

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1205)

POSSIBLE MAJOR DISPOSAL IN RELATION TO THE EQUITY INTEREST IN AWC AND POSSIBLE MAJOR ACQUISITION IN RELATION TO THE EQUITY INTEREST IN ALCOA

Reference is made to the announcement of the Company dated 26 February 2024 in respect of the AWC Scheme of Arrangement.

MATERIAL TERMS AND CONDITIONS OF THE TRANSACTION

If the AWC Scheme of Arrangement becomes Effective, Scheme Participants will receive 0.02854 New Alcoa CDIs for each AWC Share held on the Scheme Record Date except for those otherwise provided in the Scheme Booklet.

As at the date of this announcement, the Group owns 278,900,000 AWC Shares, representing approximately 9.61% equity interest in AWC. It is expected that immediately upon completion of the Transaction, the Group will cease to own any AWC Shares and will in return receive 7,959,806 New Alcoa CDIs, representing approximately 3.03% equity interest in Alcoa.

The AWC Scheme of Arrangement is subject to, among others, shareholders' approvals from AWC and Alcoa, regulatory approvals in relevant jurisdictions, approval of the Court and other customary conditions. As at the date of this announcement, Alcoa stockholders have approved the issuance of New Alcoa Shares to shareholders of AWC as contemplated by the Scheme Implementation Deed and certain regulatory approvals in relevant jurisdictions in respect of the AWC Scheme of Arrangement have been obtained. Based on the Scheme Booklet, (i) the Scheme Meeting is scheduled on Thursday, 18 July 2024 (AEST); and (ii) the Court hearing for approval of the AWC Scheme of Arrangement is scheduled on Monday, 22 July 2024 (AEST).

As far as the Group is concerned, the Transaction is subject to (i) approval from the Ministry of Finance of the PRC under the applicable PRC laws and regulations; and (ii) Shareholders' approval under the Hong Kong Listing Rules.

On 17 July 2024, the approval from the Ministry of Finance of the PRC for the Transaction was obtained.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Transaction. Thus, if the Company were to convene a general meeting to approve the Transaction, no Shareholder should be required to abstain from voting on the resolutions in relation to the Transaction.

In lieu of holding a general meeting in respect of the Transaction, the Company has obtained an unconditional and irrevocable written Shareholders' approval for the Transaction from CA and Keentech (each a wholly-owned subsidiary of CITIC Limited and together a closely allied group of Shareholders which held 750,413,793 Shares and 3,895,083,904 Shares or approximately 9.55% and 49.57% of the total issued share capital of the Company, respectively, as at the date of the written approval by CA and Keentech and the date of this announcement).

HONG KONG LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated with reference to the average closing price of the Shares for the five business days immediately preceding the date of this announcement and the closing price of AWC Shares as at the date immediately preceding the date of this announcement pursuant to Chapter 14 of the Hong Kong Listing Rules in respect of the disposal of AWC Shares contemplated under the Transaction exceeds 25% but is less than 75%, such disposal of AWC Shares, if materialized, will constitute a major disposal of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio calculated with reference to the average closing price of the Shares for the five business days immediately preceding the date of this announcement and the closing price of Alcoa Shares as at the date immediately preceding the date of this announcement pursuant to Chapter 14 of the Hong Kong Listing Rules in respect of the acquisition of the New Alcoa CDIs contemplated under the Transaction exceeds 25% but is less than 100%, such acquisition of the New Alcoa CDIs, if materialized, will constitute a major acquisition of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

A circular in relation to the Transaction and other information required to be disclosed under the Hong Kong Listing Rules will be dispatched to the Shareholders, for information only, on or before 18 July 2024.

The Company will keep the shareholders and potential investors informed of any further material development relating to the Transaction by way of announcement(s) as and when necessary in accordance with the Hong Kong Listing Rules.

As the AWC Scheme of Arrangement is still subject to, among others, shareholders' approval from AWC and approval by the Court, the Transaction and the AWC Scheme of Arrangement may or may not materialise. There is no assurance that the Transaction or the AWC Scheme of Arrangement will take place or as to when they may take place. Shareholders and potential investors in the Company should exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 26 February 2024 in respect of the AWC Scheme of Arrangement.

BACKGROUND OF THE TRANSACTION

As at the date of this announcement, (i) the Company indirectly holds 278,900,000 AWC Shares, representing approximately 9.61% equity interest in AWC, through CRA, a wholly-owned subsidiary of the Company; and (ii) CITIC Limited indirectly holds a total of 270,059,208 AWC Shares, representing approximately 9.31% equity interest in AWC, through Bestbuy and CA, each a wholly-owned subsidiary of CITIC Limited. The Group's investment in AWC is accounted for as an investment in an associate of the Group.

The Group in turn holds global interests in bauxite mining, alumina refining and selected aluminium smelting operations through AWC's 40% ownership of AWAC, the world's largest alumina producer. As at the date of this announcement, AWAC is owned as to 40% by AWC and 60% by Alcoa.

On 26 February 2024, AWC published the AWC February Announcement, whereby it announced that it has received the Non-binding Proposal from Alcoa to acquire 100% of the ordinary shares on issue in AWC by way of a scheme of arrangement, for scrip consideration of 0.02854 Alcoa Shares for each AWC Share.

It was disclosed in the AWC February Announcement that AWC and Alcoa entered into a transaction process and exclusivity deed dated 26 February 2024, which granted Alcoa a 20 business day period of exclusivity.

On 12 March 2024, AWC further published the AWC March Announcement, whereby it announced that it has entered into the Scheme Implementation Deed with Alcoa in relation to the AWC Scheme of Arrangement.

It was disclosed in the AWC March Announcement that, under the Scheme Implementation Deed, eligible shareholders of AWC will be entitled to receive 0.02854 Alcoa Shares in the form of ASX-listed Alcoa CDIs for each AWC Share held. On implementation of the AWC Scheme of Arrangement, the shareholders of AWC on the Scheme Record Date will own approximately 31.6% (or 31.25% on a fully diluted basis) of the combined group, and existing Alcoa shareholders will own approximately 68.4%.

On 21 May 2024, AWC published the AWC May Announcement, whereby it announced that it had entered into the Amending Deed with Alcoa. The Amending Deed, among others, carved out a special arrangement for the CITIC Shareholders. For details of such special arrangement applicable to the CITIC Shareholders, please refer to the section headed “Material Terms and Conditions of the Transaction – I. Material Terms and Conditions of the AWC Scheme of Arrangement – Scheme Consideration – Special Arrangement Applicable to the CITIC Shareholders” below.

On 11 June 2024, AWC published the AWC June Announcement, whereby it attached the Scheme Booklet and announced that such Scheme Booklet had been registered with ASIC.

On 18 June 2024, AWC published an announcement in relation to the despatch of the Scheme Booklet to the shareholders of AWC.

MATERIAL TERMS AND CONDITIONS OF THE TRANSACTION

I. Material Terms and Conditions of the AWC Scheme of Arrangement

Set out below is a summary of the material terms and conditions of the AWC Scheme of Arrangement based on the Scheme Booklet:

Scheme Consideration

If the AWC Scheme of Arrangement becomes Effective, Scheme Participants will receive 0.02854 New Alcoa CDIs for each AWC Share held on the Scheme Record Date except for those otherwise provided in the Scheme Booklet.

A CDI is a type of depositary receipt that allows investors to obtain all the economic benefits of owning securities without holding legal title to them, and is used to facilitate companies incorporated outside of Australia listing on the ASX.

New Alcoa CDIs can be transmuted into Alcoa Shares and vice versa at any time following the Implementation Date, by contacting the Alcoa share registry (i.e. the register of Alcoa stockholders maintained by Alcoa or its agent) or Alcoa CDI registry (i.e. Computershare Investor Services Pty Limited), as applicable. Except for differences set out below, a New Alcoa CDI will have rights that are economically equivalent to the rights attaching to a New Alcoa Share.

The principal difference between New Alcoa CDIs and New Alcoa Shares is that a holder of a New Alcoa CDI has an indirect and beneficial interest in the Alcoa Share underlying its Alcoa CDI instead of directly owning the Alcoa Share. This means that a holder of New Alcoa CDIs (i) cannot directly trade the underlying Alcoa Shares and (ii) is a beneficial holder (rather than a registered legal holder) of the underlying Alcoa Shares.

Other differences include the following:

- (i) **Exercise of shareholder rights** – As holders of New Alcoa CDIs are not registered shareholders of Alcoa, the rights attaching to Alcoa Shares which underlie their Alcoa CDIs must be exercised by CDN. A holder of New Alcoa CDIs may instruct CDN to exercise those rights on their behalf. In contrast, a registered holder of Alcoa Shares can directly exercise the rights attaching to their Alcoa Shares in such manner as they choose.

For example, holders of New Alcoa CDIs will be sent notices of meetings of Alcoa stockholders at the same time as they are sent to Alcoa stockholders. As holders of New Alcoa CDIs are not registered holders of the Alcoa Shares represented by New Alcoa CDIs, they will not be automatically entitled to vote at a meeting of Alcoa stockholders. However, the holder of a New Alcoa CDI can direct CDN to cast votes in a particular manner on their behalf to exercise the votes attaching to the Alcoa Shares represented by the holder's New Alcoa CDIs. If a holder of a New Alcoa CDI wishes to vote at a meeting of Alcoa stockholders in their personal capacity (rather than directing CDN to vote), the holder must first transmute their New Alcoa CDIs into the underlying Alcoa Shares in sufficient time before the record date for the meeting.

- (ii) **New Alcoa CDIs will be quoted and trade on ASX and New Alcoa Shares will be quoted and trade on NYSE** – New Alcoa CDIs will be tradeable on ASX only and may only be traded during Australian business hours using Australian brokers in prices quoted in AUD. New Alcoa Shares will be tradeable on NYSE only and will not be quoted or tradeable on ASX. Accordingly, investors who wish to trade Alcoa Shares must first transmute their New Alcoa CDIs into the underlying Alcoa Shares before being able to trade on the open market via the NYSE. Such trades on the NYSE must be undertaken through a broker entitled to trade on NYSE.

The exchange ratio of 0.02854 New Alcoa Shares (in the form of New Alcoa CDIs) for each AWC Share represents a premium of:

- (i) 13.1% to the price of AWC Shares on 23 February 2024 (being the last trading date prior to the AWC February Announcement), based on the closing share prices of Alcoa and AWC on 23 February 2024 and the prevailing AUD/USD foreign exchange rate of 0.656;
- (ii) 19.5% to the average exchange ratio over the last 12 months to 23 February 2024, based on the daily closing prices of Alcoa and AWC and the daily prevailing AUD/USD foreign exchange rate over the period;
- (iii) 3.6% to the price of AWC Shares as at 15 July 2024, based on the closing share prices of Alcoa and AWC as at 15 July 2024 and the prevailing AUD/USD foreign exchange rate of 0.656; and
- (iv) 15.5% to the average exchange ratio over the last 12 months to 15 July 2024, based on the daily closing prices of Alcoa and AWC and the daily prevailing AUD/USD foreign exchange rate over the period.

The Scheme Consideration is based on a fixed exchange ratio of 0.02854 New Alcoa Shares (including in the form of New Alcoa CDIs) for each AWC Share. As a result, the implied value of the Scheme Consideration will change over time depending on the prevailing Alcoa Share price and the AUD/USD exchange rate.

Special Arrangement Applicable to the CITIC Shareholders

As at the date of this announcement, the CITIC Shareholders in aggregate legally and beneficially own 548,959,208 AWC Shares, being approximately 18.92% of the AWC Shares on issue.

Because of its ownership of certain banking assets in the U.S., CITIC Limited is regulated as though it were a U.S. bank holding company and is therefore subject to the US Bank Holding Act. The US Bank Holding Act generally prohibits U.S. bank holding companies and any other company that is subject to the US Bank Holding Act from acquiring direct or indirect ownership or control (as defined under the US Bank Holding Act) of any voting securities (as defined under the US Bank Holding Act) of any company which is not a bank or a bank holding company. However, there is an exemption from the general prohibition against engaging in non-banking activities and making investments in the shares of non-banking companies set forth in section 4(c)(6) of the US Bank Holding Act, which permits U.S. bank holding companies and other companies that are subject to the US Bank Holding Act to own or control 5% or less of the outstanding shares of any class of voting securities of a non-banking company. Therefore, CITIC Limited, on a consolidated basis, is limited to owning or controlling 5% or less of any class of Alcoa's voting securities pursuant to the exemption set forth under section 4(c)(6) of the US Bank Holding Act.

If the CITIC Shareholders were to receive New Alcoa CDIs in respect of their entire aggregate shareholding in AWC, it would hold an interest of approximately 6% in Alcoa's common stock, in breach of the US Bank Holding Act.

To the extent that the New Alcoa CDIs that the CITIC Shareholders would receive as Scheme Consideration (less any AWC Shares held by any CITIC Shareholder that are sold via the sale facility to fund payment of any applicable withholding amount) would result in CITIC Shareholders beneficially owning, in aggregate, in excess of 4.5% of the outstanding shares of Alcoa common stock (including the shares underlying the New Alcoa CDIs) upon implementation of the AWC Scheme of Arrangement, the Scheme Consideration representing the beneficial ownership in excess of 4.5% will instead be issued as New Alcoa Preferred Shares to Bestbuy.

The economic rights of the New Alcoa Preferred Shares are generally equivalent to the economic rights of the New Alcoa CDIs, except that the New Alcoa Preferred Shares will:

- (i) have a liquidation preference of US\$0.0001 for each New Alcoa Preferred Share;
- (ii) convert into Alcoa Shares on a 1:1 basis upon transfer to a party that is not an affiliate of the CITIC Group, subject to anti-dilution provisions and other customary adjustments; and
- (iii) have no voting rights except as required by applicable law or in relation to a change in the existing rights of New Alcoa Preferred Shares.

As at the date of this announcement, the Group owns 278,900,000 AWC Shares, representing approximately 9.61% equity interest in AWC. It is expected that immediately upon completion of the Transaction, the Group will cease to own any AWC Shares and will in return receive 7,959,806 New Alcoa CDIs, representing approximately 3.03% equity interest in Alcoa.

In connection with the Group receiving New Alcoa CDIs and Bestbuy receiving New Alcoa Preferred Shares as Scheme Consideration, the Company would like to point out the following key differences between these two types of securities:–

- (i) while the New Alcoa Preferred Shares do not have voting rights except as required by applicable law or in relation to a change in the existing rights of New Alcoa Preferred Shares, the holder of a New Alcoa CDI can direct CDN to cast votes in a particular manner on their behalf. Further, upon transmuting the Alcoa CDIs into underlying Alcoa Shares before the record date for a Alcoa stockholders' meeting, holder of such Alcoa Shares can vote at such meeting of Alcoa stockholders; and
- (ii) there is additional liquidity risk associated with the New Alcoa Preferred Shares in that while New Alcoa CDIs will be quoted and can be traded on ASX, there will be no public market for the trading of New Alcoa Preferred Shares.

Taking into account the above factors, the Directors consider that it is in the interest of the Company and the Shareholders as a whole for the Group to receive the New Alcoa CDIs as Scheme Consideration.

Key Conditions and Terms

As disclosed in the AWC March Announcement, key conditions for implementation of the AWC Scheme of Arrangement include:

- (i) AWC shareholder approval in respect of the AWC Scheme of Arrangement;
- (ii) Alcoa stockholder approval authorising the issuance of New Alcoa Shares as Scheme Consideration under the AWC Scheme of Arrangement;
- (iii) regulatory approvals and confirmations from the Australian Foreign Investment Review Board, the Australian Competition and Consumer Commission, and the Brazilian Administrative Council for Economic Defense;
- (iv) approval of the Court;
- (v) the independent expert appointed by AWC concluding (and continuing to conclude) that the AWC Scheme of Arrangement is in the best interests of shareholders of AWC;
- (vi) receipt of confirmation of a class ruling from the Australian Taxation Office for scrip-for-scrip roll over relief; and
- (vii) other customary conditions.

As at the date of this announcement, it was disclosed in the Scheme Booklet that (i) the Australian Competition and Consumer Commission had indicated it did not intend to conduct a public review of the AWC Scheme of Arrangement; (ii) the Brazilian Administrative Council for Economic Defense had certified that the applicable term for intervention or “call-back” of the application had elapsed and that consequently its decision published in the official gazette of Brazil to approve the application was final; (iii) the application for the class ruling has been lodged with the Australian Taxation Office; and (iv) the independent expert appointed by AWC has concluded that the AWC Scheme of Arrangement is in the best interests of shareholders of AWC in the absence of a superior proposal. On 14 June 2024, AWC announced that it had been notified by Alcoa that Alcoa Bidder has received Australian Foreign Investment Review Board approval in relation to the AWC Scheme of Arrangement. On 17 July 2024, AWC further announced that it noted Alcoa stockholders have approved the issuance of New Alcoa Shares to shareholders of AWC as contemplated by the Scheme Implementation Deed.

If the AWC Scheme of Arrangement becomes Effective (following shareholder and Court approval and the satisfaction of all other conditions), Alcoa will acquire 100% of the shares in AWC and shareholders of AWC will receive the Scheme Consideration in exchange for their AWC Shares. If, on the other hand, the AWC Scheme of Arrangement does not become Effective (for example, if shareholder approval or Court approval is not obtained or a condition is not satisfied), AWC will continue as a standalone entity and the shareholders of AWC will retain their AWC Shares.

AWC shareholder approval in relation to the AWC Scheme of Arrangement

As set out in the paragraph headed “Key Conditions and Terms” above, the AWC Scheme of Arrangement is subject to, among others, approval of the shareholders of AWC. In this connection, the AWC Scheme of Arrangement must be approved by:

- (i) unless the Court orders otherwise, a majority in number (i.e. more than 50%) of the shareholders of AWC present and voting at the Scheme Meeting; and
- (ii) at least 75% of the total number of votes cast by the shareholders of AWC on the resolution in relation to the AWC Scheme of Arrangement.

Based on the Scheme Booklet, (i) the Scheme Meeting is scheduled on Thursday, 18 July 2024 (AEST); and (ii) the Court hearing for approval of the AWC Scheme of Arrangement is scheduled on Monday, 22 July 2024 (AEST).

Effective Date and Implementation Date

Subject to the paragraph below, the AWC Scheme of Arrangement will become Effective pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

Without limiting any rights or obligations under the Scheme Implementation Deed, the AWC Scheme of Arrangement will lapse and be of no further force or effect if: (a) the Effective Date does not occur on or before the End Date; or (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms, unless Alcoa and AWC otherwise agree in writing (and, if required, as approved by the Court).

According to the Scheme Booklet, if the AWC Scheme of Arrangement is approved at the Scheme Meeting and approved by the Court, it is expected that (i) the AWC Scheme of Arrangement will take effect and the trading of AWC Shares on ASX will be suspended on Tuesday, 23 July 2024 (AEST); and (ii) the AWC Scheme of Arrangement will be implemented on Thursday, 1 August 2024 (AEST).

II. Other Conditions of the Transaction

As far as the Group is concerned, the Transaction is subject to (i) approval from the Ministry of Finance of the PRC under the applicable PRC laws and regulations; and (ii) Shareholders' approval under the Hong Kong Listing Rules.

On 17 July 2024, the approval from the Ministry of Finance of the PRC for the Transaction was obtained. The filing with the National Development and Reform Commission of the PRC in respect of the Transaction is expected to be made before the implementation of the Transaction.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Transaction. Thus, if the Company were to convene a general meeting to approve the Transaction, no Shareholder should be required to abstain from voting on the resolutions in relation to the Transaction.

In lieu of holding a general meeting in respect of the Transaction, the Company has obtained an unconditional and irrevocable written Shareholders' approval for the Transaction from CA and Keentech (each a wholly-owned subsidiary of CITIC Limited and together a closely allied group of Shareholders which held 750,413,793 Shares and 3,895,083,904 Shares or approximately 9.55% and 49.57% of the total issued share capital of the Company, respectively, as at the date of the written approval by CA and Keentech and the date of this announcement).

HONG KONG LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated with reference to the average closing price of the Shares for the five business days immediately preceding the date of this announcement and the closing price of AWC Shares as at the date immediately preceding the date of this announcement pursuant to Chapter 14 of the Hong Kong Listing Rules in respect of the disposal of AWC Shares contemplated under the Transaction exceeds 25% but is less than 75%, such disposal of AWC Shares, if materialized, will constitute a major disposal of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio calculated with reference to the average closing price of the Shares for the five business days immediately preceding the date of this announcement and the closing price of Alcoa Shares as at the date immediately preceding the date of this announcement pursuant to Chapter 14 of the Hong Kong Listing Rules in respect of the acquisition of the New Alcoa CDIs contemplated under the Transaction exceeds 25% but is less than 100%, such acquisition of the New Alcoa CDIs, if materialized, will constitute a major acquisition of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

A circular in relation to the Transaction and other information required to be disclosed under the Hong Kong Listing Rules will be dispatched to the Shareholders, for information only, on or before 18 July 2024.

INFORMATION ON THE COMPANY

The Company is an investment holding company mainly engaged in the exploration and sale of natural resources. Along with subsidiaries, the Company operates its business through four segments. The aluminium smelting segment is engaged in the operation of the Portland aluminium smelter which sources alumina and produces aluminium ingots in Australia. The crude oil segment is engaged in the operation of oilfields and the sale of crude oil in Indonesia and the PRC. The import and export of commodities segment is engaged in the trading of crude oil around the world and trading of alumina in Australia. The coal segment is engaged in the operation of coal mines and the sale of coal in Australia.

INFORMATION ON AWC

AWC is a company incorporated in Australia whose shares have been listed on the ASX from 4 December 2002. AWC is primarily focused on investing in long-life, low cost bauxite and alumina assets. AWC's principal activity relates to its 40% interest in the series of operating entities forming AWAC. AWAC is a joint venture with a portfolio of assets in Australia, Brazil, Spain, Saudi Arabia and Guinea, including globally leading bauxite mines and alumina refineries. AWAC also has a 55% interest in the Portland aluminium smelter in Victoria, Australia.

Financial information of AWC

The following tables summarise the financial information of AWC and its subsidiaries and also illustrate the reconciliation to the carrying amount of the Group's investment in AWC in the financial statements of the Group:

	As at 31 December		
	2021	2022	2023
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Net assets	30,099,785	28,968,861	18,948,740
Reconciliation to the Group's investment in an associate:			
Proportion of ownership	9.6117%	9.6117%	9.6117%
Proportionate share of net assets and carrying amount	2,893,101	2,784,400	1,821,296
Market value of the Group's investment ^(Note)	2,943,876	2,240,160	1,517,880
	For the year ended 31 December		
	2021	2022	2023
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Revenue	–	5,460	3,900
(Loss)/profit before income tax for the year	1,463,280	811,200	(1,170,780)
Income tax expense	–	–	–
(Loss)/profit after income tax for the year	1,463,280	811,200	(1,170,780)
Other comprehensive income/(loss) for the year	(421,200)	(295,620)	263,640
Dividend received by the Group	137,051	152,279	–

Note: The market value of the Group's investment in AWC as at 31 December 2021, 2022 and 2023 is based on the closing share prices of AWC Share as at 31 December 2021, 2022 and 2023, respectively.

INFORMATION ON ALCOA AND ALCOA BIDDER

Alcoa

Alcoa is a Delaware corporation listed on the NYSE from 1 November 2016 following its separation from its former parent company, Alcoa Inc. (which then became known as “Arconic Inc.”, now known as “Howmet Aerospace Inc.”). Alcoa is active in all aspects of the upstream aluminium industry with bauxite mining, alumina refining, and aluminium smelting and casting. Alcoa has direct and indirect ownership of assets in 27 locations across nine countries on six continents.

Alcoa’s operations comprise two reportable business segments: alumina and aluminum. The alumina segment primarily consists of a series of affiliated operating entities held in AWAC. The aluminum segment currently consists of Alcoa’s worldwide smelting and cast house system and a portfolio of energy assets in Brazil, Canada and the U.S..

Financial information of Alcoa

Set out below is a summary of the consolidated financial information of Alcoa for the three years ended 31 December 2023 and three months ended 31 March 2024, prepared in accordance with the U.S. GAAP:

	For the year ended 31 December			For the three months ended
	2021	2022	2023	31 March
	US\$	US\$	US\$	2024
	(million)	(million)	(million)	(million)
	(audited)	(audited)	(audited)	(unaudited)
Revenue	12,152	12,451	10,551	2,599
Net Profit/(Loss) before tax	1,199	702	(584)	(325)
Net Profit/(Loss) after tax	570	38	(773)	(307)
				As at
	As at 31 December			31 March
	2021	2022	2023	2024
	US\$	US\$	US\$	US\$
	(million)	(million)	(million)	(million)
	(audited)	(audited)	(audited)	(unaudited)
Net assets	6,284	6,589	5,845	5,534

Please refer to Alcoa’s website at <https://www.alcoa.com/global/en/home/> for further financial information of Alcoa.

Alcoa Bidder

Alcoa Bidder is an Australian proprietary company limited by shares and is a wholly-owned indirect subsidiary of Alcoa. Prior to the AWC Scheme of Arrangement, it has not and will not conduct any business and does not currently own any assets or have any liabilities. If the AWC Scheme of Arrangement is implemented, Alcoa Bidder will directly hold all the AWC Shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Alcoa and Alcoa Bidder is an Independent Third Party.

FINANCIAL EFFECTS OF THE TRANSACTION ON THE GROUP

Immediately upon completion of the Transaction, the Group will cease to have any AWC Shares and it is expected that the Group will hold a total of 7,959,806 New Alcoa CDIs, representing approximately 3.03% equity interest in Alcoa. Alcoa will not become a subsidiary of the Company and the financial results of Alcoa will not be consolidated into the financial statements of the Company.

It is expected that an unaudited net gain before tax of approximately HK\$300,553,000 will be recorded as a result of the disposal of the equity interest in AWC, being the difference between the consideration for the disposal of the AWC Shares of HK\$2,439,999,000 which is assumed to be the market price of the Alcoa Shares as at 15 July 2024 and (i) the audited carrying amount of the AWC Shares of HK\$1,821,296,000 as at 31 December 2023 in the consolidated financial statements of the Group, (ii) the reclassification of pre-tax other comprehensive income to profit of loss of HK\$313,744,000 and (iii) the estimated transaction costs of HK\$4,407,000. The corresponding tax impact of the Transaction is HK\$91,488,000. The Group's interest in Alcoa is expected to be classified as a financial asset through other comprehensive income and the subsequent measurement of which will be solely based on the movement of Alcoa's share price.

If the consideration for the disposal of the AWC Shares was assumed to be the market price of the Alcoa Shares as at 31 December 2023 of HK\$2,110,941,000, it is expected that an unaudited net loss before tax of approximately HK\$28,506,000, being the consideration net off with (i) the derecognition of the investment in an associate of HK\$1,821,296,000, (ii) the reclassification of pre-tax other comprehensive income to profit or loss of HK\$313,744,000 and (iii) the estimated transaction costs of HK\$4,407,000 would be recorded. The corresponding tax impact of the Transaction is HK\$7,230,000.

Effect on assets and liabilities

It is expected that the total assets of the Group would increase from approximately HK\$11,624,391,000 to HK\$12,067,047,000 and the total liabilities of the Group would increase from approximately HK\$3,782,968,000 to HK\$3,796,939,000 if the Transaction had completed on 15 July 2024. The net assets of the Group would accordingly increase from approximately HK\$7,841,423,000 to HK\$8,270,108,000.

It is expected that the total assets of the Group would increase from approximately HK\$11,624,391,000 to HK\$11,822,736,000 and the total liabilities of the Group would remain the same if the Transaction had completed on 31 December 2023. The net assets of the Group would accordingly increase from approximately HK\$7,841,423,000 to HK\$8,039,768,000.

Save as disclosed above, there will be no immediate material effect on the earnings and assets and liabilities of the Group associated with the Transaction.

Shareholders should note that the financial effects are shown for reference only and the actual amount of gain or loss as a result of the Transaction will be determined based on Alcoa's share price on completion date of the Transaction and the Group's share of net asset value of AWC on that date and eventually be recognised in the consolidated financial statements of the Company. Additionally, the price for disposal of the AWC Shares and the price for acquisition of the New Alcoa CDIs used in preparing unaudited pro forma financial information of the Group upon completion of the Transaction are based on the closing market prices of AWC Shares and Alcoa Shares as well as the AUD/USD and USD/HKD exchange rates as at 31 December 2023, which may be different from those on the Implementation Date.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As set out in the section headed "Material Terms and Conditions of the Transaction – I. Material Terms and Conditions of the AWC Scheme of Arrangement – Scheme Consideration" above, the Scheme Consideration represents a premium to the trading prices of AWC Shares prior to the announcement of the AWC Scheme of Arrangement and as at 15 July 2024. As set out in the section headed "Financial Effects of the Transaction on the Group" and on the assumption as stated therein, the Group expects to recognise an unaudited net gain before tax of approximately HK\$300,553,000 as a result of the disposal of the equity interest in AWC where the consideration for such disposal is assumed to be the market price of the Alcoa Shares as at 15 July 2024.

In addition, Alcoa has agreed to establish a foreign exempt listing on the ASX, which would enable shareholders of AWC to trade shares of Alcoa common stock via CDIs on the ASX, in the same way they would normally trade ASX-listed AWC Shares. Holders of Alcoa CDIs can direct CDN to exercise the rights attaching to Alcoa Shares which underlie their Alcoa CDIs on their behalf, including the right to vote at a meeting of Alcoa stockholders. After implementation of the Transaction, shareholders of AWC will have the flexibility to convert their holdings from New Alcoa CDIs into holdings of NYSE-listed Alcoa Shares, and vice versa on an ongoing basis. Compared with ASX-listed AWC Shares, NYSE-listed Alcoa Shares are currently expected to have more liquidity.

As at the date of this announcement, the Group holds global interests through AWC's 40% ownership of AWAC, the world's largest alumina producer, and AWAC is owned as to 40% by AWC and 60% by Alcoa. The Transaction will consolidate the ownership of the AWAC joint venture into a more efficient structure, which will facilitate more efficient funding for AWAC, thereby reducing the need for future capital contributions from the original shareholders of AWC. It will also incentivise Alcoa to strategically plan for AWAC's long-term growth.

The Group will also gain exposure to a leading global pure play aluminium company with a geographically diversified and integrated portfolio across bauxite, alumina and aluminium through the Transaction, which aligns with the Group's investing strategy in the aluminium sector.

The Directors have also taken into account the recommendation of the independent non-executive directors and managing director and chief executive officer of AWC for the shareholders of AWC to vote in favour of the AWC Scheme of Arrangement as set out in the Scheme Booklet.

In light of the above, the Directors consider that the terms of the Transaction are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The Company will keep the shareholders and potential investors informed of any further material development relating to the Transaction by way of announcement(s) as and when necessary in accordance with the Hong Kong Listing Rules.

As the AWC Scheme of Arrangement is still subject to, among others, shareholders' approval from AWC and approval by the Court, the Transaction and the AWC Scheme of Arrangement may or may not materialise. There is no assurance that the Transaction or the AWC Scheme of Arrangement will take place or as to when they may take place. Shareholders and potential investors in the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AEST”	Australian Eastern Standard Time
“Alcoa”	Alcoa Corporation, a company incorporated in Delaware and whose shares are listed on the NYSE
“Alcoa Bidder”	AAC Investments Australia 2 Pty Ltd, an Australian proprietary company limited by shares and a wholly-owned indirect subsidiary of Alcoa
“Alcoa Preferred Share”	one non-voting preferred share of Alcoa having the rights and entitlements set out in the certificate of designation at schedule 2 of the Scheme Implementation Deed
“Alcoa Share”	one share of common stock of Alcoa
“Amending Deed”	the deed of amendment and restatement entered into between AWC and Alcoa on 21 May 2024, pursuant to which, among others, AWC and Alcoa agreed to amend the form of Scheme Consideration to be issued to the CITIC Shareholders
“ASIC”	the Australian Securities and Investments Commission
“ASX”	Australian Securities Exchange
“AUD”	Australian dollars, the lawful currency of Australia
“AWAC”	Alcoa World Alumina and Chemicals, a joint venture in the U.S. and which is owned as to 40% by AWC and 60% by Alcoa as at the date of this announcement
“AWC”	Alumina Limited, a company limited by shares, incorporated in Australia and whose shares are listed on the ASX (stock code: AWC)
“AWC February Announcement”	the announcement published by AWC on its website on 26 February 2024 in relation to the Non-binding Proposal
“AWC June Announcement”	the announcement published by AWC on its website on 11 June 2024 in relation to, among other things, the Scheme Booklet and the Scheme Meeting

“AWC March Announcement”	the announcement published by AWC on its website on 12 March 2024 in relation to, among others, the Scheme Implementation Deed
“AWC May Announcement”	the announcement published by AWC on its website on 21 May 2024 in relation to, among others, the Amending Deed
“AWC Scheme of Arrangement”	acquisition of 100% of the ordinary shares on issue in AWC by Alcoa by way of a scheme of arrangement, for scrip consideration of 0.02854 New Alcoa Shares (in the form of New Alcoa CDIs or New Alcoa Preferred Shares) for each AWC Share
“AWC Share”	a fully paid ordinary share in the capital of AWC
“AWC Shareholder”	each person registered in the register of members of AWC as a holder of AWC Shares
“Bestbuy”	Bestbuy Overseas Co., Ltd., a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of CITIC Limited
“Board”	the board of Directors
“CA”	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability and a wholly-owned subsidiary of CITIC Limited
“CDI” or “New Alcoa CDI”	being a unit of beneficial ownership in a New Alcoa Share registered in the name of CDN or held by CDN in the form of beneficial ownership, to be issued to Scheme Participants as Scheme Consideration under the AWC Scheme of Arrangement
“CDN”	CHESS Depository Nominees Pty Ltd, a wholly-owned subsidiary of ASX
“CHESS”	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited
“CITIC Group”	中國中信集團有限公司 (CITIC Group Corporation), a state-owned enterprise under the Ministry of Finance of the PRC, and the controlling shareholder of the Company
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the SEHK (stock code: 267) and a subsidiary of CITIC Group

“CITIC Shareholders”	collectively, Bestbuy, CRA and CA
“CRA”	CITIC Resources Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability and a wholly-owned subsidiary of the Company
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Main Board of the SEHK (stock code: 1205)
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Corporations Act”	the Corporations Act 2001 (Cth) of Australia
“Court”	Federal Court of Australia (sitting in Melbourne), or another court of competent jurisdiction under the Corporations Act agreed in writing by Alcoa and AWC
“Deed Poll”	the deed poll executed by Alcoa and Alcoa Bidder under which each of Alcoa and Alcoa Bidder covenanted in favour of each Scheme Participant to perform the actions attributed to it under the AWC Scheme of Arrangement and the Scheme Implementation Deed
“Directors”	the directors of the Company
“Effective”	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the AWC Scheme of Arrangement, but in any event at no time before an office copy of the order of the Court is lodged with ASIC based on the Scheme Implementation Deed
“Effective Date”	the date on which the AWC Scheme of Arrangement becomes Effective
“End Date”	31 December 2024 (AEST) or such other date as is agreed by Alcoa and AWC
“Group”	the Company and its subsidiaries from time to time
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the SEHK, as amended from time to time
“Implementation Date”	the fifth business day following the Scheme Record Date, or such other date after the Scheme Record Date as Alcoa and AWC agree in writing, ordered by the Court or required by ASX, which is currently expected to be Thursday, 1 August 2024 (AEST)
“Independent Third Party(ies)”	any person(s) or company(ies) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Hong Kong Listing Rules
“Keentech”	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of CITIC Limited
“New Alcoa Preferred Share”	a fully paid Alcoa Preferred Share to be issued as Scheme Consideration under the AWC Scheme of Arrangement
“New Alcoa Share”	an Alcoa Share to be issued to Scheme Participants as Scheme Consideration under the AWC Scheme of Arrangement (including those issued to CDN in connection with the New Alcoa CDIs)
“Non-binding Proposal”	a non-binding, indicative and conditional proposal from Alcoa to acquire 100% of the ordinary shares on issue in AWC by way of a scheme of arrangement, for scrip consideration of 0.02854 New Alcoa Share for each AWC Share
“NYSE”	New York Stock Exchange
“PRC”	People’s Republic of China, which, for the purpose of this announcement only, excludes Taiwan, the Hong Kong Special Administrative Region of the People’s Republic of China and the Macau Special Administrative Region of the People’s Republic of China
“Scheme Booklet”	the explanatory statement providing information about the AWC Scheme of Arrangement and notice of the Scheme Meeting issued by AWC on 11 June 2024

“Scheme Consideration”	the consideration to be provided by Alcoa Bidder (or by Alcoa on behalf of and at the direction of Alcoa Bidder) for the transfer of AWC Shares held by a Scheme Participant to Alcoa Bidder
“Scheme Implementation Deed”	the scheme implementation deed entered into between AWC and Alcoa on 12 March 2024, pursuant to which, among others, AWC and Alcoa agreed to implement the AWC Scheme of Arrangement on the terms and conditions set out thereunder, as amended and restated by the Amending Deed
“Scheme Meeting”	the meeting of holders of fully paid ordinary shares in AWC ordered by the Court to be convened by AWC under section 411(1) of the Corporation Act to vote on the AWC Scheme of Arrangement, which is currently scheduled at 2:00 p.m. on Thursday, 18 July 2024 (AEST)
“Scheme Participant”	each person who is an AWC Shareholder on the Scheme Record Date
“Scheme Record Date”	7.00 p.m. on Thursday, 25 July 2024 (AEST), the second business day following the Effective Date or such other date as AWC and Alcoa agree in writing
“SEHK”	The Stock Exchange of Hong Kong Limited
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Transaction”	participation of the Company in the AWC Scheme of Arrangement by transferring the Company’s entire equity interest in AWC to Alcoa Bidder in consideration of the Scheme Consideration in accordance with the terms of the AWC Scheme of Arrangement
“United States” or “US” or “U.S.”	the United States of America
“US Bank Holding Act”	US Bank Holding Company Act of 1956, as amended, together with the regulations promulgated thereunder

“USD” or “US\$” US dollars, the lawful currency of the United States
“U.S. GAAP” accounting principles generally accepted in the U.S.
“%” per cent

By Order of the Board
CITIC Resources Holdings Limited
Wat Chi Ping Isaac
Company Secretary

Hong Kong, 17 July 2024

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