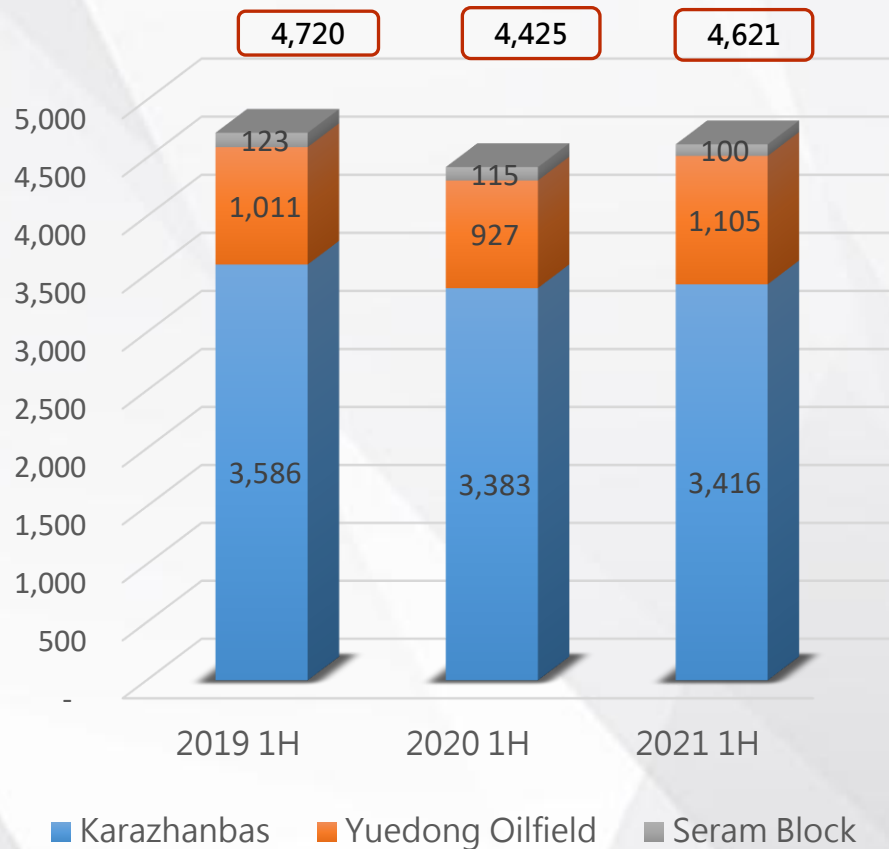
2019	2020	2021 1H	US\$/ton
<u>\$1,794</u>	<u>\$1,554</u>	<u>\$2,246</u>	



Oil and Gas – Production and Reserves

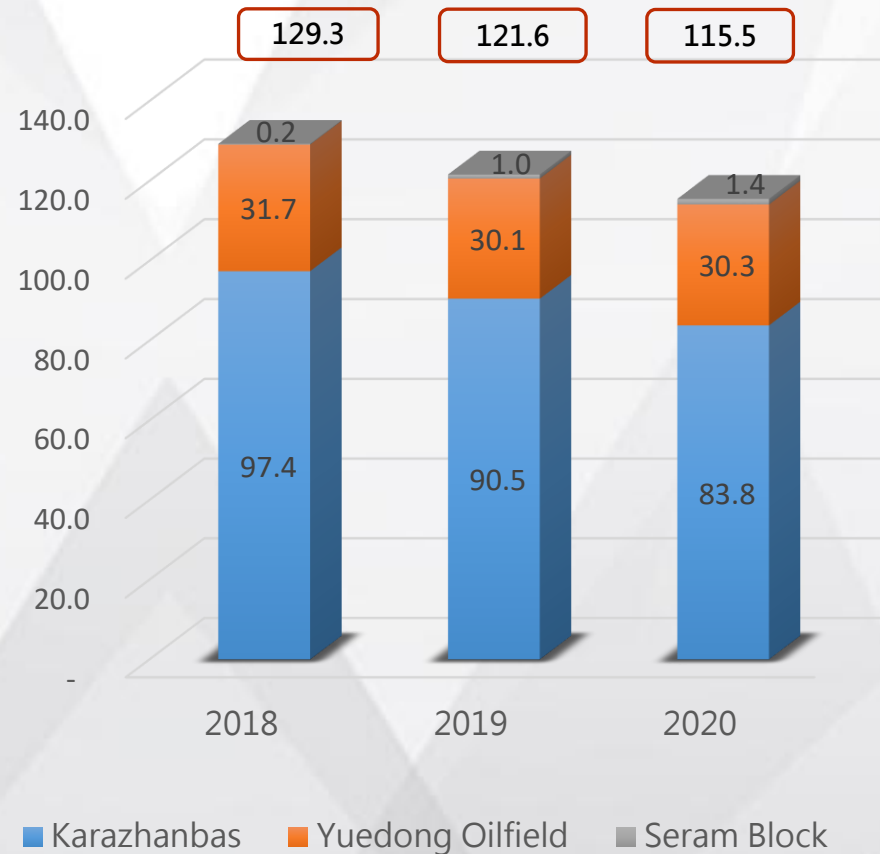
Equity production remained stable

Unit: mbbls



Equity reserves remained stable

Unit: Mbbls



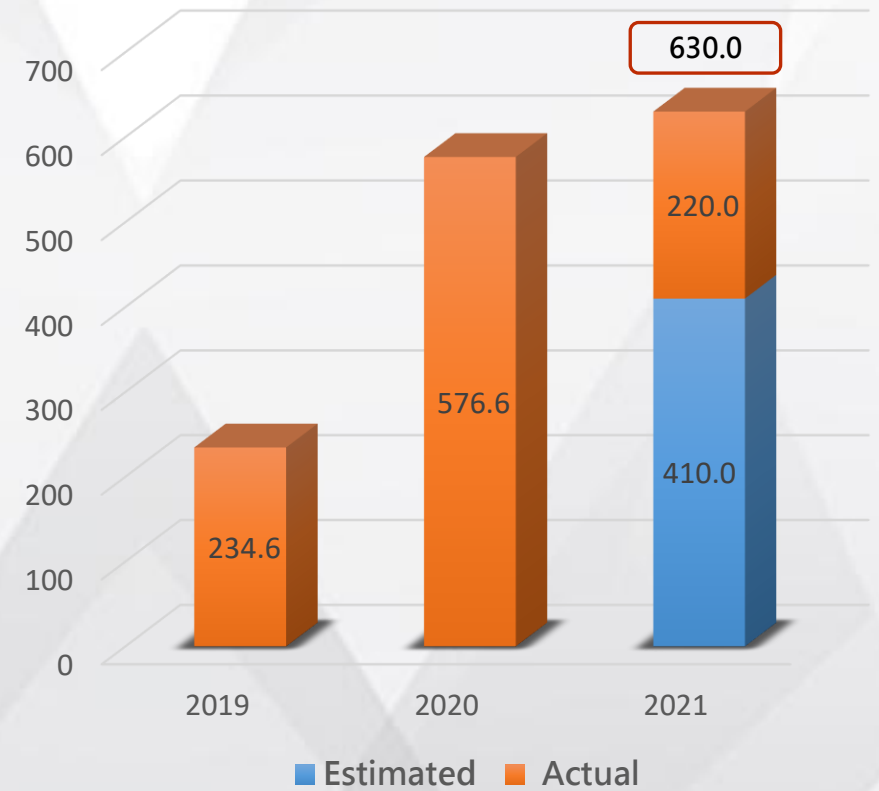
Oil and Gas – Per barrel costs and CAPEX

Per barrel costs greatly reduced

US\$/bbl		2019	2020	2021 1H
Karazhanbas	OPEX	16.3	16.1	15.8
	All-in costs	49.7	43.9	54.2
Yuedong Oilfield	OPEX	18.2	14.0	12.3
	All-in costs	48.7	42.5	41.1
Seram Block	OPEX	16.6	16.3	-
	All-in costs	39.2	33.8	-

CAPEX increase due to development plan

Unit: million HKD

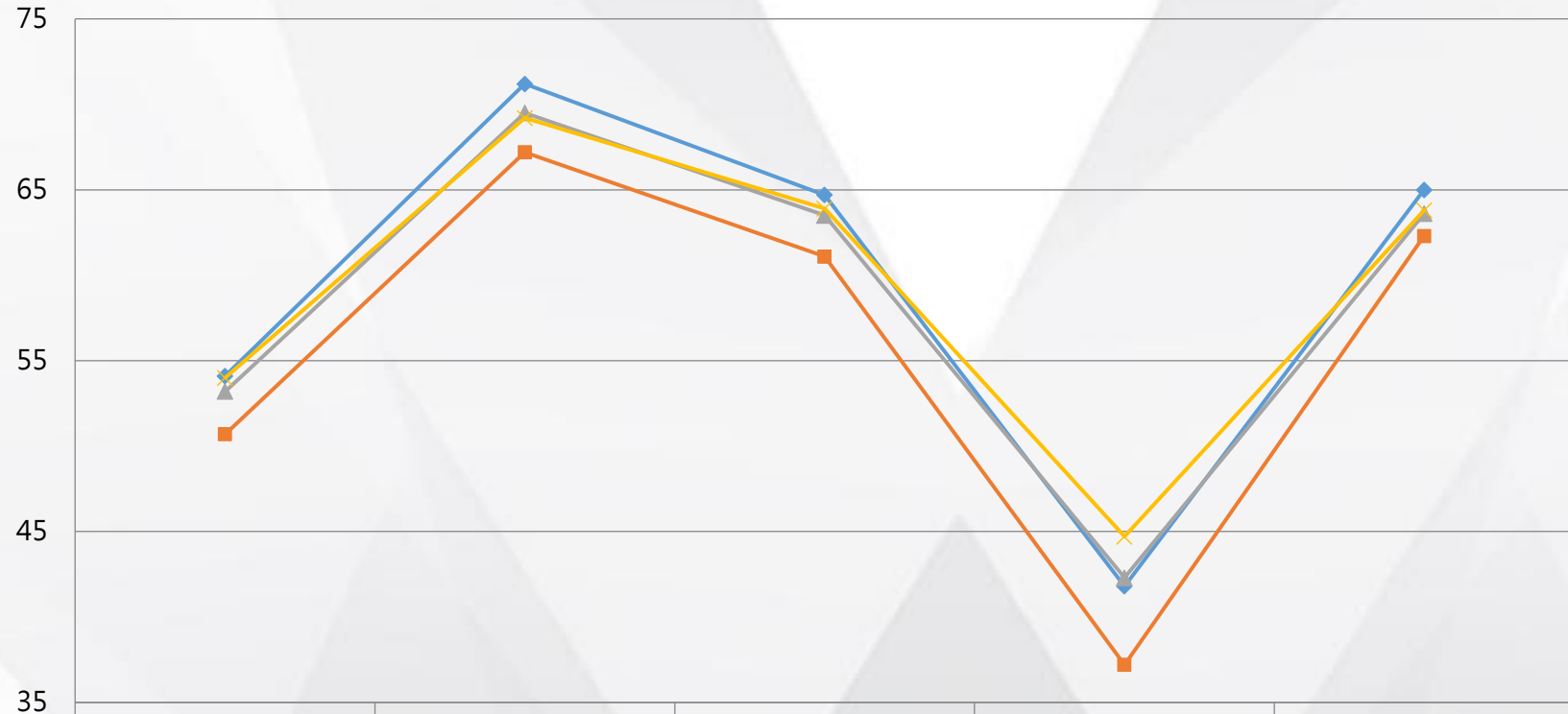


Remark:

(1) Due to that the Yuedong Oilfield increased the number of oil wells to drill this year, the full year forecast of CAPEX is increased to HK\$ 630 millions.

Oil and Gas – Realized sales price

Unit: US\$/bbl

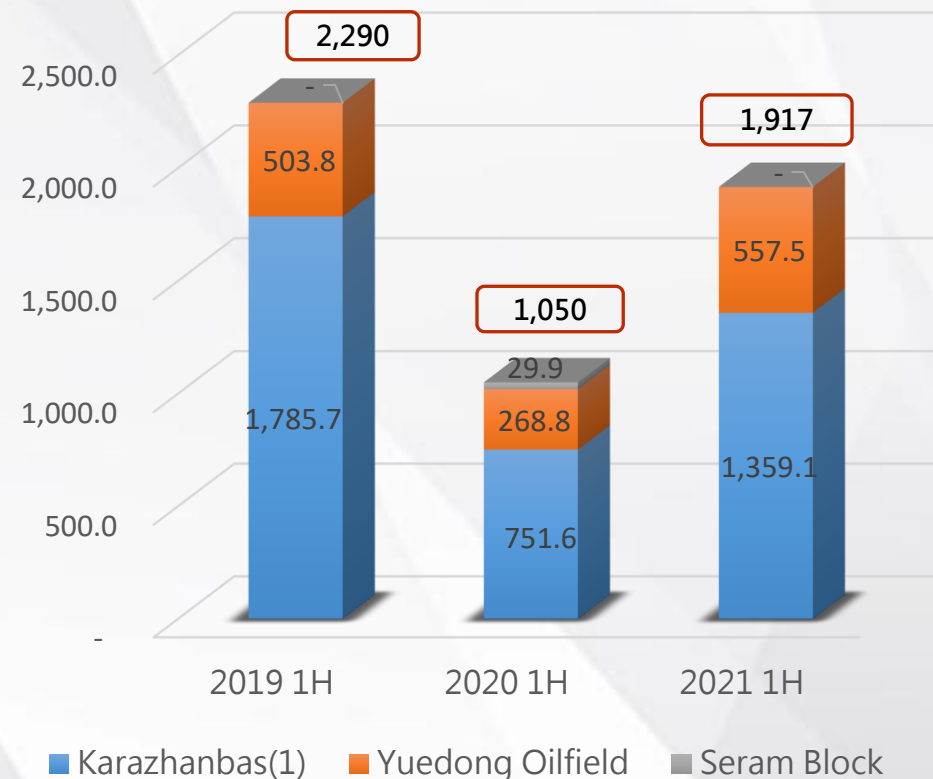


	2017	2018	2019	2020	2021 1H
◆ Brent	54.1	71.2	64.7	41.8	65.0
■ Karazhanbas realized price	50.7	67.2	61.1	37.2	62.3
▲ Dubai	53.2	69.5	63.5	42.3	63.6
✕ Yuedong realized price	54.0	69.2	63.9	44.7	63.8

Oil and Gas – Operating performance

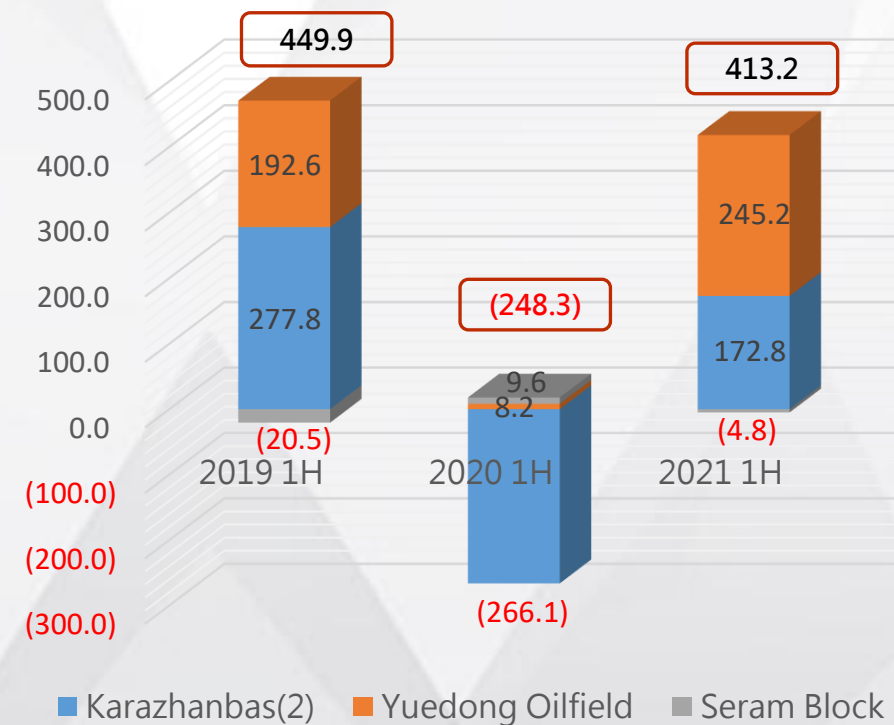
Revenue

Unit: million HKD



Segment results/Share of profits

Unit: million HKD



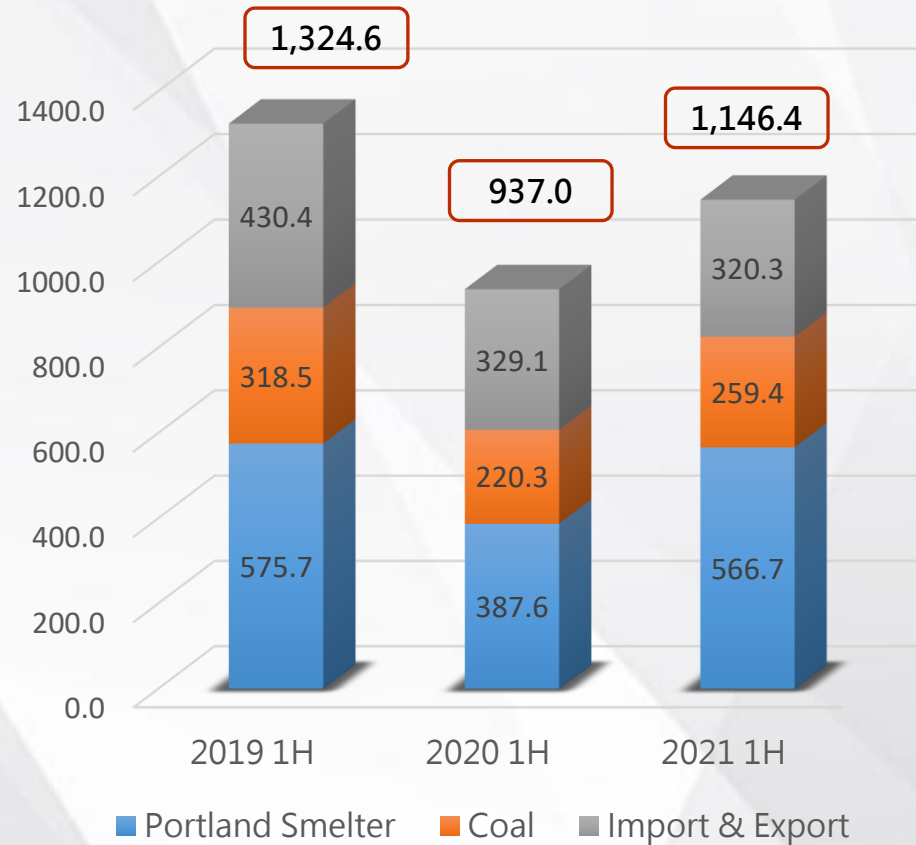
Remark:

- (1) The revenue of Karazhanbas is not consolidated
- (2) Share of profits in a Joint Venture

Non-oil projects – Operating performance

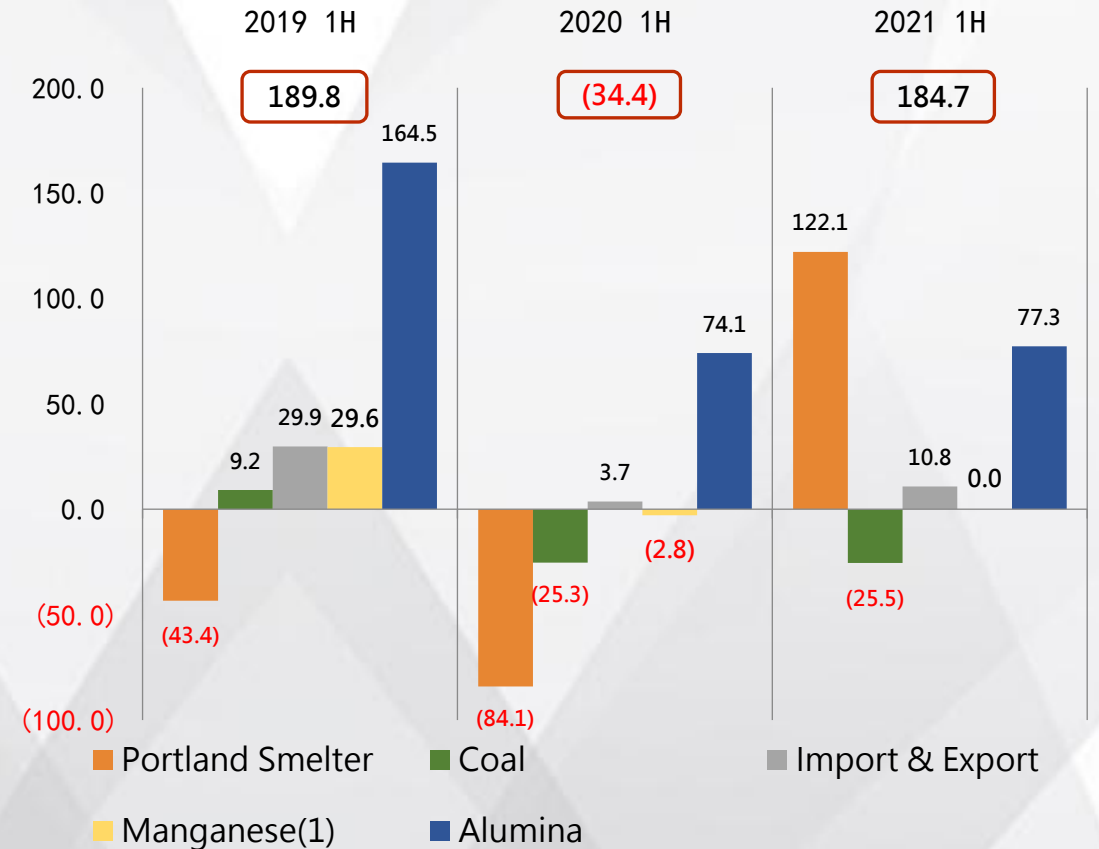
Revenue

Unit: million HKD



Segment results/Share of profits

Unit: million HKD



Remark:

(1) Share of profits till Dec 22nd 2020

Assets Disposal and Structure Optimization

- In 2021 1H, the Group completed the disposal of Capricorn coal assets in Australia, and will continue to dispose coal assets in the second half of the year, to further optimize the Group's overall asset structure, increase operating efficiency, and control risk more effectively.
- Recently, the Group's joint venture CCPL is expected to complete the acquisition of participating interests in ancillary businesses for the Karazhanbas Oilfield. It is expected that the acquisitions will enhance economic efficiency in the operations of the Karazhanbas oilfield by promoting the integrated development of upstream and downstream enterprises. Furthermore, the acquisitions will deepen the strategic relationships between the Group and KMG, which will be beneficial to the long-term development of the Group's business.

<i>(million HKD)</i>	Time of transaction	Cash consideration
Disposal of Capricorn coal asset	2021.5	2.72
Acquisition of Caspi Bitum and UTTiOS	2021.7	0 ⁽¹⁾

Remark:

(1) The cash consideration of RMB 260 million was borne by CCPL, and CITIC Resources did not make cash payment for this transaction.

A stylized world map graphic composed of a grid of small squares, centered in the upper half of the slide. The map is light gray and set against a background of diagonal gray stripes.

3 2021 1H Financial Results

2021 1H Financial Highlight

<i>(million HKD)</i>	<i>2021 1H</i>	<i>2020 1H</i>	<i>Change</i>
Revenue	1,703.9	1,235.6	37.9%
EBITDA ⁽¹⁾	754.9	(138.5)	N/A
Adjusted EBITDA ⁽²⁾	1,021.6	28.7	N/A
Profit attributable to shareholders	427.4	(430.8)	N/A
Earnings per share (HK cents) ⁽³⁾	5.44	(5.48)	

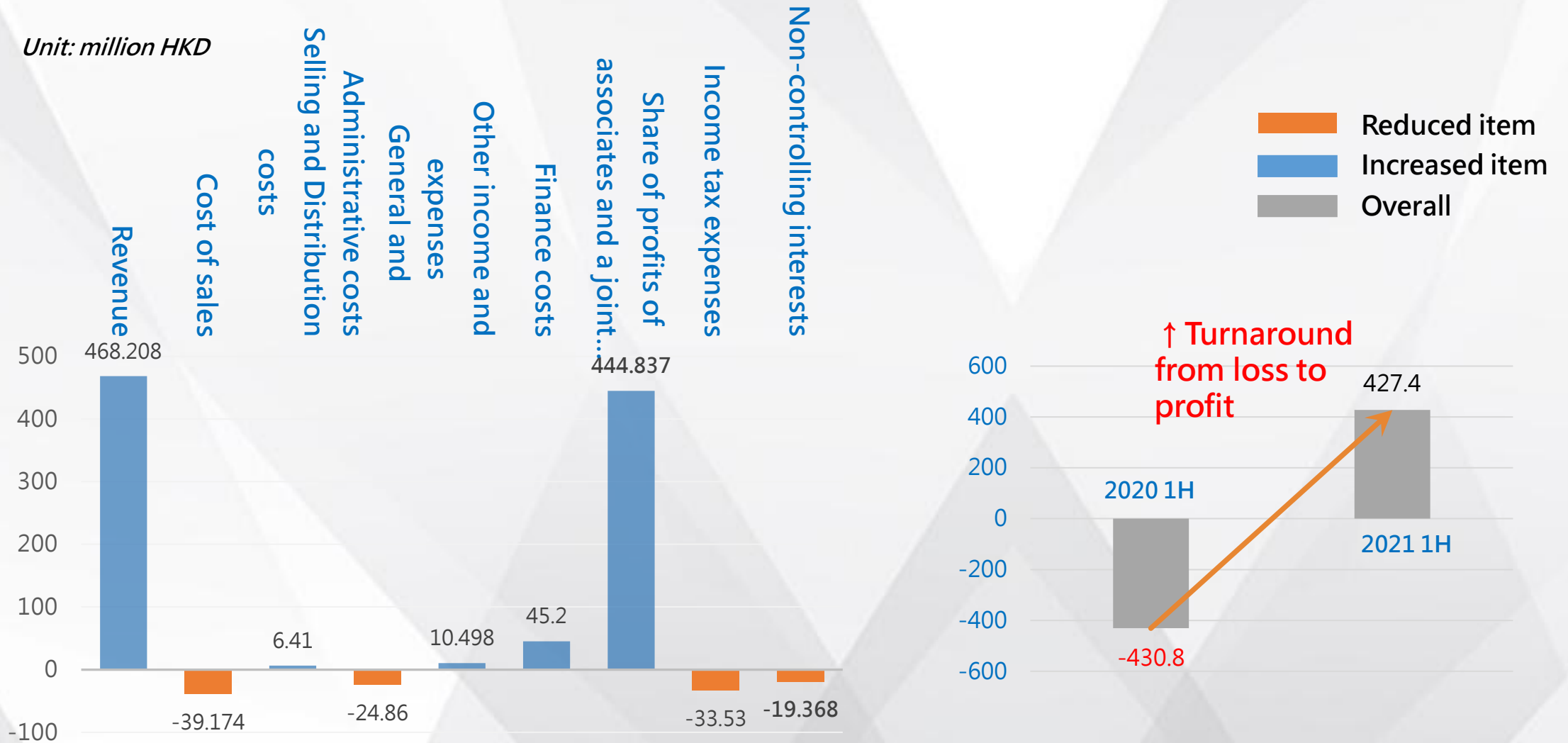
Remarks:

(1) Profit before tax + finance costs + depreciation + amortisation + asset impairment losses

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

(3) Profit attributable to shareholders / weighted average number of ordinary shares in issue during the year

Analysis on Profit Attributable to Shareholders



Key Financial ratios

<i>(Million HKD)</i>	2021.6.30	2020.12.31	Change
Cash and cash equivalents	1,384.4	2,314.3	(40.2%)
Total assets	11,800.4	12,275.3	(3.9%)
Total debt⁽¹⁾	3,800.7	4,900.7	(22.5%)
Net debt⁽²⁾	2,416.3	2,586.4	(6.6%)
Equity attributable to shareholders	6,241.9	5,807.7	7.5%
Current ratio⁽³⁾	1.9 倍	2.9 倍	
Gearing ratio⁽⁴⁾	60.89%	84.4%	
Net Gearing Ratio⁽⁵⁾	38.7%	44.5%	
Net asset value per share (HK\$)⁽⁶⁾	0.79	0.74	

Remarks:

(1) Bank and other borrowings + finance lease payables

(2) Total debt–Cash

(3) Current assets / current liabilities

(4) Total debt / equity attributable to shareholders x 100%

(5) (Total debt–Cash) / Equity attributable to shareholders x 100%

(6) Equity attributable to shareholders / number of ordinary shares in issue at end of period

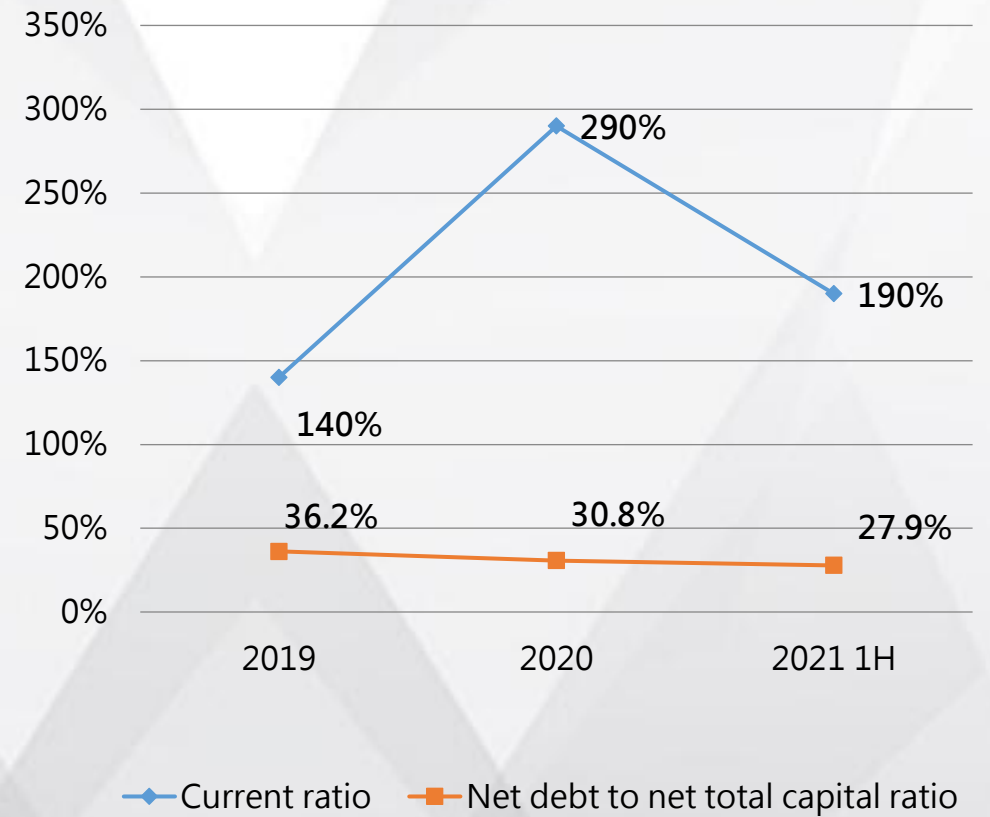
Debt ratio and Liquidity

Debt decreases year by year

Unit: Million HKD



Capital structure optimized



2021 1H Cash Flow Analysis

Million HKD	2021 1H	2020 1H	Change
Beginning Cash	2,314.3	1,595.4	45.1%
Operating cash flow	349.4	(31.95)	N/A
Dividend income or share of profits	63.1	78.3	(19.4%)
Interest income	7.4	10.8	(31.7%)
Proceeds from assets disposal	2.9	8.5	(65.6%)
Total Cash Inflow	422.8	65.7	543.5%
Repayment of bank borrowings	(1,107.6)	(311.6)	255.5%
Repayment of a loan from government	(6.3)	(0.4)	N/A
CAPEX	(188.3)	(148.4)	26.9%
Finance costs	(19.8)	(16.4)	20.7%
Others	(30.5)	(15.7)	94.3%
Total Cash Outflow	(1,352.5)	(492.5)	174.6%
Effect of foreign exchange rate, net	(0.1)	(14.6)	(99.3%)
Ending Cash	1,384.4	1,154.0	20.0%



4 Business Outlook

Impact of Pandemic and Responding Measures

■ Effects of Pandemic on Market and Group's Business

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”. Commodity prices that are related to the Company's major businesses increased.

■ Responding Measures of the Group

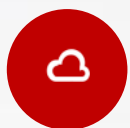
- ✓ Currently, the spread of the pandemic around the globe continues, and it is still severe in certain overseas locations where the Group operates its business. The Group still maintains strict epidemic prevention and control measures.
- ✓ As of 30 June 2021, the Group had maintained “zero confirmed 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.



Outlook and Guidance for 2021



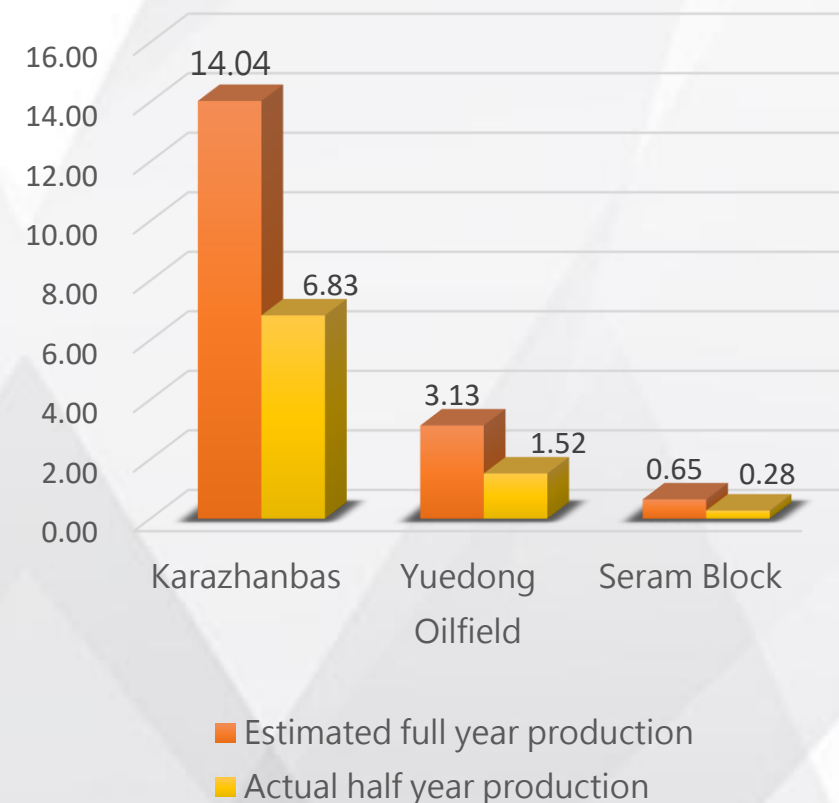
Looking ahead, the Organization of the Petroleum Exporting Countries and other major oilproducing countries have eased the measures to limit production due to the increase in oil prices, in which the United States of America, a major consuming country of crude oil, also wishes for lower oil prices to 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. **It is expected that the total production in 2021 will be approximately 17,818,000 barrels (100% basis), slightly less than the annual production forecast in the beginning of this year, which did not take into consideration of the impact of production limit.**



On one hand, the Group will further solidify the long term mechanism of cost reduction and efficiency improvement based on its experience in 2020, 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.

Half of planned annual production was achieved

Unit: Mbbls



Appendix - Company Structure and Business



(1) An indirect interest in 50% of the issued voting shares of KBM (which represent 47.3% of the total issued shares of KBM) and 50% of the participation rights in each of ATS and TMS

(2) Alumina Ltd is listed on ASX (stock code: ASX: AWC)

Appendix - Latest Tax Regime in Kazakhstan

Export duty:

- Charged according to export volume
- Decreased from US\$80/t to US\$60/t in April 2015, and further reduced to US\$40/t in January 2016
- Charged at progressive rates by reference to Brent oil prices starting from March 2016
- Example: Export duty of US\$35/t when Brent price ranges between US\$35/bbl and US\$40/bbl

Rent tax:

- Charged on export revenue
- Linked to world oil price

Mineral extraction tax (MET):

- Tax rates depending on annual production volume
- KBM has obtained a preferential tax rate of 0.5% for MET

Other major taxes include (if applicable):

- Corporate Income Tax
- Excess Profit Tax (EPT)

Export Duty	
World oil price (US\$/bbl)	Tax (US\$/t)
30 (including 30) - 35	20
35 (including 35) - 40	35
40 (including 40) - 45	40
45 (including 45) - 50	45
50 (including 50) - 55	50
55 (including 55) - 60	55
60 (including 60) - 65	60
65 (including 65) - 70	65

Rent Tax	
World oil price (US\$/bbl)	Tax rate
20 - 30 (including 30)	0%
30 - 40 (including 40)	0%
40 - 50 (including 50)	7%
50 - 60 (including 60)	11%
60 - 70 (including 70)	14%



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Thank You !

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