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

Annual Report
年報
2024

OIL 原油

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

主要收入推動因素，位於哈薩克斯坦、中國和印尼的油田具有穩定的生產和開發。

ALUMINIUM 鋁

(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) Since 18 July 2024, the Group ceased to have any equity interest in Alumina Limited and in return holds approximately 3.03% equity interest in Alcoa Corporation (ASX: AAI; NYSE: AA), which is active in all aspects of the upstream aluminium industry with bauxite mining, alumina refining, and aluminium smelting and casting.

(1)於波特蘭鋁廠合營企業（世界上最大及最高效的電解鋁業務之一）擁有22.5%參與權益；及(2)自2024年7月18日起，本集團不再持有Alumina Limited任何股權，轉而持有Alcoa Corporation（澳交所：AAI；紐交所：AA）約3.03%股權。Alcoa Corporation業務涵蓋上游鋁業全產業鏈，包括鋁土礦開採、氧化鋁精煉以及鋁冶煉與鑄造。

COAL 煤

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.

於Coppabella和Moorvale煤礦合營項目（國際海運市場中低揮發性噴吹煤的主要生產商）擁有14%參與權益及於若干具有重大資源潛力的澳大利亞煤礦勘探業務中擁有若干權益。

IMPORT AND EXPORT OF COMMODITIES 進出口商品

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

進出口商品業務，立足於強大的專長及健全的營銷網絡，專注於國際貿易。

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Corporate Information

Board of Directors

Executive Directors

Mr. Hao Weibao *(Chairman and Chief Executive Officer)*
Mr. Wang Xinli *(Chief Financial Officer)*

Non-executive Director

Mr. Chan Kin

Independent Non-executive Directors

Dr. Fan Ren Da, Anthony (resigned on 18 March 2025)
Mr. Look Andrew
Mr. Lu Dequan
Dr. Cai Jin (appointed on 19 December 2024)

Audit Committee

Dr. Fan Ren Da, Anthony *(Chairman)*
(resigned on 18 March 2025)
Mr. Look Andrew
(redesignated as Chairman on 18 March 2025)
Mr. Lu Dequan
Dr. Cai Jin (appointed on 18 March 2025)

Remuneration Committee

Mr. Lu Dequan *(Chairman)*
Dr. Fan Ren Da, Anthony (resigned on 18 March 2025)
Mr. Look Andrew
Mr. Hao Weibao

Nomination Committee

Mr. Hao Weibao *(Chairman)*
Dr. Fan Ren Da, Anthony (resigned on 18 March 2025)
Mr. Lu Dequan
Dr. Cai Jin (appointed on 18 March 2025)

Risk Management Committee

Mr. Look Andrew *(Chairman)*
Dr. Fan Ren Da, Anthony (resigned on 18 March 2025)
Mr. Lu Dequan
Mr. Wang Xinli
Dr. Cai Jin (appointed 19 December 2024)

Company Secretary

Mr. Wat Chi Ping Isaac

Registered Office

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Hong Kong Branch Share Registrar and Transfer Office

TRICOR INVESTOR SERVICES 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
Mizuho Bank, Ltd., Hong Kong Branch

Chairman's Statement

Stablising core business, breaking new ground and starting a new chapter for the high-quality development of the Company

Dear Shareholders,

2024 was a year of challenges and transformations. The macro economic environment facing by the Company has undergone profound changes. Weakness in the global economic recovery and the rise of trade protectionism has impacted the stability and efficiency of global supply chains. International trade and commodity prices set back on geopolitical competition. Since I first joined the Company as the Chairman of the Board and CEO in April 2023, I have been committed to drive business transformation and development of the Company, delivering preliminary results under the strategy of "investment + trade" with the establishment of oil and gas trading system, business scale rapidly growth. Opportunities and new growth drivers were being identified as we gained momentum. With technological innovation and good management in place, further enhanced the foundation for preserving and substantiated the value of existing business.

In 2024, with "a new way of thinking, scientific operation, strengthened team competence and improved style of work" in mind, under the leadership of the Board and management, issues and risks were being addressed and resolved by all staff as a team, securing stable development for the Group. Results were steadfast and satisfactory, with growth witnessed in revenue and profit, and both managed to meet our goals and achieve certain breakthroughs. The Group reported a revenue of approximately HK$9.5 billion, a year-on-year increase of approximately 148.3%. Net profit attributable to the ordinary shareholders of the Company was approximately HK$572.6 million, an increase of approximately 3.8% year-on-year. Return on equity was approximately 7.4%. The Company's financial position was sound with sufficient liquidity. During the year, the Company distributed a dividend of HK2.5 cents per share, underscoring its enhanced ability to create value and foster sustainable and high-quality development.

These are the shared achievement of all staff who overcame adverse factors, both internally and externally, and difficulties with innovation and dedication. On behalf of the Board, I would like to take this opportunity to express our utmost respect and gratitude to the management and all staff for their dedication and efforts in the past year. At the same time, I would like to express my sincerest gratitude to our shareholders, business partners and peers on behalf of the Company.

Business Layout

The Group is committed to stablising our core business with optimised structure, and securing transformation and towards to a professional listed company in resources and energy. With ongoing consolidation of our existing core business and enhanced dual-driver strategy of "investment + trade", the Company's value creation capability continued to improve. In terms of the consolidation of our existing core business, we continued to step up our efforts in raising storage and production, persistently expanded the scale of production and sales, continued to introduce new processes and technologies, and empowered the development of the Company through technological innovation. Expansion of the oil trading business went well on the back of our dual driver of "investment + trade". We are looking to gain access to and participate in the market through trade with a low-risk profile in the next 2-3 years, increase our market participant, create a solid foundation to gain access to more upstream investment opportunities and first-hand oil sources, forming a virtuous cycle. Our investment focuses on key metal industry chains such as aluminum. We have obtained certain products' underwriting rights through minority equity investment,. The Company will dig into investment opportunities in the aluminum industry in existing developed markets. Meanwhile, it is our intention to promote green electrochemical transformation, industrial chain extension, cutting-edge primary aluminum manufacturing and other fields of industrial upgrading.

Project Management

In 2024, the Group has investigated the potential of our existing projects with technological innovation, striving to exploit the value of our projects. Driven by refined management and optimised resource allocation, we set our eyes on efficiency improvement, ensuring the stable operation of our existing assets.

The Group's oil and gas business ran smoothly in an orderly manner. We tapped the potential of our existing oil and gas projects with continued and improved management in the study and development of technological innovation. Starting with refined management, we improved oil extraction and raised storage and production, and taking advantage of technological innovation, efficiencies were improved and existing assets operated smoothly with the continued introduction of new technologies and new processes. We have obtained remarkable results from the study and evaluation of Hainan Block 20 in Yuedong Oilfield, with reserve upgraded in the block. KBM Oilfield promoted the ongoing exploration and expansion of Qianshan and Binhai reservoir, in which Binhai proved to be C1 category. Seram oilfield actively promoted POD approval of its natural gas reserves in Lofin area, strengthened scientific adjustment of producing wells, kicked off supporting wells, and attempted to apply chemical water plugging technology. In 2024, production of the Group's oil and gas business was on a steady uptrend and achieved satisfactory results in increasing storage and production.

Upon completion of the establishment of our risk control system, counterparty onboarding process, credit line application and other preparations, our oil trading business was officially launched during the year. The operation went well with steady growth in revenue. The business reported a revenue of HK$5.93 billion for the year and became an integral driving force for the new development of the Group. Meanwhile, leveraging the synergy with other oilfield investment, the trading and marketing raised the sale price of equity oil according to local conditions, expanded its export channels for oil products, and diversified the market value of oil products.

For non-oil-and-gas business, the Company fully exercised its rights as a shareholder, was heavily involved in the operation and management process of the project, identified issues in a timely manner, assisted in the problem solving process, and conveyed the Group's message in improving quality and efficiency to the operators. With the steady progress made in restoration and construction of Portland Aluminum Smelter's production capacity, the signing of a new EHA power guarantee agreement, efforts in our study in cost reduction and efficiency space and price rise of electrolytic aluminum on favorable timing, we managed to turn around and recorded a profit. In addition, we have reallocated resources to resolve CMJV coal business's bottleneck issue. Upon completion of the share swap deal with Alcoa Corporation in respect of the 9.6117% stake in Alumina Limited (AWC), we recorded a profit after tax of approximately HK$114.4 million, in line with the interests of our shareholders.

Environmental, Social and Governance ("ESG")

In order to achieve our goals in sustainable development, the Company has persistently and deeply integrated environmental, social and governance (ESG) concepts into its corporate strategy and daily operations, and is committed to striking an ideal balance between business development and environmental protection, and actively fulfilling social responsibilities.

As a player in the resources and energy sector, we understand the far-reaching impact of our decisions on the environment. Therefore, the Company strictly follows environmental protection measures in our operation process, adheres to clean production, actively responds to climate change, and strives to reduce and control pollutant emissions. While meeting social demand for resources and energy, we strive to promote the harmonious development and common progress of social economy and the environment.

Good corporate governance plays a pivotal role in improving operational efficiency, while sound compliance operation is the cornerstone of sustainable corporate development. The Company takes the lead to improve the corporate governance, strictly follows local laws, regulations and relevant rules as advised by regulatory agencies, and developes detailed company policies and codes of conduct to ensure the Company operates in a legally and in compliance. During the year, the Company introduced experienced female independent directors to further improve its corporate governance system.

For production safety, the Company is committed to adhering to the "safety first, prevention first and comprehensive management" policy in the prevention of all avoidable accidents, and always puts the health and safety of employees as our first priority.

With these efforts, the Company was awarded as an Outstanding and Sustainable ESG Company in green development and carbon neutrality in March 2024. Our MSCI ESG rating was significantly improved by two grades, from "B" to "BBB", establishing a green and positive corporate image.

Looking ahead to 2025, together with the difficult and complex global economic environment, sluggish and uncertain recovery and subdued commodity prices, the Company's operations are expected to be more challenging. However, there are always opportunities and challenges. We are seeing investment opportunities in the waves in global energy transformation and the rise of renewable energy. With our commitment and dedication, we are adopting stringent risk monitoring and controlling measures, and are also looking to improve operational efficiency with continued ramp-up in resources allocation and our "investment + trade" dual-driver development model, alongside our journey to equip ourselves as a sophisticated resources and energy listed company, return to shareholders with sustained high-quality value creation capability, and open up a brighter future for the Company.

Hao Weibao
Chairman

Hong Kong, 14 March 2025

Management's Discussion and Analysis

The Board of Company presents the 2024 annual results of the Group.

Financial Review

Group's financial results: **HK$'000**

Operating results and ratios

	Year ended 31 December		
	2024	**2023**	**Increase**
Revenue	**9,497,808**	3,825,577	148.3%
EBITDA [1]	**1,472,083**	1,342,906	9.6%
Adjusted EBITDA [2]	**2,091,723**	2,056,110	1.7%
Profit attributable to ordinary shareholders of the Company	**572,581**	551,803	3.8%
Adjusted EBITDA coverage ratio [3]	**10.2 times**	7.3 times	
Earnings per share (Basic) [4]	**HK7.29 cents**	HK7.02 cents	

Financial position and ratios

	Year ended 31 December		
	2024	**2023**	**Increase/ (decrease)**
Cash and deposits	**2,031,447**	1,483,816	36.9%
Total assets *	**12,673,143**	11,624,391	9.0%
Total debt [5]	**2,011,520**	1,830,739	9.9%
Net (cash)/debt [6]	**(19,927)**	346,923	(105.7)%
Total equity	**8,213,073**	7,841,423	4.7%
Current ratio [7]	**1.3 times**	1.7 times	
Net debt to net total capital [8]	**Nil**	4.2%	
Net asset value per share [9]	**HK$1.03**	HK$0.99	
Gearing ratio [10]	**35.2%**	32.5%	
Interest-bearing debt ratio [11]	**15.5%**	15.4%	

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 ordinary shareholders of the Company/weighted average number of ordinary shares in issue during the year
5 bank and other borrowings + lease liabilities
6 total debt – cash and deposits
7 current assets/current liabilities
8 net debt/(net debt + total equity) x 100%
9 equity attributable to ordinary shareholders of the Company/number of ordinary shares in issue at end of the year
10 total liabilities/total assets
11 total interest bearing liabilities/total assets
* including capital expenditure in respect of exploration, development and mining production activities during the year, totalling HK$361,928,000 (2023: HK$357,122,000)

Oil prices have confounded expectations in the first quarter of 2024, with Brent oil price hitting a high of US$78.0 per barrel. Although Organisation of Petroleum Exporting Countries (the "**OPEC**") announced delays to increase production multiple times in 2024, the production growth from non-OPEC members continued to increase, offsetting OPEC production cuts. Following this, weakening global economic growth contributed to downward pressure on the Brent oil price. As a result of the offsetting production and weakening demand, the Brent oil price continued to trend down in the second half of 2024, averaging US$75.0 per barrel during the fourth quarter of 2024.

During the year, the Group recorded a profit attributable to ordinary shareholders of the Company of approximately HK$572.6 million (2023: HK$551.8 million), representing an increase of approximately 3.8% year-on-year. The change was mainly attributable to the following factors:

(i) a gain on transferring all the equity interest in AWC held by the Group which was the former associate of the Group, in consideration for interests in Alcoa shares, representing an increase in the Group's profit after tax of approximately HK$114.4 million;

(ii) a significant increase in the share of profit of AWC year-on-year;

(iii) a slightly decrease in average selling price of crude oil sold by the Group year-on-year; and

(iv) a significant decrease in average selling price of coal sold by the Group year-on-year.

All of the Group's segments and investments recorded profits for the year ended 31 December 2024 and the Group continues to maintain a strong financial position with cash and deposits of approximately HK$2,031.4 million as at 31 December 2024 (2023: HK$1,483.8 million).

As a significant player in the natural resources industry, the Group recognises the critical importance of balancing business development with environmental resource management and fully acknowledges its social responsibilities. As a key member of the natural resources sector, we bear important responsibilities and consider ways to minimize negative environmental impacts in every operational decision we make. We adhere to the Group's operational management principles while implementing strict environmental protection measures. We promote harmonious development and progress between social economy and environment while meeting society's energy demands. The Group is also committed to participating in community development and public affairs, continuously creating social value and promoting social welfare. Please refer to the ESG Report for further details.

In 2025, the external environment is still highly uncertain with the co-existence of both challenges and opportunities. The global economy will maintain a mild stagflation pattern. With the de-escalation of the Russia-Ukraine war and the Palestinian-Israeli conflict and the increase in crude oil production in the United States, it is expected that the prices of bulk commodities, including oil, aluminium and coal, will continue to be under pressure, which will bring about greater challenges to the Group's operations. At the same time, the pace of global energy transformation keeps on going. Opportunities for investment transformation are generated by the rise of renewable energy and the expansion of scale of the circular economy. The rapid development of digital and intelligent technologies will also reduce costs by significantly improving the efficiency of exploration and development of oil, gas and minerals. The "Belt and Road" international cooperation projects initiated by China will also provide the Group with more opportunities in the overseas market.

2025 is a critical year for the Group to stabilize its principal business, adjust its structure and achieve transformation and development. The Group will implement the business strategy of "consolidating existing principal business and expanding the dual-wheel drive of "investment+trading". In respect of consolidating existing principal business, the Group will continue to step up its efforts in increasing reserves and output, continuously enlarge the scale of production and sales, continue to introduce new processes and technologies and empower the development of the Group through technological innovation. Regarding the expansion of the dual-wheel drive of "investment+trading", the Group will steadily expand the oil and gas trading business provided that the risks are all controllable. It is planned that, with low-risk trading businesses, the Group will get familiar with and engage the market in the next 2 to 3 years. After improving its market rating and enhancing the market influence, the Group will be fully prepared to obtain first-hand resources from crude oil producers in the future and get ready to start the long proprietary trading business of its own. At the same time, the Group will be able to have more financing and investment opportunities to form a virtuous circle and its investment business will focus on the key metal industry chain, such as aluminium, and to obtain product underwriting rights through minority equity investment. According to the current status of business development, the Group will focus on establishing "small yet wonderful" resource projects. The Group is eager to invest in projects within the aluminium industry chain in existing mature markets on one hand, and attempts to implement green electricity transformation, industry chain extension, cutting-edge primary aluminium manufacturing and other multi-field industrial upgrading on the other hand. The Group will rely on the dual-wheel drive of "investment+trading" to gradually transform into a professional listed company in the resource and energy sector.

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

Aluminium smelting

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

Revenue	HK$1,363.7 million	(2023:	HK$1,239.6 million)	▲	10%
Segment results	HK$71.5 million	(2023:	HK$206.6 million)	▼	65%

- The average achieved selling price of aluminium rised from 2023 close, contributed by trade disputes and disruptions in global supply chain. The segment reported an increase of approximately 10% in revenue, contributed by an approximate 7% rise in the average achieved selling price of aluminium rised. However, sales volume declined by approximately 6% compared to 2023. The segment recorded a profitable gross margin during the year of 2024, attributable to the lower production cost when compared with 2023 as higher production costs were incurred when the PAS partially curtailed its production volume by approximately 25% due to instability of equipment. Excluding the one-off reversal of the impairment charge of approximately HK$293.1 million recorded in 2023, the segment results showed a significant increase compared to 2023.

- 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 year caused a net exchange gain of approximately HK$33.0 million (2023: a net exchange gain of approximately HK$2.7 million).

- As disclosed in the announcement of the Company dated 18 August 2023, on 17 August 2023, the 2026 EHA has been entered into in respect of the PAS. The 2026 EHA is for a term of nine years commencing from 1 July 2026 and ending on 30 June 2035 and for the supply of 300 megawatts of electricity to the PAS. This volume of electricity supply represents approximately 50% of the energy required to meet the facility's nameplate capacity of 358,000 tonnes of aluminium per year. Apart from securing a stable supply of electricity for the operation of PAS, the 2026 EHA effectively allows the PAS to hedge the spot price for electricity for a specific load, and thereby enhancing predictability to the price of its electricity supply. In accordance with HKFRSs, EHA is accounted for as a financial derivative where movements in its fair value are recognised as gain or loss in the consolidated income statement. Pricing of the electricity include certain components which are linked to market inputs such as foreign exchange and the London Metal Exchange aluminium prices. During the year, the EHA3 fair valuation gain amounted to approximately HK$16.6 million (2023: a valuation loss of approximately HK$30.3 million).

- As disclosed in the announcement of the Company dated 16 March 2023, it was announced by AoA, which owns 55% participating interest in the PAS JV, in 2023, that the PAS began to immediately reduce its overall production due to operational instability. The smelter had to cut its output to approximately 75% of its total capacity. In 2024, the smelter reopened more pots and increased the output capacity to approximately 80%. Management will continue to monitor the situation to ensure operational stability before reopening more pots in 2025.

- The PAS has been identified as a cash generating unit (CGU) and the management had performed a review for any indicators of impairment on the PAS. As at 31 December 2024, management had performed a recoverable value assessment for the asset and no reversal of impairment was necessary in 2024 (2023: HK$293.1 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$787.1 million	(2023:	HK$1,111.2 million)	▼	29%
Segment results	HK$36.0 million	(2023:	HK$376.4 million)	▼	90%

- The average realised selling price of coal decreased by approximately 19% as compared to 2023. Lower gross margin was recorded in 2024, contributed by logistic challenges due to the disruptions in coal supplies, as well as operation issues contributed by labour shortages, had driven up the costs. Excluding the one-off reversal of the impairment charge of HK$101.9 million recorded in 2023, the segment results decreased by approximately 87% as compared to 2023.

- The Group's coal business is a net US$ denominated asset while most of its costs are payable in A$. Fluctuations between A$ and US$ throughout the year caused a net exchange gain of approximately HK$5.6 million (2023: a net exchange gain of HK$4.6 million).

- As at 31 December 2024, CMJV has been identified as a cash generating unit (CGU) and the management had performed an assessment on CMJV CGU assets, in accordance with HKFRSs, no reversal was necessary in 2024 (2023: HK$60.8 million).

- The Group also had participating interests in various exploration of coal mines in Queensland which is considered as a CGU asset. As at 31 December 2024, based on assessment performed on these assets, in accordance with HKFRSs, no reversal was necessary in 2024 (2023: HK$41.1 million).

Commodities Trading

• Revenue	HK$5,930.6 million	(2023:	HK$0.5 million)	N/A
Segment results	A gain of HK$1.7 million	(2023:	A loss of HK$4.1 million)	N/A

- Since the cessation of the import of steel products operations in the second half of 2022, management has been actively exploring various new opportunities for trading commodities. In January 2024, the Group signed the first contract for a back-to-back trading of crude oil and the first shipment occurred in February 2024. With the efforts of the trade and marketing team, the Group generated trading revenue of approximately HK$5.9 billion by selling of approximately 9.6 million barrel of crude oil and oil products in 2024.

- In April 2020, Weihai City Commercial Bank Co., Ltd. ("**Weihai Bank**") commenced Claims in the People's High Court of Shandong Province against, amongst others, a wholly-owned subsidiary of the Company, CACT. The Claims relate to three letters of credit (US$28.4 million) 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. Weihai Bank had arranged for the issuance of the letter of credits as payment on behalf of Decheng; it subsequently disputed the authenticity of the warehouse receipts for the aluminium stored at the bonded warehouses at Qingdao Port.

  In December 2020, the People's High Court of Shandong Province ("**Shandong Court**") issued a First Instance Judgment and ruled 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. Weihai subsequently submitted an appeal to the Supreme Court of the People's Republic of China ("**SPC**"), appealing against the decision of the Shandong Court.

  On 12 December 2022, the SPC held that the Shandong Court did not clearly ascertain the facts of the Claims based on the evidence made available at the lower court; the SPC ordered that the First Instance Judgment be rescinded and the cases be referred back to the Shandong Court for a retrial. CACT has engaged local counsel in China to defend the Claims accordingly.

  A hearing was held at the Shandong Court on 10 January 2024 and CACT submitted to the court all requisite evidence for the purpose of fact finding of the case. On 30 July 2024, the Shandong Court issued a first-instance judgment, remanding the case for retrial. The court ruled that CACT did not commit letter of credit fraud and bore no fault for the losses suffered by Weihai Bank. However, based on equitable considerations, CACT was ordered to compensate Weihai Bank of approximately RMB1.15 million. In August 2024, both Weihai Bank and CACT lodged appeals separately. The case is now under further review by the SPC.

  CACT maintains the view that the Claims are without merit and groundless.

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 2024, in respect of the PSC, the Seram Block had estimated proved oil reserves of approximately 2.4 million barrels (2023: 2.7 million barrels) as determined in accordance with the standards of the PRMS with the decrease in oil reserves due to production activities.

- During the year, the segment results of CITIC Seram recorded a profit of approximately HK$2.6 million (2023: HK$43.4 million). The following table shows a comparison of the performance of the Seram Block for the years stated:

		2024 (41%)	2023 (41%)	Change
Average benchmark end-market mean of				
Dated Brent crude oil	(US$ per barrel)	**80.7**	82.7	▼ 2%
Platts Singapore (MOPS):				
Platts HSFO 180 CST Singapore	(US$ per barrel)	**69.5**	67.5	▲ 3%
Platts HSFO 380 CST Singapore	(US$ per barrel)	**67.8**	66.1	▲ 3%
Average crude oil realised price	(US$ per barrel)	**59.3**	57.9	▲ 2%
Sales volume	(barrels)	**119,000**	151,000	▼ 21%
Revenue	(HK$ million)	**55.0**	68.1	▼ 19%
Total production	(barrels)	**117,000**	149,000	▼ 21%
Daily production	(barrels)	**320**	409	▼ 22%

An approximate 19% drop in revenue was a result of an approximate 2% increase in the average crude oil realised price coupled with an approximate 21% decrease in the sales volume.

Production decreased by approximately 21% year-on-year due to natural decline of existing wells.

Cost of sales per barrel increased by approximately 230% as compared to 2023, primarily due to an increase in depreciation, depletion, and amortization. This increase can be attributed to change in treatment of abandonment cost in 2023, which resulted in lower depreciation, depletion and amortisation per barrel for that year.

Under a stringent cost control program, only essential repairs and maintenance works have been deployed to maintain production level of existing wells.

In 2024, the Seram oilfield achieved a net profit attributable to ordinary shareholders of the Company of approximately HK$1.7 million, representing a year-on-year decrease of approximately 95.9% as compared to 2023.

- In January 2021, CITIC Seram was advised by SKK MIGAS (a special task force established by the government of the Republic of Indonesia to manage the upstream oil and gas business activities of the country) to offer a 10% participating interest under the PSC to MEA, a company owned and appointed by the local government of Maluku. MEA would set up a subsidiary to receive such 10% participating interest. Based on a letter issued by The Minister of Energy and Mineral Resources of 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.

  In June 2023, CITIC Seram signed a transfer agreement in respect of the transfer of 10% participating interest in the PSC to MEA (or its subsidiary). The transfer is conditional on, among others, the approval from the relevant authority of the government of the Republic of Indonesia. As of the date of this report, SKK MIGAS has approved transfer, but approval from the Ministry of Energy and Mines of Indonesia is still pending. A loss of approximately HK$6.8 million on the disposal of partial participating interest was recorded during the year and debited to "Other income, gains and losses, net" in the consolidated income statement.

- In July 2022, CITIC Seram received tax assessment letters for the underpayment of the fiscal years 2017 and 2018 corporate income tax ("**CIT**") and branch profit tax ("**BPT**") including penalty totalling US$2.1 million. CITIC Seram settled this amount and lodged Tax Objection Letter to the Indonesia Tax Office in September 2022.

  In July 2023, CITIC Seram was notified by the Indonesia Tax Office that the tax objection has been rejected. As a result, CITIC Seram initiated the legal process and appealed to the tax court in October 2023. In November 2024, CITIC Seram obtained a favorable preliminary judgment. Up to the date of this report, the lawsuit is still undergoing.

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 2024, the Yuedong oilfield had estimated proved oil reserves of approximately 21.5 million barrels (2023: 24.3 million barrels) as determined in accordance with the standards of the PRMS with the decrease in oil reserves due to production activities.

During the year, the segment results of CITIC Haiyue recorded a profit of approximately HK$570.1 million (2023: HK$638.4 million), representing a year-on-year decrease of approximately 11%. The following table shows a comparison of the performance of the Yuedong oilfield for the years stated:

		2024	2023		
		(Tincy Group's share)			Change
Average benchmark quote: Platts Dubai crude oil	(US$ per barrel)	**79.4**	81.7	▼	3%
Average crude oil realised price	(US$ per barrel)	**79.36**	81.6	▼	3%
Sales volume	(barrels)	**2,199,460**	2,199,000	▲	0%
Revenue	(HK$ million)	**1,361.42**	1,406.2	▼	3%
Total production	(barrels)	**2,171,076**	2,147,000	▼	1%
Daily production	(barrels)	**5,948**	5,882	▼	1%

- An approximate 3% decrease in revenue was mainly due to an approximate 3% decrease in the average crude oil realised price, together with the sales volume remained nearly the same when compared to 2023. Production increased by approximately 1% as compared to 2023, mainly as a result of replacing crude oil with accompanying natural gas as fuel for boilers, which lead to injection of steam into the production of heavy oil in the oilfield, thereby saving crude oil consumption and achieving a year-on-year increase in equity production. Meanwhile, the trade and marketing department of the Company expanded various sales channel to increase the sales price of crude oil for Yuedong oilfield, which increase the sales revenue during the year.

- Cost of sales per barrel increased by approximately 7% as compared to 2023, attributable to (a) an approximate 11% increase in depreciation, depletion and amortisation per barrel due to a reversal of provision for impairment in 2023; (b) an approximate 2% increase in direct operating costs per barrel, which was mainly due to increased repairs and maintenance costs and well operation costs; and (c) the decrease in marginal output net of marginal cost, which was mainly due to the fact that the development of the oilfield has reached its middle stage of production. On the other hand, RMB, the functional currency of Tincy Group, has depreciated against HK$ by approximately 1% during the year, has reduced the negative impact from the increasing cost of sales.

- Under a stringent cost control program, only essential repairs and maintenance works have been deployed to maintain production level of existing wells, and effective production capacity increment will be achieved through the development of added drilling wells. Application of new technologies will also be promoted to improve productivity in the Yuedong oilfield. And also, Tincy Group successfully completed the conversion of non-resident taxpayer status, promoting the deductible loan interest for the Group during the year.

- During the year, the extraction of crude oil by Tincy Group's oilfield required additional efforts and CAPEX as the actual situation was different from estimation. Management considers that this is a potential impairment indicator and has performed an assessment of the recoverable amount. The forecast CAPEX has been revised based on the actual situation encountered in 2024.

- As at 31 December 2024, a provision for impairment was made in respect of certain oil and gas properties of CITIC Haiyue and credited to "Other expenses, net" of approximately HK$51.5 million in the consolidated income statement.

Bauxite mining and alumina refining

- Before 18 July 2024, the Group had an interest in a world-class global portfolio of upstream mining and refining operations in the aluminium sector through 278,900,000 ordinary shares, representing 9.6117% equity interest in AWC, a leading Australian company listed on the ASX (Stock Code: AWC). Other subsidiaries of CITIC Limited had a total 9.3070% equity interest in AWC. AWC was treated as an investment in an associate of the Group.

  AWC had 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 accounted for its share of profit or loss in AWC using the equity method. During the year, the Group for accounted its share of gain of an associate of approximately HK$17.3 million (2023: share of loss of approximately HK$112.5 million) and the Group did not receive any dividend from AWC (2023: nil).

  As at 31 December 2023, there was a significant gap between the market value of the Group's investment in AWC compared to its carrying value by approximately 32%. In accordance with HKFRSs, management had performed a recoverable value assessment for the asset and recorded an impairment charge of approximately HK$844.7 million at year-end accordingly.

  On 26 February 2024, AWC had received a non-binding, indicative and conditional proposal from Alcoa to acquire 100% of the issue shares in AWC via a scheme of arrangement ("**Scheme**"), for scrip consideration of 0.02854 shares of Alcoa common stock for each AWC share. On 18 July 2024, the AWC's shareholders voted and approved the Scheme during the special meeting of stockholder. The Scheme had been implemented and has completed on 1 August 2024.

Since 18 July 2024, the Group ceased to have any equity interest in Alumina Limited and in return holds 7,959,806 Alcoa Clearing House Electronic Sub-register System Depositary Interests, representing approximately 3.03% equity interest in Alcoa (ASX: AAI; NYSE: AA), which is active in all aspects of the upstream aluminium industry with bauxite mining, alumina refining, and aluminium smelting and casting. The Group's interest in AA is being classified as a financial asset at fair value through other comprehensive income and the subsequent measurement of which will be solely based on the movement of AA's share price. As at 31 December 2024, the investment cost of AA amounted to approximately HK$2,285.4 million (2023: nil), while the carrying amount of the investment in AA was approximately 18.1% (2023: nil) of the Group's total assets.

Alcoa is active in all aspects of the upstream aluminium industry with bauxite mining, alumina refining, and aluminium smelting and casting. The investment in AA is considered as strategic investment which aligned with the strategy of the Group's business.

Further details of the major disposal in relation to the equity interest in AWC and major acquisition in related to the equity interest in AA are set out in notes 19 and 21 to the Financial Statements and also the announcement of the Company dated 17 July 2024 and the circular of the Company dated 18 July 2024.

- The Group accounts for its increase or decrease of fair value of the interest in AA which is solely based on the movement of share price of AA is presented in other comprehensive income. During the year, the Group accounts for its fair value increase in AA of approximately HK$4,299,000, which is mainly attributable to the increase in share price of AA. As at 31 December 2024, the fair value of the interest in AA amounted to approximately HK$2,289,703,000 (2023: nil)

  During the year, a dividend was received from AA of approximately HK$12,417,000 (2023: nil).

  Further details of AA are set out in note 21 to the Financial Statements.

  Detail financial results of Alcoa are available on its website at https://www.alcoa.com.

Crude oil and bitumen (the Karazhanbas oilfield, Kazakhstan)

- CITIC Oil & Gas, an indirect wholly-owned subsidiary of the Company, and JSC KazMunaiGas Exploration Production, through CCEL, jointly own, manage and operate KBM. Effectively, by holding 100,000 ordinary shares in CCEL (2023: same), the Group owns 50% of the issued voting shares of KBM (which represents 47.3% of the total issued shares of KBM). As at 31 December 2024, the investment cost of CCEL amounted to approximately HK$1,924.8 million (2023: same), while the carrying amount of the investment in CCEL was approximately 21.2% (2023: 24.0%) of the Group's total assets.

  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. The investment in CCEL is considered as strategic investment which aligned with the strategy of the Group's business.

  As at 31 December 2024, the Karazhanbas oilfield had estimated proved oil reserves of approximately 121.5 million barrels (2023: 130.4 million barrels) as determined in accordance with the standards of the PRMS with the decrease in oil reserves due to production activities.

In 2024, the KBM oilfield achieved a net profit attributable to ordinary shareholders of the Company of approximately HK$239.6 million, representing a year-on-year decrease of approximately 39.9%.

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

Share of profit of a joint venture HK$239.6 million (2023: HK$398.4 million) ▼ 40%

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

		2024 (50%)	2023 (50%)	Change
Crude oil				
Average benchmark end-market quotes:				
Urals Mediterranean crude oil	(US$ per barrel)	**71.5**	62.1	▲ 15%
Dated Brent crude oil	(US$ per barrel)	**80.7**	82.7	▼ 2%
Average crude oil realised price	(US$ per barrel)	**67.8**	67.2	▲ 1%
Sales volume	(barrels)	**6,596,000**	6,158,000	▲ 7%
Revenue	(HK$ million)	**3,489.5**	3,227.9	▲ 8%
Total production	(barrels)	**7,194,000**	6,857,000	▲ 5%
Daily production	(barrels)	**19,700**	18,800	▲ 5%
Bitumen				
Average selling price	(US$/tonne)	**315.6**	248.6	▲ 27%
Sales volume	(tonnes)	**121,000**	179,000	▼ 32%
Revenue	(HK$ million)	**298.2**	346.5	▼ 14%
Total production	(tonnes)	**121,000**	179,000	▼ 32%

Revenue of crude oil increased by approximately 8% when compared to 2023, attributable to an approximate 7% increase in sales volume and an approximate 1% increase in the average crude oil realised price. Revenue of bitumen decreased by approximately 14% when compared to 2023 as a result of an approximate 32% decrease in sales volume of bitumen and an approximate 27% increase in the average selling price of bitumen. Production of crude oil increased by approximately 5% and production of bitumen decreased by approximately 32% when compared to 2023. An increase in production of crude oil was attributed by the recovery of the massive power supply failure and rationing in Kazakhstan in 2023.

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 volume on a quarterly basis at rates per US$ amount by reference to the average oil price for the quarter.

Cost of sales per barrel increased by approximately 3% when compared to 2023, of which (a) direct operating costs per barrel increased by approximately 2% mainly as a result of an increase in wages and salaries and water supply; and (b) depreciation, depletion and amortisation per barrel increased by approximately 9% as a result of a reversal of provision for impairment was recognised in respect of certain oil and gas properties of KBM in 2023.

Selling and distribution costs per barrel increased by approximately 10% when compared to 2023. 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 approximately 7% and 23%, respectively.

- In 2023, a reversal of provision for impairment was recognised in respect of certain oil and gas properties of KBM and credited to "Reversal of impairment of items of property, plant and equipment" in CCEL's consolidated income statement. The Group's share was HK$201.4 million (after tax expense) and the amount was credited to "Share of profit of a joint venture" in the consolidated income statement of the Group.

  During the year, a dividend was received from CCEL of approximately HK$173,345,000 (2023: nil).

Liquidity, financial resources and capital structure

Cash and Deposits

In 2024, the Group continues to maintain a strong financial position, with cash and deposits balances amounting to approximately HK$2,031.4 million as at 31 December 2024 (31 December 2023: HK$1,483.8 million).

Borrowings and Banking Facilities

As at 31 December 2024, the Group had total debt of approximately HK$2,011.5 million (31 December 2023: HK$1,830.7 million), over 97.9% of the Group's total debts are denominated in RMB (31 December 2023: over 78.7% are dominated in US$) which comprised:

- unsecured bank borrowing of approximately HK$1,011.0 million (31 December 2023: HK$1,009.9 million);
- unsecured other borrowings of approximately HK$957.8 million (31 December 2023: HK$780.0 million); and
- lease liabilities of approximately HK$42.7 million (31 December 2023: HK$40.8 million).

Most of the transactions in the Group's import and export of commodities business are debt-funded. However, in contrast to loans, these borrowings are self-liquidating, transaction-specific and of short durations, as well as match the terms of the underlying transactions. Upon receipt of sales proceeds following the completion of a transaction, the related borrowings would be repaid accordingly.

The Group's total debt increased by approximately HK$180.8 million which was mainly due to the net borrowing of bank and other borrowings amounted to approximately HK$178.9 million during the year.

The Group aims to maintain the cash and deposits and undrawn banking facilities at approximately US$526.4 million (equivalent to approximately HK$4,105.9 million) as at 31 December 2024, at a reasonable level to meet the debt repayments and capital expenditures in the coming year.

On 29 December 2022, 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 revolving loan facility of US$150.0 million (HK$1,170.0 million) (the "**A Loan**"). As at 31 December 2024, the outstanding balance of the A Loan was fully repaid.

In June 2021, a wholly-owned subsidiary of the Company entered into an unsecured 3-year committed US$200.0 million (equivalent to approximately HK$1,560.0 million) term loan facility agreement with China CITIC Bank International Limited (a fellow subsidiary of the Company) (the "**B Loan**"), effective from 24 June 2021. On 30 June 2023, the B Loan was extended for 2 years, with a new maturity date of 30 June 2026. As at 31 December 2024, the agreement for the B Loan had been expired.

In November 2024, a wholly-owned subsidiary of the Company entered into an unsecured 1-year total uncommitted multi-currency credit facility of approximately US$140.0 million (equivalent to approximately HK$1,092.0 million) (the "**C Loan**"). As at 31 December 2024, the outstanding balance of the C Loan was RMB950.0 million (equivalent to approximately HK$1,010.9 million), which is interest-bearing at CNH Hong Kong Interbank Offered Rate plus margin per annum, repayable in 2025.

On 22 May 2023, the Company entered into a facility agreement with Mizuho Bank, Ltd, Hong Kong branch and Bank of China (Hong Kong) Limited for an unsecured 3-year committed revolving loan facility of US$100.0 million (equivalent to approximately HK$780.0 million) (the "**D Loan**"). As at 31 December 2024, the outstanding balance of the D Loan was fully repaid.

In January and December 2024, a 90%-owned subsidiary of the Company entered into two unsecured 2-year credit facility agreements with CITIC Finance Company Limited (a fellow subsidiary of the Company) for a total of RMB1,000.0 million (equivalent to approximately HK$1,064.2 million), RMB800.0 million (equivalent to approximately HK$851.4 million) (the "**E Loan**") and RMB200.0 million (equivalent to approximately HK$212.8 million) (the "**F Loan**") respectively. As at 31 December 2024, the total outstanding balance of the E Loan was RMB720 million and F loan was RMB180 million (equivalent to approximately HK$957.8 million), which are interest-bearing at 1-year Loan Prime Rate deduct margin per annum, repayable in 2026.

Trade Finance

The Group's normal trading operations are well supported by US$280.0 million (equivalent to approximately HK$2,223.0 million) in bank trading facilities that mainly include letters of credit issued to suppliers. A letter of credit is a common means of payment to suppliers to support cross-border trades. The Group's payment obligations on letters of credit issued to suppliers will only be crystallised when our suppliers have shipped the merchandise to our customers or to the Group in accordance with all the terms and conditions specified in the related contractual documents. As at 31 December 2024, approximately 78.9% of the trade finance facilities was used.

Finance Leases

The Group leases certain plant and machinery for its aluminium and coal mining operations under finance leases. The lease liabilities arising from these finance leases as at 31 December 2024 were approximately HK$7.2 million (31 December 2023: HK$13.2 million).

As at 31 December 2024, the Group's net debt to net total capital ratio was nil (31 December 2023: 4.2%). Of the Group's total debt, approximately HK$1,027.0 million was repayable within one year, including a bank borrowing and lease liabilities.

Share capital

There was no movement in the share capital of the Company in 2024.

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 has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group assesses the respective exposures of each of its operating units and enters into forward currency contracts of appropriate amounts to hedge those exposures. The forward currency contracts must be in the same currency as that of the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The Group enters into derivative transactions such as electricity hedge agreements and foreign exchange contracts. The purpose is to manage the price risk and forward foreign currency risk arising from the Group's operations.

Pledge of Assets

As at 31 December 2024, the Group had no pledge of assets.

Contingent Liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

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 31 December 2024, the Group had 193 full time employees, including management and administrative staff (31 December 2023: 195).

In addition, the Group would share the expenses of the subcontractor remuneration in respect 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), involving approximately 1,522 employees in total (2023: 1,529) and amounting to approximately HK$337.1 million (2023: HK$345.2 million).

The Group's remuneration policy seeks to provide fair market remuneration in a form and value to attract, retain and motivate high quality staff. Remuneration packages are set at levels to ensure comparability and competitiveness with other companies in the industry and market competing for a similar talent pool. Emoluments are also based on an individual's knowledge, skill, time commitment, responsibilities and performance and by reference to the Group's profits and performance. Rent-free quarters are provided to some employees in Indonesia.

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.

Board of Directors and Senior Management

Directors

Mr. Hao Weibao	*Chairman, Executive Director and Chief Executive officer*
Mr. Wang Xinli	*Executive Director and Chief Financial Officer*
Mr. Chan Kin	*Non-executive Director*
Dr. Fan Ren Da, Anthony (resigned on 18 March 2025)	*Independent Non-executive Director*
Mr. Look Andrew	*Independent Non-executive Director*
Mr. Lu Dequan	*Independent Non-executive Director*
Dr. Cai Jin (appointed on 19 December 2024)	*Independent Non-executive Director*

Directors – Biographies

Executive Directors

Mr. Hao Weibao, aged 56, joined the Company in April 2023 as an executive director, the Chairman and the CEO of the Company. He is also an Authorised Representative, the chairman of the Nomination Committee, a member of the Remuneration Committee and a director of certain subsidiaries of the Company. He was a member of the Risk Management Committee of the Company from 18 April 2023 to 26 March 2024. Mr. Hao is responsible for the strategic and corporate development, and the overall management and operations of the Group. Mr. Hao holds a Bachelor degree of Economics from Jiangxi University of Finance and Economics, a Masters in Business Administration degree from Chinese University of Hong Kong and a Doctor of Philosophy degree in Management awarded by the University of Chinese Academy of Sciences. Mr. Hao joined CITIC Limited (stock code: 267) (a company listed on the Main Board of the Stock Exchange, together with its subsidiaries, the "**CITIC Group**") since April 2008 and has been serving as the chairman of CITIC Metal Group Co., Ltd. (中信金屬集團有限公司) since April 2024, and served as the vice chairman and general manager of CITIC Metal Group Co., Ltd. (中信金屬集團有限公司) between April 2023 and April 2024, the parent company of CITIC Metal Co., Ltd. (中信金屬股份有限公司，one of the first batch of listed companies in the main board registration system of the Shanghai and Shenzhen Stock Exchanges (stock code: 601061)). He served as the assistant to the general manager, subsequently as the deputy general manager and then as the general manager of CITIC Investment Holdings Limited (中信投資控股有限公司) between 2008 and 2015, during which period Mr. Hao also served as the general manager of CITIC Environment Protection (Investment) Co. Ltd. (中信環保(投資)股份有限公司). He served as the party secretary, chairman and general manager of CITIC Environment Investment Group Co., Limited (中信環境投資集團有限公司) from 2015 to 2023. Prior to joining the CITIC Group, Mr. Hao held several positions at Sinopec Engineering Incorporation (中國石化工程建設公司) from July 1992 to November 1997, and was mainly in charge of financial and project management. Mr. Hao worked at China International United Petroleum and Chemical Company Limited ("**UNIPEC**") as a director and the chief financial officer of the United Kingdom branch ("**UK Branch**") from December 1997 to April 2002, the deputy general manager of the UK Branch from April 2002 to June 2006, the deputy manager of the crude oil department of the head office from September 2005 to March 2007, the acting general manager of the UK Branch from June 2006 to February 2007, and the vice chief accountant of the head office from March 2007 to March 2008. During his employment at UNIPEC, he was mainly responsible for financial management, futures market operation and internal risk control. Mr. Hao has over 31 years' experience in overseas business management, financial management, investment and project management, international financing and international trade.

Mr. Wang Xinli, aged 54, joined the Company in 2007, and has served as the vice president of the Company since 2017. In April 2021, he assumed the additional role of chief financial officer of the Company and has been appointed as an executive Director of the Company in December 2023 and a member of the Risk Management Committee on 26 March 2024. He is a director of several subsidiaries and joint ventures of the Company. Mr. Wang holds a Bachelor's Degree in Accounting from the Beijing Institute of Machinery Industry. He is a qualified accountant of China. Prior to joining the Company, Mr. Wang was engaged in several subsidiaries of CITIC Group. Mr. Wang has over 31 years' experience in enterprise management, financial management and strategic management.

Non-executive Director

Mr. Chan Kin, aged 58, joined in 2017 as a non-executive director of the Company. Mr. Chan holds an AB degree from Princeton University and a master's degree in Business Administration from the Wharton School of University of Pennsylvania where he was a Palmer Scholar. He is the founder, a partner and chief investment officer of Argyle Street Management Limited ("**ASM Limited**"). He is the chairman and a deemed executive director of TIH Limited (Stock Code: T55) and a non-executive non-independent director of OUE Limited (Stock Code: LJ3), both companies listed on the Singapore Exchange. He has been appointed as a member of the board of commissioners of PT Lippo Karawaci Tbk, a real estate company listed on Indonesia Stock Exchange since April 2019. Mr. Chan has been appointed as an independent non-executive director of Pioneer Global Group Limited (Stock Code:224), a company listed on the Hong Kong Stock Exchange since September 2023. He ceased to act as a non-executive director of Mount Gibson Iron Limited (Stock Code: MGX), a company listed on the ASX and The ONE Group Hospitality, Inc. (Stock Code: STKS), a company listed on the Nasdaq Stock Market in January 2018 and January 2019 respectively. Mr. Chan is a responsible officer of ASM Limited and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activity. He is also a licensed representative in Singapore for TIH Investment Management Pte Ltd. Mr. Chan has over 35 years' experience in international capital markets, investment banking, corporate advisory and major transactions, particularly in Asia.

Independent Non-executive Directors

Dr. Fan Ren Da, Anthony*Note*, aged 64, joined the Company in 2000 as an independent non-executive director of the Company. He was the chairman of the Audit Committee and a member of the Remuneration Committee, Nomination Committee and Risk Management Committee. Dr. Fan holds a master's degree in Business Administration from the United States of America and a PhD degree in Economics. Dr. Fan had served as an independent non-executive director of China Development Bank International Investment Limited (Stock Code: 1062) from 21 March 2012 to 20 March 2024, an independent non-executive director of 3DG Holdings (International) Limited (Stock Code: 2882, formerly known as Hong Kong Resources Holdings Company Limited) from 2008 to 9 February 2024, an independent non-executive director of China Dili Group (Stock Code: 1387) from 2008 to 12 August 2024, and an independent non-executive director of Haitong Securities Co., Ltd (Stock Code before delisting: 6837) between 12 October 2023 and 4 March 2025. He is currently the chairman and managing director of AsiaLink Capital Limited. He is also an independent non-executive director of Uni-President China Holdings Ltd. (Stock Code: 220), Shanghai Industrial Urban Development Group Limited (Stock Code: 563), Semiconductor Manufacturing International Corporation (Stock Code: 981), Technovator International Limited (Stock Code: 1206) and Neo-Neon Holdings Limited (Stock Code: 1868), all listed on the Main Board of the Stock Exchange. Dr. Fan has been re-designated from an independent non-executive director to an executive director and resigned as the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of Tenfu (Cayman) Holdings Company Limited (Stock Code: 6868), a company listed on the Stock Exchange, with effect from May 2021. Dr. Fan has also been appointed as a non-executive director of Hilong Holding Limited (Stock Code: 1623) since July 2022. He is also the founding president of The Hong Kong Independent Non-Executive Director Association. Dr. Fan held senior positions with various international financial institutions.

Note: Subsequent to the report, Dr. Fan Ren Da, Anthony resigned as an independent non-executive director of the Company and ceased to be the Chairman of the Audit Committee and a member of the Remuneration Committee, Nomination Committee and Risk Management Committee on 18 March 2025. Pursuant to a news dated 14 March 2025 published by the Securities and Futures Commission of Hong Kong (SFC), legal proceedings were commenced in the Court of First Instance by the SFC to seek disqualification and compensation orders against, among others, Dr. Fan Ren Da, Anthony (in relation to his previous position as an independent non-executive director of 3DG Holdings (International) Limited (formerly known as Hong Kong Resources Holdings Company Limited)). Please refer to the announcement of the Company dated 18 March 2025 for further details.

Mr. Look Andrew, aged 60, joined the Company in 2015 as an independent non-executive director of the Company. He is the chairman of the Risk Management Committee and a member of the Remuneration Committee, and has been re-designated from a member to the chairman of the Audit Committee with effect from 18 March 2025. Mr. Look holds a bachelor of commerce degree from the University of Toronto and has over 34 years' experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look has been appointed as an independent non-executive director and members of the audit committee, and remuneration committee as well as the chairman of nomination committee of L.K. Technology Holdings Limited (Stock Code: 558) since 1 April 2022. He currently serves as independent non-executive directors of Hung Fook Tong Group Holdings Limited (Stock Code: 1446), EC Healthcare (formerly known as Union Medical Healthcare Limited) (Stock Code: 2138), all of which listed on the main board of the Stock Exchange. Mr. Look was an independent non-executive director of TCL Communication Technology Holdings Limited (a company delisted on the Stock Exchange on 30 September 2016) from September 2010 to September 2016. He also previously served as an independent non-executive director of Baijin Life Science Holdings Limited (formerly known as Affluent Partners Holdings Limited) (Stock Code: 1466), Cowell e Holdings Inc. (Stock Code: 1415) and Ka Shui International Holdings Limited (Stock Code: 822), all of which listed on the main board of the Stock Exchange from September 2014 to December 2016, from April 2017 to December 2018 and from December 2009 to May 2024, respectively.

Mr. Lu Dequan, aged 65, joined the Company in December 2023 as an independent non-executive director of the Company. He is the chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Risk Management Committee. Mr. Lu holds a Bachelor's Degree from Beijing University of Chemical Technology in Chemical Synthesis, a Senior Engineer Certificate from China Petrochemical Corporation ("**SINOPEC**"), a Qualified Foreign Trader Certificate from the Ministry of Foreign Economic Relations and Trade of the People's Republic of China, and a Qualified Futures Trader Certificate from the China Securities Regulatory Commission. From October 2008 to July 2020, Mr. Lu served as the vice president of Innovation Technology Limited and 3I Corporation Limited in Hong Kong and was in charge of the petrol chemical products and equipment business. He served as the vice president of China Petrochemical International Company Limited* (中國石化國際事業有限公司) from July 2007 to April 2008, where he was in charge of chemicals and equipment import and export business. Prior to that, he worked at China International United Petroleum and Chemical Company Limited ("**UNIPEC**"), a trading arm of SINOPEC, serving as the vice general manager and general manager at the Crude Oil Department of UNIPEC from January 1998 to July 2000, the managing director at the UK branch of UNIPEC from July 2000 to June 2006, and the vice president of UNIPEC from June 2006 to July 2007. During his employment at UNIPEC, Mr. Lu was mainly responsible for crude oil trading, shipping and finance derivative hedging businesses. Prior to working at UNIPEC, Mr. Lu held several positions in the subsidiaries of SINOPEC, including the general manager of oil department and the vice president of SINOPEC (Hong Kong) Limited from September 1991 to December 1997, where he was responsible for import, export and international trading of crude oil and oil products, crude oil processing, and hedging business. Mr. Lu has over 39 years' experience in petrochemical and international trading business.

Dr. Cai Jin, aged 43, joined the Company in December 2024 as an independent non-executive Director and member of the Risk Management Committee, and is appointed as a member of each of the Audit Committee and Nomination Committee on 18 March 2025. Dr. Cai is a neo-institutionalist economist and private investor who holds a Doctoral degree (Ph.D.) in Economics from the Chinese Academy of Social Sciences (under the joint supervision of the Institute of World Economics and Politics and the Asia-Pacific Research Institute), with a focus on the History of Money in the domain of International Political Economy. Dr. Cai also holds an MBA from the Conservatoire National des Arts et Métiers, a Master's degree in Law with a specialization in Legal History from Renmin University of China, and a Bachelor's degree in Economics specializing in Finance and Banking from Xiamen University.

Dr. Cai has a solid academic background and extensive leadership experience in international cooperation and major projects. Dr. Cai has previously held positions in Poly Technologies, Inc., a subsidiary of the stated-owned enterprise, China Poly Group Corporation, between 2012 and 2016, with her last position being Deputy General Manager where she was responsible for strategic development, international trading and legal matters. She previously worked in the Department of International Cooperations at China South Industries Group between 2004 and 2008, where she was responsible for managing contract negotiations and joint venture projects. She also practiced law as a founding partner at HanTong Law Firm between 2008 and 2009. In March 2023, Dr. Cai was appointed Vice-chairman of the Investment Association of China, and in July 2023, she was named the Asia Chair of Gate Center, a think tank in the Spanish-speaking regions. In January 2024, she took a role as Chief Strategy Officer (CSO) for AXA Group in Greater China. Dr. Cai was also a member of the first cohort of France-China Young Leaders pursuant to the "Young Leader" program organized by the France China Foundation.

Senior Management – Biographies

Mr. Zhao Hongbing, aged 57, joined Tincy Group Energy Resources Limited, a subsidiary of the Company, in 2017, and successively served as the chief geologist, technical deputy general manager and general manager. He joined the Company in 2021 as a vice president of the Company. He is also a general manager of 中信石油技術開發（北京）有限公司 (CITIC Petroleum Technology Development (Beijing) Limited), a wholly-owned subsidiary of the Company. Mr. Zhao holds a bachelor's degree in petroleum geology from the Northwest University. Before joining the Company, Mr. Zhao worked in the Shengli Oilfield of the China Petroleum and Chemical Corporation. Mr. Zhao has over 36 years' experience in oil and gas industry.

Mr. Wat Chi Ping Isaac, aged 53, joined in 2019 as chief legal officer and was appointed as the company secretary of the Company with effect from September 2021. Mr. Wat has over 24 years of legal and compliance experience from private practice in law firms as well as serving as company counsels in renowned multinational companies and Chinese Central Government-owned enterprises. His exposure covers corporate finance transactions, public and private merger and acquisitions, private equity, investment funds, corporate restructuring, litigation and dispute resolution, intellectual property rights, internal control and risk management and regulatory compliance works. Prior to joining the Company, Mr. Wat worked at a number of major international law firms and served as a member of the senior management team and general counsel of CGN Energy International Holdings Co., Limited, general counsel and the company secretary of CGN New Energy Holdings Co., Ltd. (Stock Code: 1811, a company listed on the Stock Exchange) and the director – legal counsel of CITIC Securities International Company Limited. Mr. Wat became a qualified solicitor in Hong Kong and in England and Wales in November 1998 and March 1999, respectively.

Corporate Governance Report

The Company is committed to maintaining a good and sensible framework of corporate governance and to complying with applicable statutory and regulatory requirements with a view to assuring the conduct of management as well as protecting the interests of all shareholders. The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company.

The Group will stick to its three core objectives of "mitigating risks, improving quality and efficiency, and optimizing management". Through deepening reform and vigorous innovation, the Group continues to pragmatically pursue cost reduction and efficiency improvement. Meanwhile, the Group will also strengthen the integrated management of risk control, compliance and internal control, optimize the management system and procedures of the Company, and improve the Company's business process informatization construction. The Group strives to capture new development opportunities, constantly improves production efficiency and economic benefits, to achieve long-term sustainable development and aims to reward our shareholders and investors with better results.

Compliance with the Corporate Governance Code

The Board is of the view that the Company has, for the year ended 31 December 2024, applied the principles and complied with the applicable code provisions, and also complied with certain recommended best practices, of the CG Code, save and except for the deviation from code provision C.2.1 of the CG Code as disclosed in the section headed "Chairman and Chief Executive Officer" of this report.

Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct for dealings in the securities of the Company by its directors (the "**Securities Dealings Code**") that is based on the Model Code (or on terms no less exacting than the Model Code).

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

Board of Directors

As at 14 March 2025, the Board comprised a total of seven members, with two executive directors, one non-executive director and four independent non-executive directors.

Executive Directors:

Mr. Hao Weibao	*(Chairman and Chief Executive Officer)*
Mr. Wang Xinli	*(Chief Financial Officer)*

Non-executive Director:

Mr. Chan Kin

Independent Non-executive Directors:

Dr. Fan Ren Da, Anthony[Note]
Mr. Look Andrew
Mr. Lu Dequan
Dr. Cai Jin

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony resigned as an independent non-executive Director with effect from 18 March 2025. The Board thereafter comprised of a total of six members, with two executive Directors, one non-executive Director and three independent non-executive Directors.

The Board possesses a balance of skills, experience and diversity of perspectives, appropriate to the requirements of the business of the Company. Directors make decisions objectively in the interests of the Company. The directors, individually and collectively, are aware of their responsibilities and accountability to shareholders and for the manner in which the affairs of the Company are managed and operated.

The Group has diversity of management expertise in the energy resources and commodities sectors, investment management, accounting and banking fields. The Board has the required knowledge, experience and capabilities to operate and develop the Group's businesses and implement its business strategies.

On appointment, each new director will receive a comprehensive, formal and tailored induction on appointment. A new director is briefed by senior management on the Group's corporate goals and objectives, activities and business, strategic plans and financial situation. Each new director is also provided with a package of orientation materials in respect of a director's duties and responsibilities under the Listing Rules, the Bye-laws, corporate governance and financial reporting standards. The company secretary is responsible for keeping all directors updated on the Listing Rules and other legal and regulatory requirements.

Dr. Cai Jin, being an independent non-executive director who was appointed during the year, had obtained the legal advice referred to in rule 3.09D of the Listing Rules prior to her appointment on 19 December 2024. Dr. Cai Jin has confirmed that she understood her obligation as a director of a listed issuer.

All directors are subject to re-election at regular intervals. The Bye-laws provide that any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office only until the next general meeting of the Company or the AGM, whichever shall be the earlier, following his/her appointment and such director shall be eligible for re-election at that meeting. In addition, every director is subject to retirement at least once every three years following his/her re-election with the result that, at each AGM, one-third of the directors shall retire from office by rotation.

To the best of the knowledge of the Company, there is no financial, business, family or other material or relevant relationship between Board members.

Under the leadership of the Chief Executive Officer, senior management is responsible for executing the Board's strategy and implementing its policies through the day-to-day management and operations of the Group's businesses.

The Board determines which functions are reserved to the Board and which functions are delegated to senior management. It delegates appropriate aspects of its management and administrative functions to senior management. It also gives clear directions as to the powers of senior management, in particular, with respect to the circumstances where senior management must report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. These arrangements are reviewed periodically to ensure that they remain appropriate to the needs of the Company.

Important matters are reserved to the Board for its decision, including long-term objectives and strategies, extension of the Group's activities into new business areas, appointments to the Board and the board committees, annual budgets, material acquisitions and disposals, material connected transactions, material banking facilities, announcements of interim and final results and payment of dividends. The Board also acknowledges its responsibility for preparing the accounts of the Group.

The Company has put in place mechanisms to ensure independent views and input are available to the Board. This is achieved by giving directors access to external independent professional advice from legal advisers and auditor, as well as the full attendance of all independent non-executive directors at all the meetings of the Board and its relevant committees held during the year. The Board reviews the implementation and effectiveness of the aforementioned mechanisms on an annual basis.

Board Diversity

In order to maintain its competitive advantage and achieve a sustainable and balanced development, the Company recognises the benefits of having a diverse Board. The Board has adopted the Diversity Policy, pursuant to which the selection of candidates will be based on a range of objective criteria and a diversity of perspectives, including but not limited to gender, age, cultural and educational background and professional experience. The Board and the Nomination Committee will review the Diversity Policy on an annual basis.

Appointment to the Board is based on objective criteria of meritocracy and the selected candidates will be considered in terms of the attributes that they have and which enable them to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Company. In assessing the suitability of a candidate as director, the Nomination Committee would consider character and integrity; qualities in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional and educational qualifications, skills, knowledge, expertise, experience and accomplishment that are relevant to the Group's business and corporate strategy; commitment to devote adequate time to effectively discharge duties as a member of the Board and relevant committees of the Company; requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; the Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and such other perspectives applicable to the Group. These factors are for reference only, and not meant to be exhaustive.

The Group recognises the particular importance of gender diversity. As at 31 December 2024, the Board comprises seven directors, including one female director. For the detailed gender ratio in the workforce (including senior management), please refer to page 117 of the ESG Report published by the Company on 24 April 2025. The Company will regularly review and maintain its gender diversity in accordance with its business needs, market developments and the relevant rules.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Chairman focuses on the Group's strategic planning while the Chief Executive Officer has overall executive responsibility for the Group's development and management. They receive significant support from the directors and senior management.

The Chairman has a clear responsibility to ensure that the whole Board receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable. The Board, led by the Chairman, sets the overall direction, strategy and policies of the Company.

The Chairman provides leadership for the Board to ensure that it works effectively, performs its responsibilities and acts in the best interests of the Company. He is also responsible for overseeing effective functioning of the Board and ensuring the establishment and application of good corporate governance practices and procedures. The Chairman seeks to ensure that all directors are properly briefed on issues arising at board meetings. He also encourages the directors to make full and active contributions to the Board's affairs, to voice their concerns or different views and ensure that the decisions fairly reflect the consensus. A culture of openness and debate is promoted in the Board by facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors. The Chairman also seeks to ensure that appropriate steps are taken to provide effective communication with shareholders and their views are communicated to the Board as a whole.

For the year ended 31 December 2024 and up to the date of this report, both positions of the Chairman and CEO have been held by Mr. Hao Weibao. In view of Mr. Hao's personal profile, extensive relevant industry knowledge and working experience in multinational corporations, the Board has confidence that the vesting of the roles of both the Chairman and Chief Executive Officer in Mr. Hao would allow for more effective planning and execution of business strategies of the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the Corporate Governance Code is not inappropriate. In addition, with the composition of, apart from Mr. Hao who is an executive Director, another executive Director, a non-executive Director and four independent non-executive Directors at the end of 31 December 2024 and as at the date of this report, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

Non-executive Directors

The non-executive directors (including the independent non-executive directors) are seasoned individuals from diversified backgrounds and industries and one member has appropriate accounting and related financial management expertise as required by the Listing Rules. With their expertise and experience, they serve the relevant function of bringing independent judgment and advice on the overall management of the Company. The total number of non-executive directors represented half of the board members so that there is a strong independent element on the Board, which can effectively exercise independent judgment. The non-executive directors take the lead where potential conflicts of interests arise. Their responsibilities include scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting, and serving on the audit, remuneration, nomination and other governance committees, if invited.

All independent non-executive directors are invited to participate in board meetings so that they are able to provide at such meetings their experience and judgment on matters to be discussed in the meetings.

The non-executive directors are appointed for an initial term of one year and thereafter from year to year, subject to re-election at the next general meeting of the Company or the AGM, whichever shall be the earlier, following their appointment and thereafter retirement by rotation and re-election at the AGMs in accordance with the Bye-laws.

The Company has received an annual confirmation of independence from each of the independent non-executive directors. The Company is of the view that all of the independent non-executive directors meet the guidelines for assessing independence as set out in rule 3.13 of the Listing Rules and considers them to be independent.

During the year, the chairman has held a meeting with the independent non-executive directors without the presence of other executive directors.

Directors' Continuous Professional Development

During the year, to develop and refresh their knowledge and skills, all the current directors have participated in appropriate continuous professional development training which covered updates on laws, rules and regulations and also directors' duties and responsibilities. The following shows the training of each of the directors received during the year:

	Attending seminars/briefings	Reading materials
Executive Directors:		
Mr. Hao Weibao	✓	✓
Mr. Wang Xinli	✓	✓
Non-executive Director:		
Mr. Chan Kin	✓	✓
Independent Non-executive Directors:		
Dr. Fan Ren Da, Anthony*Note*	✓	✓
Mr. Look Andrew	✓	✓
Mr. Lu Dequan	✓	✓
Dr. Cai Jin (appointed on 19 December 2024)	✓	✓

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony resigned as an independent non-executive Director with effect from 18 March 2025.

Board Meetings

Meetings of the Board are held regularly and at least four times a year at about quarterly intervals to approve, among other things, the financial results of the Company. Regular board meetings are scheduled at least 14 days in advance to provide sufficient notice to give the directors an opportunity to attend. The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting, and all directors are invited to include matters in the agenda for regular board meetings. For regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers are sent, in full, to all directors in a timely manner and at least 3 days before the intended date of the board meeting or board committee meeting unless otherwise agreed. Directors can attend board meetings either in person or by electronic means of communication.

There was satisfactory attendance for board meetings, which evidenced prompt attention of the directors to the affairs of the Company. A total of five board meetings were held in 2024.

If a substantial shareholder or a director has a material conflict of interest in a matter to be considered by the Board, the matter will be dealt with by a physical board meeting (and not by a written resolution). Independent non-executive directors who, and whose associates, have no material interest in the transaction will be present at such board meeting.

Efforts are made to ensure that queries of the directors are dealt with promptly. All directors have access to the advice and services of the company secretary with a view to ensuring that board procedures and all applicable rules and regulations are followed. The directors also have separate and independent access to senior management to make further enquiries or to obtain more information where necessary.

Board Committees

The Board has established the Remuneration Committee, the Nomination Committee, the Audit Committee and the Risk Management Committee. They are each established with specific written terms of reference which deal clearly with their respective authority and responsibilities.

There was satisfactory attendance for meetings of the board committees during the year. The minutes of the committee meetings are circulated to all members of the relevant committee within a reasonable time after each meeting unless a conflict of interest arises. The committees are required to report back to the Board on key findings, recommendations and decisions.

Remuneration Committee

The purpose of the committee is to make recommendations to the Board on the remuneration policy and structure for all directors and senior management of the Group and the remuneration of all directors of each member of the Group.

The committee is responsible for making recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy on all directors and senior management and for determining remuneration packages of individual directors (including executive directors, non-executive directors and independent non-executive directors) and senior management. It also reviews and/or approves matters relating to share schemes of the Company and/or its principal subsidiaries and provides its views on those matters as required under Chapter 17 of the Listing Rules.

The committee consults the Chairman and/or the Chief Executive Officer about their remuneration proposals for other executive directors, where applicable.

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.

Members of the committee as of the date of this report are:

Mr. Lu Dequan	(Independent Non-executive Director) (Chairman)
Dr. Fan Ren Da, Anthony*Note*	(Independent Non-executive Director)
Mr. Look Andrew	(Independent Non-executive Director)
Mr. Hao Weibao	(Executive Director)

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony ceased to be a member of the Remuneration Committee with effect from 18 March 2025.

Three meetings were held during the year. During the year, the committee approved the remuneration and director's fee payable to the directors. Also, the committee assessed the performance of each individual executive director, reviewed and approved the performance-based remuneration package of each individual executive director and approved the salary payable. No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the committee during the year.

Nomination Committee

The purpose of the committee is to lead the process for Board appointments and for identifying and nominating for the approval of the Board candidates for appointment to the Board.

The Nomination Committee has adopted the Diversity Policy in selecting and recommending suitable candidates of directorship. A summary of the Diversity Policy is set out on page 27 of this report.

The Nomination Committee shall identify and select candidates as directors pursuant to the criteria as set out above, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee. The Nomination Committee may use any process it deems appropriate to evaluate the candidates, which may include personal interviews, background checks, presentations or written submissions by the candidates and third-party references. For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. For appointment and re-election of directors of the Company at a general meeting, a circular, containing the proposed candidate's brief biography and any other information, as required pursuant to the applicable laws, rules and regulations, will be sent to shareholders of the Company. The procedures for shareholders of the Company to propose a person, other than a retiring director, for election as a director of the Company at a general meeting are set forth in the Bye-laws.

The committee is responsible for reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, skills, knowledge and professional experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, and considering candidates on merit and against objective criteria with due regard to the Diversity Policy. The committee is also responsible for reviewing the Diversity Policy and the measurable objectives on an annual basis, the progress on achieving the objectives, assessing the independence of independent non-executive directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular, the Chairman and the Chief Executive Officer.

The criteria for the committee to select and recommend a candidate for directorship include the candidate's reputation for integrity, qualifications, skills and knowledge, experience, commitment in respect of available time, independence and gender diversity.

Members of the committee as of the date of this report are:

Mr. Hao Weibao	(Executive Director) (Chairman)
Dr. Fan Ren Da, Anthony*Note*	(Independent Non-executive Director)
Mr. Lu Dequan	(Independent Non-executive Director)
Dr. Cai Jin (appointed on 18 March 2025)	(Independent Non-executive Director)

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony ceased to be a member of the Nomination Committee with effect from 18 March 2025, and Dr. Cai Jin was appointed as a member of the Nomination Committee on the same date.

Two meetings were held during the year. During the year, the committee reviewed the structure, size and diversity of the Board and opined that the Board possesses a diversity and a balance of skills, experience, expertise and a diversity of perspectives appropriate to the requirements of the business of the Company. The committee has also assessed the independence of the independent non-executive directors and considered all of them to be independent, taking into account of the independence guidelines set out in Rule 3.13 of the Listing Rules in the context of the length of service of each independent non-executive director, and the perspectives, skills and experience that such director can bring to the Board and to make recommendations to the Board on the re-appointment of Directors.

Audit Committee

The Board has established formal and transparent arrangements to consider how it should apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's external auditor and internal auditor.

The committee is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and considering any questions of its resignation or dismissal.

The committee monitors the integrity of the Company's accounts, financial statements, interim and annual reports, and reviews significant financial reporting judgments contained in them. The Company has in place a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the committee about possible improprieties in any matter related to the Company. The committee reports to the Board any suspected fraud and irregularities and suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

Members of the committee as of the date of this report are:

Dr. Fan Ren Da, Anthony*Note*	(Independent Non-executive Director) (Chairman)
Mr. Look Andrew*Note*	(Independent Non-executive Director)
Mr. Lu Dequan	(Independent Non-executive Director)
Dr. Cai Jin*Note*	(Independent Non-executive Director)

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony ceased to be a Chairman of the Audit Committee with effect from 18 March 2025, and on the same date, Mr. Look Andrew was re-designated as the Chairman of the Audit Committee and Dr. Cai Jin was appointed as a member of the Audit Committee.

The members of the committee possess appropriate professional qualifications and/or experience in financial matters. None of the committee members is or was a partner of, nor do they have any financial interest in, the existing external auditor.

The committee meets as and when required to perform its responsibilities, and at least twice in each financial year of the Company. Two meetings were held in the year. During the year, the committee reviewed, together with senior management and the external auditor, the financial statements for the year ended 31 December 2024 and the financial statements for the six months ended 30 June 2024, the accounting principles and practices adopted by the Group, statutory compliance, other financial reporting matters, and the adequacy and effectiveness of the Group's internal audit. The committee has also considered the adequacy of resources, staff qualifications and experience of the Company's accounting, internal audit and financial reporting functions and processes. In addition, it has considered the continuing connected transactions of the Company.

As PricewaterhouseCoopers, the current auditor of the Company, will retire at the conclusion of the forthcoming AGM but will not be seeking for re-appointment, the committee has recommended to the Board (which endorsed the recommendation) that, subject to shareholders' approval at the forthcoming AGM, KPMG be appointed as the Company's external auditor for 2025.

Risk Management Committee

The purpose of the committee is to assist the Board to oversee the overall risk management and internal control of the Group and to assist the Board in establishing and setting risk management and internal control policies and regulations appropriate and relevant for the Group.

The committee is responsible for, amongst others, considering the overall objective and policies of the Group's comprehensive risk management and internal control; reviewing the risk philosophy and risk tolerance and appetite of the Group; overseeing the Group's overall risk management framework to identify and deal with financial, operational, legal, regulatory, technology, business, strategic and other relevant risks faced by the Group from time to time; reviewing and assessing the effectiveness of the Group's risk control and risk mitigation tools; and considering any other matters in relation to risk management and internal control responsibilities to be performed by the committee or the Board.

Members of the committee as of the date of this report are:

Mr. Look Andrew	(Independent Non-executive Director) (Chairman)
Dr. Fan Ren Da, Anthony[Note]	(Independent Non-executive Director)
Mr. Lu Dequan	(Independent Non-executive Director)
Mr. Wang Xinli	(Executive Director)
Dr. Cai Jin (appointed on 19 December 2024)	(Independent Non-executive Director)

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony ceased to be a member of the Risk Management Committee with effect from 18 March 2025.

The committee meets at least once in each financial year of the Company and when there is any issue which requires its consideration. Two meetings were held in the year. During the year, the committee reviewed the risk management policies and regulations of the Group, in particular, considered the changes in the nature and extent of significant risks (including ESG risks), considered the risk on oil price movement, exchange rate risks and interest rate risks and the Group's ability to respond to changes in its business and the external environment, reviewed the internal audit and control improvement of the Group and the effectiveness of the Group's processes for compliance with the Listing Rules, conducted a sensitivity analysis on market risks, and reviewed the major internal audit and control weaknesses of the Group, the extent to which such internal audit and control weaknesses have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have any material impact on the Company's financial performance or condition, and made recommendations to the Board upon review of the effectiveness of risk management and internal audit function.

Attendance at Meetings of the Board, the Board Committees and the AGM

	Number of meetings held during the year Attended/Eligible to attend					
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	AGM held on 13 June 2024
Executive Directors:						
Mr. Hao Weibao	5/5	–	3/3	1/1	2/2	1/1
Mr. Wang Xinli	5/5	–	–	–	2/2	1/1
Non-executive Director:						
Mr. Chan Kin	5/5	–	–	–	–	1/1
Independent Non-executive Directors:						
Dr. Fan Ren Da, Anthony[Note]	5/5	2/2	3/3	1/1	2/2	1/1
Mr. Look Andrew	5/5	2/2	–	1/1	2/2	1/1
Mr. Lu Dequan	5/5	2/2	3/3	1/1	2/2	1/1
Dr. Cai Jin (appointed on 19 December 2024)[Note]	0/0	–	–	–	0/0	–

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony resigned as an Independent Non-executive Director and ceased to be the Chairman of the Audit Committee and a member of each of the Remuneration Committee, Nomination Committee and Risk Management Committee, with effect from 18 March 2025. On the same date, Mr. Look Andrew was re-designated as the Chairman of the Audit Commmittee and Dr. Cai Jin was appointed as a member of each of the Audit Committee and the Nomination Committee.

Corporate Governance Functions

The Board has the following responsibilities:

(a) to develop and review the Company's policies and practices on corporate governance; and to review compliance with the CG Code and disclosures in the corporate governance report;
(b) to determine the duties performed by the committees;
(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
(d) to review and monitor the training and continuous professional development of the directors and senior management; and
(e) to develop, review and monitor the code of conduct applicable to the directors and employees.

Financial Reporting

The directors acknowledge their responsibilities for preparing the Financial Statements for the Group. The directors are regularly provided with updates on the Company's businesses, potential investments, financial objectives, plans and actions.

The Board aims at presenting a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. Senior management provides explanation and information to the directors on a monthly basis to enable the Board to make informed assessments of the financial and other matters put before the Board for approval. The Board also has access to board papers and related materials in order to make informed decisions on matters placed before it.

The Board considers that, through a review made by the Audit Committee and Risk Management Committee, the resources, staff qualifications and experience, training programmes and budget of the Company's accounting internal audit and financial reporting function, as well as those relating to the Company's ESG performance and reporting, are adequate.

Risk Management and Internal Control

The Board has overall responsibility for maintaining an adequate system of risk management and internal control and reviewing its effectiveness annually.

The Group has established a risk management and internal control system covering all the business units to monitor, assess and manage various risks in the Group's business activities. The Risk Management Committee has reviewed the quality, integrity and effectiveness of the risk management policies and regulations of the Group and approved the relevant revisions on risk management policies on an annual basis under the delegation of the Board. The system identifies, evaluates and manages the significant risks through regular risk assessments, including both compliance assessment and self-assessment on risk management and internal control.

The risk management and internal control system is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorised use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations. The system provides reasonable, but not absolute, assurance against material misstatement or loss, and is designed to manage rather than eliminate the risks of failure to achieve business objectives.

The Company has taken appropriate measures to identify inside information and preserve its confidentiality until proper dissemination via the electronic publication system operated by the Stock Exchange. In order to ensure that the market and shareholders are fully and promptly informed about the material developments in the Company's business, the Board has adopted the Inside Information Disclosure Policy regarding the procedures of proper information disclosure. Employees are required to promptly report any inside information of which they become aware to their supervising manager for immediate referral for assessment by the Chief Executive Officer and the company secretary of the Company and determination as to whether, in the absence of any available safe harbor, an announcement shall be made by the Company. Release of inside information is subject to the approval of the Board. Unless duly authorized, all staff members of the Company shall not communicate inside information to any external parties and shall not respond to market speculations and rumours.

The Group's risk management and internal control system comprises five levels based on the corporate governance structure:

(a) the Board, responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives;
(b) the Risk Management Committee, responsible for reviewing the Group's risk management;
(c) management, responsible for the day-to-day risk management in all departments and subsidiaries of the Company;
(d) the risk and compliance department, responsible for supervising, monitoring and centralising the Group's risk management; and
(e) the members of the Group, responsible for performing the daily risk management task.

During the year, the risk and compliance department identified risk by multiple channels, including questionnaires, group discussion and scenario analysis, evaluated the risk as normal risk, significant risk and critical risk, and managed the risk with reference to the risk management policy. It also controlled the risks of subsidiaries through monthly risk management reporting and risk assessment as well as the monitoring of major projects and business. The result of the review, each of which generally cover the assessment on the relevant month in the financial year, including strategic and investment risk, health, safety and environment risk, operational risk, market risk, legal and compliance risk, has been summarised and reported to the Risk Management Committee and the Board with recommendations and follow-up results annually.

The Board has received from management a confirmation on the effectiveness of the risk management and internal control system. Since the last annual review, the global economy in 2024 exhibited a mixed trajectory, marked by slower growth, persistent inflation, and divergent regional performances. The prevention methods and the results were reported to the Risk Management Committee during the year. The Company considered the risk management and internal control systems of the Group have been effective, adequate and appropriate.

Directors and officers liability insurance has been purchased and maintained to protect directors and officers of the Group against their potential legal liabilities to third parties that may be incurred in the course of performing their duties.

Internal Audit

The internal audit department carries out an analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control system, and performs independent internal audit reviews for all business units and functions in the Group on a systematic and ongoing basis. Under the internal audit charter of the Company, the internal audit department has unrestricted access to all parts of the Group's businesses and direct access to any level of management including the Chairman and the chairman of the Audit Committee as it considers necessary.

The internal audit department conducts regular and independent reviews of the effectiveness of the Group's risk management and internal control system. The Audit Committee reviews the findings and opinion of the internal audit department on the effectiveness of the system and reports to the Board if significant findings are noted.

During the year, the internal audit department prepared an annual internal audit plan in accordance with risk-based principles. Pursuant to the approved annual internal audit plan endorsed by the Audit Committee, detailed audit planning for each audit was devised, followed by field audits and discussions with management of the Company and subsidiaries. Special audits are conducted when required by the Board and senior management. Internal audit reports were prepared after completion of the audits, informing the Company and subsidiaries about the identified control deficiencies, together with recommendations for immediate rectification. Concerns which have been reported by the internal audit department were monitored by management by taking appropriate remedial actions. The internal audit report, which included audit findings and follow-up results, has been summarised, communicated and reported to the Audit Committee during the year.

Auditor's Remuneration

PricewaterhouseCoopers was reappointed by shareholders at the AGM held on 14 June 2024 as the Company's external auditor until the next AGM. They are primarily responsible for providing audit services in connection with the consolidated financial statements of the Group for the year ended 31 December 2024.

During the year, PricewaterhouseCoopers charged the Group of approximately HK$7,176,000 for the provision of audit services and of approximately HK$3,384,000 for the provision of non-audit services. Non-audit services include services related to tax compliance, general corporate and commercial advice, agreed-upon procedures, major transaction, preliminary announcement and continuing connected transactions.

Dividend Policy

The Board approved and adopted a dividend policy which outlines the objective, procedure and general principles for the determination and payment of dividend or distribution by the Company to its shareholders (the "**Dividend Policy**"). Dividends or distributions by the Company shall be determined and declared in accordance with applicable legislation, the Bye-laws and the Dividend Policy. The Board may amend any provision in the Dividend Policy if it considers necessary.

Pursuant to the Dividend Policy, the Company may propose, recommend and declare dividends to shareholders from time to time. Final dividend declared by the Company shall be approved by shareholders at the AGM and the amount of dividend so approved shall not exceed the amount recommended by the Board. The Board may pay to shareholders such interim and/or special dividends as appear to the Board to be justified by the profits of the Company. There is no assurance that a dividend will be proposed or declared in any specific periods.

In determining the payment and amount of a dividend, the Board shall exercise care in the financial management of the Company, preserve a strong financial position, manage cash prudently and maintain an appropriate level of liquidity in the interest of preserving the long term strength and stability of the Company.

Shareholders' Rights

Procedures for shareholders to convene a special general meeting

Shareholders holding at the date of the requisition not less than 10% of the paid-up capital of the Company carrying the right to vote at general meetings shall at all times have the right, by written requisition to the Board or the company secretary, to require a general meeting to be called by the Board for the transaction of any business specified in such requisition.

The requisitionists must state the purpose of the meeting and contact details in the requisition and sign and deposit the requisition at the principal place of business of the Company for the attention of the company secretary.

The meeting shall be held within two months from the deposit of the requisition. If the Board fails to proceed to convene the meeting within 21 days of such deposit, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may convene the meeting by themselves in accordance with the provisions of section 74(3) of the Companies Act, but any meeting so convened shall not be held after the expiration of three months from the deposit of the requisition.

Procedures for putting forward proposals at general meetings

Shareholders holding not less than 5% of the total voting rights of all shareholders having a right to vote at general meetings or not less than 100 shareholders can submit a written request stating a resolution to be moved at the AGM or a statement of not more than 1,000 words with respect to a matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The requisitionists must sign and deposit the written request or statement at the registered office of the Company and the principal place of business of the Company for the attention of the company secretary not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

If the written request is in order, the company secretary will ask the Board to include the resolution in the agenda for the AGM or, as the case may be, to circulate the statement for the general meeting, provided that the requisitionists have deposited a sum of money reasonably determined by the Board sufficient to meet the expenses in serving the notice of the resolution and/or circulating the statement submitted by the requisitionists in accordance with the statutory requirements to all the registered shareholders.

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns with sufficient contact details to the Board at the principal place of business of the Company for the attention of the Investor Relations Department or e-mail to ir@citicresources.com.

Company Secretary

The Company Secretary is a full-time employee of the Company and familiar with the day-to-day affairs of the Company. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matters as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. The selection, appointment or dismissal of the company secretary is approved by the Board.

Mr. Wat Chi Ping Isaac (**"Mr. Wat"**) is the company secretary of the Company. For the biographies of Mr. Wat, please refer to the section headed "Board of Directors and Senior Management – Senior Management Biographies" of this report. During the year, Mr. Wat has complied with the requirement of taking no less than 15 hours of the relevant professional training under Rule 3.29 of the Listing Rules.

Communication with Shareholders and Investor Relations

To enhance transparency, the Company endeavours to maintain open dialogue with shareholders through a wide array of channels such as AGMs and other general meetings. Shareholders are encouraged to participate in these meetings.

The Company has adopted a shareholders' communication policy with the objective of ensuring that the shareholders of the Company will have equal and timely access to information about the Company in order to enable the shareholders of the Company to exercise their rights in an informed manner and allow them to engage actively with the Company.

The Board will whenever it thinks fit and as required under the Bye-laws and the Listing Rules convene general meetings for the purpose of asking shareholders to consider and, if thought fit, approve resolutions proposed by the Board, notably in relation to notifiable and/or connected transactions. In addition, the Company communicates with shareholders through the issue of announcements, circulars and press releases.

A separate resolution is proposed for each substantially separate issue at a general meeting by the chairman of that meeting, including the election and re-election of a director.

The Chairman, the chairman or member of each of the board committees, and external auditor attend and answer questions at the AGM.

The chairman of the independent board committee is available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval. The Board has reviewed the implementation and effectiveness of the shareholders' communication policy of the Company during the year. Having considered the multiple channels of communication, the steps taken to handle shareholders' queries and other specific measures in place, the Board is satisfied that the shareholders' communication policy of the Company has been properly and effectively implemented during the year.

The Company ensures compliance with the requirements about voting by poll contained in the Listing Rules and the Bye-laws. The representative of the share registrar of the Company is normally appointed as scrutineer of the votes cast by way of a poll. In relation to votes taken by way of a poll, their results are subsequently published on the websites of the Stock Exchange and the Company at http://www.hkexnews.hk and http://resources.citic respectively.

The Company is committed to providing clear and reliable information on the performance of the Group to shareholders through interim and annual reports. The website of the Company offers timely and updated information of the Group.

The Company keeps contact with the media and holds briefings with investment analysts from time to time including following the announcement of financial results. Senior management also, whenever appropriate, participates in investor conferences, one-on-one meetings, forums, luncheons, conference calls and non-deal road shows which enable the Company to better understand investors' concerns and expectations.

The Company maintains effective two-way communications with shareholders and other investors whose feedback is invaluable to the Company in enhancing corporate governance, management and competitiveness. Comments and suggestions are welcome and can be sent to the principal place of business of the Company for the attention of the Investor Relations Department or e-mailed to ir@citicresources.com.

Constitutional Documents

The Company did not make any change to its constitutional documents during the year. The Memorandum of Association of the Company and the Bye-laws are available on the websites of the Company and the Stock Exchange.

Report of the Directors

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 1 to the Financial Statements. During the year, there were no significant changes in the nature of the Group's principal activities.

Segment Information

An analysis of the Group's revenue and results by principal operating activities and the Group's revenue and non-current assets by geographical area of operations for the year ended 31 December 2024 is set out in note 4 to the Financial Statements.

Results and Dividends

The Group's profit for the year ended 31 December 2024 and the state of affairs of the Group at that date are set out in the Financial Statements on pages 60 to 152 of this report.

The Board has recommended, subject to approval by shareholders at the 2025 AGM, the payment of a final dividend of HK2.60 cents (2023: HK2.50 cents) per ordinary share for the year ended 31 December 2024, payable on or around 17 July 2025 to shareholders whose names appear on the register of members of the Company on 24 June 2025.

Business Review

A fair review of the Group's business and a description of the principal risks and uncertainties faced by the Group are provided in the Chairman's Statement and Management's Discussion and Analysis on pages 3 to 19 of this report. Particulars of important events affecting the Group that have occurred since the end of the year can be found on pages 53 and 54 of this section, and indication of likely future development in the Group's business can also be found in the above-mentioned sections. An analysis of the Group's performance during the year using key financial performance indicators is set out on page 6 of this report. An account of the Group's key relationships with its stakeholders can be found on pages 40 and 41 of this report and pages 22 to 23 of the ESG Report.

Environmental Policies and Performance

The Group attaches importance to balancing the needs of business development and environmental protection, and endeavours to make continuous improvements through technological upgrading and performance evaluations.

The Group integrates environmental protection across all activities and operations. It promotes clean production and alleviates as far as possible the impact of the Group's operations on the environment. In respect of the Group's oilfield operations, the Group has enhanced resource utilisation efficiency and strengthened its efforts on nature conservation through a wide range of measures. The "Karazhanbas Oilfield Water Treatment Plant" project uses the membrane treatment technology to treat the extracted water from the oilfield as the boiler-feed water source for the steam extraction of the oilfield, realizing resource utilisation of oilfield extracted water and actively reducing its own environmental impact. The Seram Block continues to use natural gas to replace diesel as the fuel for the turbines in its major production facilities, striving to reduce air pollutant emissions.

For more detailed information on the Company's environmental, social and governance, please read in conjunction with the Company's ESG Report to comprehensively understand the Company's environmental, social and governance performance.

Compliance with Laws and Regulations

Save as disclosed in this report, the Company complies with the requirements under the Companies Act, the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance.

Summary of Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the past five financial years, as extracted from the published audited Financial Statements, is set out on page 153 of this report. This summary does not form part of the audited Financial Statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the Financial Statements.

Share Capital and Share Options

There was no movement in the Company's share capital during the year. Details of Company's share options during the year are set out in note 34 to the Financial Statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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, nor were there any sales of treasury shares of the Company during the year. As at 31 December 2024, the Company did not hold any treasury shares.

Reserves

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

Distributable Reserves

In accordance with the Companies Act, the Company may pay dividends out of contributed surplus, retained profits and any other reserves provided that immediately following the payment of such distribution or payment, the Company is able to pay off its debts as and when they fall due. As at 31 December 2024, the Company had contributed surplus and retained profits amounting to approximately HK$358,625,000 (2023: HK$358,625,000) and HK$5,935,180,000 (2023: HK$6,123,144,000), respectively.

Charitable Contributions

During the year, the Group did not make any charitable contributions (2023: Nil).

Relief of Taxation

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Company's shares.

Major Customers and Major Suppliers

During the year, the amount of revenue attributable to the Group's five largest customers and to the largest customer accounted for approximately 67.3% (2023: 66.9%) and 22.7% (2023: 36.8%), respectively, of the Group's total revenue for the year ended 31 December 2024. The amount of purchases from the Group's five largest suppliers and from the largest supplier accounted for approximately 70.6% (2023: 37.9%) and 25.9% (2023: 16.8%), respectively, of the Group's total purchases for the year ended 31 December 2024.

None of the directors or any of their close associates (as defined in the Listing Rules) or any shareholder (which, to the best of the knowledge of the directors, owned more than 5% of the number of issued shares (excluding treasury shares) of the Company as at 31 December 2024) had any beneficial interest in any of the Group's five largest customers or suppliers.

Directors

The directors of the Company during the year and up to the date of this report are as follows:

Executive Directors:
Mr. Hao Weibao
Mr. Wang Xinli

Non-executive Director:
Mr. Chan Kin

Independent Non-executive Directors:
Dr. Fan Ren Da, Anthony*Note*
Mr. Look Andrew
Mr. Lu Dequan
Dr. Cai Jin (appointed on 19 December 2024)

Note: Subsequent to the date of this report, Dr. Fan Ren Da, Anthony resigned as an Independent Non-executive Director with effect from 18 March 2025.

The non-executive directors, including independent non-executive directors, of the Company are appointed for an initial term of one year and thereafter from year to year and all of the directors, including executive directors, are subject to retirement by rotation and re-election in accordance with the Bye-laws.

(i) Dr. Cai Jin, in accordance with Bye-laws 86(2); and (ii) Mr. Hao Weibao and Mr. Chan Kin in accordance with Bye-laws 87(1) and 87(2) will retire from office. Dr. Cai Jin, Mr. Hao Weibao and Mr. Chan Kin, being eligible, will offer themselves for re-election at the forthcoming AGM.

Directors' Service Contracts

No director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Directors' Remuneration

Directors' remuneration is determined by the Remuneration Committee. 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.

Details of the remuneration of the directors, senior management and the five highest paid individuals are set out in note 7, note 39(c) and note 8, respectively, to the Financial Statements.

Interests of Directors and Controlling Shareholders in Transactions, Arrangements and Contracts

So far as is known to the directors, no director and no entity connected with a director had any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting during or at the end of the year to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party.

Save as disclosed herein and so far as is known to the directors, as at 31 December 2024, none of the directors or their respective close associates (as defined In the Listing Rules) was materially interested in any subsisting contract or arrangement which is significant in relation to the businesses of the Group taken as a whole.

Save as disclosed in the sections headed "Connected Transactions"and "Continuing Connected Transactions"of this report, and note 39 to the Financial Statements in relation to the related party transactions of the Group during the year, no contract of significance, or contract of significance for the provision of services, between the Company or any of its subsidiaries and the controlling shareholder of the Company or any of their subsidiaries had been entered into during the year or subsisted as at the end of the year.

Directors' Competing Interests

During the year and up to the date of this report, the following director of the Company is considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group, pursuant to the Listing Rules as set out below:

Name	Entity whose business is considered to compete or likely to compete with the businesses of the Group	Description of business of the entity which is considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Mr. Hao Weibao	– CITIC Metal Group Limited	– Commodity Trading and Mining	Chairman[Note]

Note: Mr. Hao Weibao served as the vice chairman and general manager of CITIC Metal Group Limited between April 2023 and April 2024, and has been serving as the chairman of CITIC Metal Group Limited since April 2024.

As the Board is independent of the board of the above-mentioned entity and the above director of the Company cannot control the Board, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of this entity.

Save as disclosed above, none of the directors of the Company or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

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

As at 31 December 2024, 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 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	Percentage of the total issued share capital of the Company
Mr. Chan Kin ("**Mr. Chan**")	Interest of controlled corporation	786,558,488*	10.01
Mr. Lu Dequan	Beneficial owner	908,000	0.01

* The figure represents an attributable interest of Mr. Chan through his interest in Argyle Street Management Holdings Limited ("**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
Hao Weibao	CITIC Limited	Ordinary Shares	62,000	Beneficial Owner	0.00

Save as disclosed herein and in the section headed "Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares" (in case there is any disclosure therein) of this report, and so far as is known to the directors, as at 31 December 2024:

(a) 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

(b) Save as disclosed in the section headed "Board of Directors and Senior Management", none of the directors was a director or employee of a company which had an 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.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in the section headed "Directors' and Chief Executive's Interests in Shares and Underlying Shares" above and in the section headed "Share Option Scheme" below in this report, at no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate of the Group.

Equity-linked Agreement

Save as disclosed in the section headed "Share Option Scheme" below in this report, the Company did not enter into any equity-linked agreement during the year and there was no equity-linked agreement subsisted as at the end of the year.

Permitted Indemnity Provision

The Bye-laws provide that every director of the Company is entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged Directors & Officers Liability and Company Reimbursement Insurance for the directors and officers of the Company and its subsidiaries, which was in effect throughout the year and remained in effect up to the date of this report.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Share Option Scheme

To enable the Company to continue to grant share options as an incentive or reward eligible persons, a share option scheme was adopted by the Company on 27 June 2014 (the "**Share Option Scheme**"). The Share Option Scheme was in force for a period of 10 years from 27 June 2014 and has expired on 26 June 2024. As at 1 January 2024, the number of options available for grant under the Share Option Scheme was 786,852,714, representing approximately 10% of the issued shares in issue (excluding treasury shares) of the Company for the financial year. As the Share Option Scheme has expired on 26 June 2024, no new options may be granted under the Share Option Scheme as at 31 December 2024. Further details of the Share Option Scheme are set out in note 34 to the Financial Statements. Up to the date of this report, no share option has been granted under the Share Option Scheme, and accordingly no shares may be issued in connection with the options granted under the Share Option Scheme during the financial year.

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

As at 31 December 2024, the interests and short positions of the substantial shareholders and other persons in the shares or underlying shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or 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)	Interest of controlled corporation	4,675,605,697 (1)	59.50
CITIC Limited	Interest of controlled corporation	4,675,605,697 (2)	59.50
CITIC Corporation Limited	Interest of controlled corporation	4,675,605,697 (3)	59.50
CITIC Projects Management (HK) Limited	Interest of controlled corporation	3,895,083,904 (4)	49.57
Keentech Group Limited	Beneficial owner	3,895,083,904 (5)	49.57
CITIC Australia Pty Limited	Beneficial owner	750,413,793 (6)	9.55
Argyle Street Management Holdings Limited	Interest of controlled corporation	786,558,488 (7)	10.01
Argyle Street Management Limited	Interest of controlled corporation	786,558,488 (8)	10.01
ASM Connaught House General Partner Limited	Interest of controlled corporation	786,558,488 (9)	10.01
ASM Connaught House General Partner II Limited	Interest of controlled corporation	786,558,488 (10)	10.01
ASM Connaught House Fund LP	Interest of controlled corporation	786,558,488 (11)	10.01
ASM Connaught House Fund II LP	Interest of controlled corporation	786,558,488 (12)	10.01
ASM Connaught House (Master) Fund II LP	Interest of controlled corporation	786,558,488 (13)	10.01
Sea Cove Limited	Interest of controlled corporation	786,558,488 (14)	10.01
TIHT Investment Holdings III Pte. Ltd.	Beneficial owner	786,558,488 (15)	10.01

Notes:

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

(2) The figure represents an attributable interest of CITIC Limited through its interest in CITIC Corporation Limited ("**CITIC Corporation**"). CITIC Limited, a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange (Stock Code: 267), is owned as to approximately 27.52% by CITIC Polaris Limited ("**CITIC Polaris**") and approximately 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 Argyle Street Management Holdings Limited ("**ASM Holding**") through its interest in Argyle Street Management Limited ("**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" of this report, and so far as is known to the directors, as at 31 December 2024, no person had an interest or a short position in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or recorded in the register to be kept under section 336 of the SFO.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares is held by the public as at the date of this report.

Connected Transactions

During the year, there were no discloseable connected transactions under the Listing Rules.

Continuing Connected Transactions

The following transactions between certain connected persons (as defined in the Listing Rules) of the Company and the Group were entered into and/or during the year ongoing for which relevant announcements and circulars had been made by the Company in accordance with the Listing Rules:

On 8 May 2023, the Company entered into (i) the international financial services agreements (the "**International Financial Services Agreements**") with each of China CITIC Bank International Limited (中信銀行(國際)有限公司) ("**CITIC Bank International**"), an indirect non-wholly owned subsidiary of CITIC Bank PRC (as defined below), and therefore a connected person of the Company, and CITIC Finance International Limited ("**CITIC Finance International**"), a wholly-owned subsidiary of CITIC Limited, and therefore a connected person of the company; and (ii) the PRC financial services agreements (the "**PRC Financial Services Agreements**", together with the International Financial Services Agreements, the "**Financial Services Agreements**") with each of the Beijing branch of China CITIC Bank Corporation Limited (中信銀行股份有限公司) ("**CITIC Bank PRC**"), a joint stock limited company incorporated in the People's Republic of China ("**PRC**"), whose H shares and A shares are listed on the Main Board of the Stock Exchange (stock code: 998) and the Shanghai Stock Exchange (stock code: 601998), respectively, which is a subsidiary of CITIC Group and a connected person of the Company and CITIC Finance Company Limited (中信財務有限公司) ("**CITIC Finance PRC**", together with CITIC Bank International, CITIC Finance International and CITIC Bank PRC, the "**Counterparties**"), a subsidiary of CITIC Limited, and therefore a connected person of the Company, pursuant to which each of the Counterparties agreed to provide financial services, including but not limited to deposit services to the service recipients (the "**Service Recipients**"), which comprise the Company and its subsidiaries from time to time.

In respect of the deposit services under the International Financial Services Agreements, the actual interest rate on deposits provided by CITIC Bank International or CITIC Finance International shall be agreed by both parties and no Service Recipients shall be obliged to engage CITIC Bank International or CITIC Finance International for deposit services if such interest rate is lower than the interest rate applicable to the same grade deposit services provided to the relevant Service Recipient by the local major domestic commercial banks, which are independent third parties to the Company.

In respect of the deposit services under the PRC Financial Services Agreements, the interest rates on RMB deposits placed by any Service Recipient at CITIC Bank PRC or CITIC Finance PRC are floating interest rates that will be determined with reference to the RMB benchmark deposit interest rates published by the People's Bank of China. The interest rates of foreign currency deposits are floating interest rates that will be determined with reference to LIBOR (or the reference interest rate as agreed by both parties in writing). The actual interest rates shall be agreed by both parties and in principle shall be not lower than the interest rate applicable to the same-grade deposit of the same term provided to the relevant Service Recipient by other financial institutions in the PRC, which are independent third parties to the Company.

The Financial Services Agreements shall remain in force for a term of three years from 16 June 2023. Details of the Financial Services Agreements were disclosed in the announcement (the "**Announcement**") of the Company dated 8 May 2023 and the circular of the Company dated 1 June 2023 (the "**Circular**").

Under the Financial Services Agreements, the annual caps in respect of the aggregate amount of daily maximum balance of deposits placed and maintained by the Group with the Counterparties (including the interests accrued thereon) for the term of the Financial Services Agreements for the period from its effective date (i.e. 16 June 2023) to 31 December 2023, 31 December 2024, 31 December 2025 and for the period from 1 January to 15 June 2026 had been fixed at HK$2,000 million, HK$2,000 million, HK$2,000 million and HK$2,000 million respectively. For the year ended 31 December 2024, the actual aggregate amount of daily maximum balance of deposit placed and maintained by the Group with the Counterparties (including the interests accrued thereon) was approximately HK$1,459.8 million.

The credit services provided under the Financial Services Agreements involve the provision of financial assistance by the Counterparties to the Group, which are on normal commercial terms or better, and no security are granted by the Group over its assets in respect of such credit services. Therefore, the credit services are fully exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

The settlement services, collection and payment services, and other financial services under the Financial Services Agreements are on normal commercial terms or better. During the term of the Financial Services Agreements, the fees payable by the Group for the provision of each of the settlement services, collection and payment services, and other financial services under the Financial Services Agreements did not exceed the de minimis threshold under Rule 14A.76 of the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the aforesaid continuing connected transactions (the "**Continuing Connected Transactions**") have been reviewed by the Independent Non-Executive Directors who have confirmed that the Continuing Connected Transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the relevant agreements governing them, on terms that are fair and reasonable, and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified report containing its findings and conclusions in respect of the above disclosed Continuing Connected Transactions in accordance with Rule 14A.56 of the Listing Rules.

The auditor confirmed that, based on the foregoing in respect of the disclosed Continuing Connected Transactions:

(i) nothing has come to auditor's attention that causes the auditor to believe that the disclosed Continuing Connected Transactions have not been approved by the Company's board of directors;

(ii) nothing has come to auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iii) with respect to the aggregate amount of each of the Continuing Connected Transactions set out in the above, nothing has come to auditor's attention that causes the auditor to believe that the disclosed Continuing Connected Transactions have exceeded the annual cap as set by the Company.

The Group has followed its pricing policies for the Financial Services Agreements as set out in the Announcement and Circular when determining the price and terms of the transactions conducted thereunder during the year.

Details of the related party transactions of the Company undertaken in the normal course of business during the year are disclosed under note 39 to the Financial Statements. Save as disclosed above, none of these related party transactions constitute connected transactions or continuing connected transactions which are required to be disclosed pursuant to Chapter 14A of the Listing Rules. Certain related party transaction of the Company constitute continuing connected transactions of the Company as defined in Chapter 14A of the Listing Rules but are exempted from any disclosure requirement under Chapter 14A of the Listing Rules. In relation to those related party transactions that also constitute connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules, they have complied with the applicable requirements under Chapter 14A of the Listing Rules.

Events after the Reporting Period

There has been no other important event or transaction affecting the Group and which is required to be disclosed by the Company to its shareholders from 1 January 2025 to the date of this report.

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

Subsequent to the date of the 2024 interim report of the Company and as at the date of publication of this report, the updates on the director's information are set out below:

Name of Director	Details of Changes
1. Dr. Cai Jin	appointed as an independent non-executive Director and as a member of the Risk Management Committee of the Company, with effect from 5 p.m., 19 December 2024. For details, please refer to the announcement of the Company dated 19 December 2024.
2. Dr. Fan Ren Da, Anthony	resigned as an independent non-executive Director, and ceased to be the Chairman of the Audit Committee and a member of each of the Remuneration Committee, Nomination Committee and Risk Management Committee of the Company, with effect from 18 March 2025. For details, please refer to the announcement of the Company dated 18 March 2025.

Name of Director	Details of Changes
3. Mr. Look Andrew	re-designated as the Chairman of the Audit Committee of the Company, with effect from 18 March 2025. For details, please refer to the announcement of the Company dated 18 March 2025.
4. Dr. Cai Jin	appointed as a member of each of the Audit Committee and the Nomination Committee of the Company, with effect from 18 March 2025. For details, please refer to the announcement of the Company dated 18 March 2025.

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

Audit Committee

The Company has an audit committee which was established in compliance with rule 3.21 of the Listing Rules with responsibility for, among others, reviewing and providing supervision over the Group's financial reporting process. The Audit Committee comprises the three independent non-executive directors of the Company.

The Audit Committee has reviewed the Financial Statements with senior management and the external auditor of the Company.

Auditor

The Financial Statements for the year ended 31 December 2024 were audited by PricewaterhouseCoopers. As PricewaterhouseCoopers, the current auditor of the Company, will retire at the conclusion of the forthcoming AGM but will not be seeking for re-appointment, the Board has resolved, with the recommendation of the Audit Committee, to recommend the appointment of KPMG as the new auditor, subject to the approval of the shareholders at the forthcoming AGM.

On behalf of the Board
Hao Weibao
Chairman
Hong Kong, 14 March 2025

羅兵咸永道

To the Shareholders of CITIC Resources Holdings Limited
(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of CITIC Resources Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 60 to 152, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is assessment on recoverable amounts of oil and gas properties.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment on recoverable amounts of oil and gas properties	
Refer to notes 2.4, 3, and 13 to the consolidated financial statements. As at 31 December 2024, oil and gas properties held by the Group in mainland China amounted to approximately HK$2,872 million (2023: HK$3,112 million). Recoverable amounts of oil and gas properties are required to be estimated when there is indication that an asset may be impaired. For those oil and gas properties in which such indication exists, the Group estimated the recoverable amounts. Significant judgments are required to estimate the recoverable amounts. The recoverable amounts are estimated taking into consideration the future crude oil prices, future costs, future production volumes, and the discount rates. The Group recognised an impairment loss of oil and gas properties of approximately HK$52 million for the year ended 31 December 2024. Refer to note 13 to the consolidated financial statements for details. The significant assumptions are disclosed in note 3 to the consolidated financial statements. We considered this is a key audit matter as significant judgments are involved in the estimation of recoverable amounts.	Our procedures to address this key audit matter included: – Understanding the management's assessment process of identification of indication that an asset may be impaired, and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgments involved in determining the assumptions to be applied; – Assessing the appropriateness of the valuation methodologies used; – Evaluating the independence, competence, capability and objectivity of the management's experts engaged in the crude oil reserve estimates; – Assessing the reasonableness of key assumptions used in management's estimation of recoverable amounts based on our knowledge of the relevant businesses and industries, other appropriate supporting evidence, and with the involvement of our valuation expert; and – Performing sensitivity analysis on the key assumptions to evaluate the potential impacts on the recoverable amounts including the future crude oil prices, future costs, future production volumes, and discount rates as these are the key assumptions to which the measurement of recoverable amounts is the most sensitive. We found the judgments made by management in relation to the assessment on recoverable amounts to be supportable based on available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in this auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yu Lung Sun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14 March 2025

Year ended 31 December HK$'000

Consolidated Income Statement

	Notes	2024	2023
Revenue	5	**9,497,808**	3,825,577
Cost of sales		**(8,767,291)**	(2,824,203)
Gross profit		**730,517**	1,001,374
Other income, gains and losses, net	5	**296,325**	102,656
General and administrative expenses		**(274,198)**	(272,527)
Other expenses, net		**(79,214)**	(258,553)
Finance costs	9	**(96,069)**	(162,763)
Reversal for impairment of trade and other receivables		**1,440**	739
Share of results of:			
An associate		**2,316**	(112,523)
A joint venture		**239,640**	398,357
Profit before tax	6	**820,757**	696,760
Income tax expense	10	**(213,397)**	(77,927)
Profit for the year		**607,360**	618,833
Attributable to:			
Ordinary shareholders of the Company		**572,581**	551,803
Non-controlling interests		**34,779**	67,030
		607,360	618,833
Earnings per share attributable to ordinary shareholders of the Company	12	**HK cents**	HK cents
Basic		**7.29**	7.02
Diluted		**7.29**	7.02

Year ended 31 December HK$'000

Consolidated Statement of Comprehensive Income

	Notes	2024	2023
Profit for the year		**607,360**	618,833
Other comprehensive loss			
Other comprehensive 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 year		**(12,783)**	–
Income tax effect		**3,835**	–
Financial asset at fair value through other comprehensive income:			
Fair value changes during the year		**4,299**	–
Income tax effect		**(1,290)**	–
		(5,939)	–
Exchange differences on translation of foreign operations		**(70,581)**	(77,683)
Share of other comprehensive loss of an associate, net of tax		**–**	(4,857)
Share of other comprehensive (loss)/income of a joint venture		**(131,546)**	873
Release of reserve upon disposal of investment in an associate		**196,292**	–
		(11,774)	(81,667)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plan	31	**4,975**	(4,607)
Income tax effect		**(1,492)**	1,382
		3,483	(3,225)
Share of other comprehensive (loss)/income of a joint venture		**(30,976)**	12,500
Share of other comprehensive income of an associate		**–**	757
		(27,493)	10,032
Other comprehensive loss for the year, net of tax		**(39,267)**	(71,635)
Total comprehensive income for the year		**568,093**	547,198
Attributable to:			
Ordinary shareholders of the Company		**517,200**	487,815
Non-controlling interests		**50,893**	59,383
		568,093	547,198

31 December HK$'000

Consolidated Statement of Financial Position

	Notes	2024	2023
Non-current assets			
Property, plant and equipment	13	**3,709,960**	3,988,055
Right-of-use assets	14(a)	**56,450**	49,003
Mining assets	15	**234,097**	242,232
Exploration, evaluation and development expenditures	16	**62,726**	61,876
Investment in an associate	19	**–**	1,821,296
Investment in a joint venture	20	**2,690,406**	2,786,632
Financial asset at fair value through other comprehensive income	21	**2,289,703**	–
Prepayments, deposits and other receivables	22	**16,463**	44,090
Time deposits	26	**134,717**	118,497
Deferred tax assets	32	**5,944**	171,640
Pension assets	31	**9,062**	4,704
Total non-current assets		**9,209,528**	9,288,025
Current assets			
Inventories	23	**562,244**	435,861
Trade receivables	24	**689,541**	239,688
Prepayments, deposits and other receivables	22	**91,130**	104,310
Derivative financial instruments	25	**89,253**	72,691
Cash and deposits	26	**2,031,447**	1,483,816
Total current assets		**3,463,615**	2,336,366
Current liabilities			
Accounts payable	27	**746,281**	242,729
Tax payable		**91,924**	91,167
Accrued liabilities and other payables	28	**657,832**	606,026
Bank and other borrowings	29	**1,010,990**	350,000
Lease liabilities	14(b)	**16,016**	24,663
Derivative financial instruments	25	**12,782**	–
Provision for long-term employee benefits	31	**27,386**	32,120
Provisions	30	**14,236**	11,531
Total current liabilities		**2,577,447**	1,358,236
Net current assets		**886,168**	978,130
Total assets less current liabilities		**10,095,696**	10,266,155

31 December HK$'000

Consolidated Statement of Financial Position

	Notes	2024	2023
Non-current liabilities			
Bank and other borrowings	29	**957,780**	1,439,880
Lease liabilities	14(b)	**26,734**	16,196
Deferred tax liabilities	32	**285,759**	339,927
Provision for long-term employee benefits	31	**14,177**	23,965
Provisions	30	**598,173**	604,764
Total non-current liabilities		**1,882,623**	2,424,732
Net assets		**8,213,073**	7,841,423
Equity			
Equity attributable to ordinary shareholders of the Company			
Issued capital	33	**392,886**	392,886
Reserves	35	**7,689,654**	7,368,897
		8,082,540	7,761,783
Non-controlling interests		**130,533**	79,640
Total equity		**8,213,073**	7,841,423

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Hao Weibao
Director

Wang Xinli
Director

Year ended 31 December HK$'000

Consolidated Statement of Changes in Equity

	Issued capital	Share premium account	Contributed surplus (note 35)	Capital reserve (note 35)	Exchange fluctuation reserve
At 1 January 2023	392,886	6,852	251,218	(38,579)	(38,569)
Profit for the year	–	–	–	–	–
Other comprehensive income/(loss) for the year:					
Exchange differences on translation of foreign operations	–	–	–	–	(70,036)
Share of other comprehensive income of an associate, net of tax	–	–	–	–	–
Share of other comprehensive income of a joint venture	–	–	–	–	–
Share of other comprehensive income of defined benefit plan of an associate	–	–	–	–	–
Share of other comprehensive loss of defined benefit plan of a joint venture	–	–	–	–	–
Re-measurement gain on defined benefit plan, net of tax	–	–	–	–	–
Total comprehensive income/(loss) for the year	–	–	–	–	(70,036)
Final dividend	–	–	–	–	–
At 31 December 2023	392,886	6,852	251,218	(38,579)	(108,605)
At 1 January 2024	**392,886**	**6,852**	**251,218**	**(38,579)**	**(108,605)**
Profit for the year	–	–	–	–	–
Other comprehensive income/(loss) for the year:					
Cash flow hedges, net of tax	–	–	–	–	–
Fair value changes on financial asset at fair value through other comprehensive income, net of tax	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	–	**(86,695)**
Share of other comprehensive loss of a joint venture	–	–	–	–	–
Share of other comprehensive loss of defined benefit plan of a joint venture	–	–	–	–	–
Re-measurement gain on defined benefit plan, net of tax	–	–	–	–	–
Release of reserve upon disposal of investment in an associate	–	–	–	–	–
Total comprehensive income/(loss) for the year	–	–	–	–	**(86,695)**
Final dividend	–	–	–	–	–
At 31 December 2024	**392,886**	**6,852**	**251,218**	**(38,579)**	**(195,300)**

Year ended 31 December HK$'000

Consolidated Statement of Changes in Equity

Attributable to ordinary shareholders of the Company						
Cash flow hedge reserve (note 35)	Investment related reserve (note 35)	Defined benefit reserve (note 35)	Retained profits	Sub-total	Non-controlling interests	Total equity
4,510	(1,373,262)	39,609	8,500,766	7,745,431	20,257	7,765,688
–	–	–	551,803	551,803	67,030	618,833
–	–	–	–	(70,036)	(7,647)	(77,683)
–	(4,857)	–	–	(4,857)	–	(4,857)
–	873	–	–	873	–	873
–	757	–	–	757	–	757
–	12,500	–	–	12,500	–	12,500
–	–	(3,225)	–	(3,225)	–	(3,225)
–	9,273	(3,225)	551,803	487,815	59,383	547,198
–	–	–	(471,463)	(471,463)	–	(471,463)
4,510	(1,363,989)	36,384	8,581,106	7,761,783	79,640	7,841,423
4,510	**(1,363,989)**	**36,384**	**8,581,106**	**7,761,783**	**79,640**	**7,841,423**
–	**–**	**–**	**572,581**	**572,581**	**34,779**	**607,360**
(8,948)	**–**	**–**	**–**	**(8,948)**	**–**	**(8,948)**
–	**3,009**	**–**	**–**	**3,009**	**–**	**3,009**
–	**–**	**–**	**–**	**(86,695)**	**16,114**	**(70,581)**
–	**(131,546)**	**–**	**–**	**(131,546)**	**–**	**(131,546)**
–	**(30,976)**	**–**	**–**	**(30,976)**	**–**	**(30,976)**
–	**–**	**3,483**	**–**	**3,483**	**–**	**3,483**
–	**196,292**	**–**	**–**	**196,292**	**–**	**196,292**
(8,948)	**36,779**	**3,483**	**572,581**	**517,200**	**50,893**	**568,093**
–	**–**	**–**	**(196,443)**	**(196,443)**	**–**	**(196,443)**
(4,438)	**(1,327,210)**	**39,867**	**8,957,244**	**8,082,540**	**130,533**	**8,213,073**

Year ended 31 December HK$'000

Consolidated Statement of Cash Flows

	Notes	2024	2023
Cash flows from operating activities			
Profit before tax		**820,757**	696,760
Adjustments for:			
Interest income	5	**(61,226)**	(73,917)
Dividend income from a financial asset at fair value through other comprehensive income	5	**(12,417)**	–
Depreciation of property, plant and equipment	6	**512,434**	434,006
Depreciation of right-of-use assets	6	**37,397**	34,488
Amortisation of mining assets	6	**10,356**	14,888
Reversal for long-term employee benefits	6	**(918)**	(13,322)
Loss on disposal of items of property, plant and equipment, net	6	**4,228**	1,414
Loss on disposal of items of exploration, evaluation and development expenditures	6	**–**	6,725
Gain on disposal of investment in an associate	6	**(163,438)**	–
Write-back of inventories to net realisable value	6	**–**	(2,589)
Reversal of impairment of mining assets		**–**	(60,786)
Reversal of impairment of exploration, evaluation and development expenditures	6	**–**	(41,140)
Reversal for impairment of trade and other receivables	6	**(1,440)**	(739)
Provision/(reversal) of impairment of property, plant and equipment	6	**51,476**	(542,826)
Provision for impairment of an associate	6	**–**	844,724
Fair value (gain)/loss on derivative financial instruments	6	**(16,562)**	30,304
Finance costs	9	**96,069**	162,763
Share of result of an associate		**(2,316)**	112,523
Share of result of a joint venture		**(239,640)**	(398,357)
		1,034,760	1,204,919
Changes in inventories		**(131,729)**	116,009
Changes in trade receivables		**(452,890)**	56,797
Changes in prepayments, deposits and other receivables		**18,007**	28,729
Changes in accounts payable		**506,379**	137,116
Changes in accrued liabilities and other payables		**53,347**	(264,267)
Changes in provisions		**(68,033)**	13,403
Cash generated from operations		**959,841**	1,292,706
Income tax paid		**(176,712)**	(138,108)

Year ended 31 December HK$'000

Consolidated Statement of Cash Flows

	Notes	2024	2023
Net cash flows from operating activities		**783,129**	1,154,598
Cash flows from investing activities			
Interest received		**61,573**	73,147
Dividend income received from a joint venture		**173,345**	–
Dividend received from a financial asset at fair value through other comprehensive income		**12,416**	–
Additions to items of property, plant and equipment		**(394,772)**	(404,999)
Additions to mining assets	15	**(2,221)**	(6,929)
Additions to exploration, evaluation and development costs	16	**(850)**	(420)
Proceeds from disposal of items of property, plant and equipment		**2,829**	439
Proceeds from disposal of items of exploration, evaluation and development costs		**–**	781
Repayment of loan from a joint venture		**12,426**	–
Addition in time deposits with original maturity of more than one year		**(14,475)**	(18,787)
Changes in deposits with a fellow subsidiary		**(364,037)**	439,290
Net cash flows (used) in/from investing activities		**(513,766)**	82,522
Cash flows from financing activities			
Proceeds from bank borrowings	38(b)	**3,629,611**	700,000
Repayments of bank borrowings	38(b)	**(3,414,498)**	(1,501,631)
Principal portion of lease payments	38(b)	**(35,965)**	(34,857)
Interest portion of lease liabilities	38(b)	**(1,265)**	(1,564)
Dividend paid to shareholders	38(b)	**(196,425)**	(471,422)
Finance charges paid	38(b)	**(61,965)**	(138,367)
Net cash flows used in financing activities		**(80,507)**	(1,447,841)
Net increase/(decrease) in cash and cash equivalents		**188,856**	(210,721)
Cash and cash equivalents at beginning of year		**759,225**	966,322
Effect of foreign exchange rate changes, net		**(5,262)**	3,624
Cash and cash equivalents at end of year		**942,819**	759,225
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**562,005**	493,578
Time deposits		**380,814**	265,647
	26	**942,819**	759,225

1 Corporate and group information

CITIC Resources Holdings Limited is a limited liability company incorporated in Bermuda. The head office and principal place of business of the Company is located at Suites 6701-02 & 08B, 67/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

During the year, the Group was principally engaged in the following businesses:

(a) the operation of the PAS which sources alumina and produces aluminium ingots and the sale of aluminium ingots in Australia;

(b) the operation of coal mines and the sale of coal in Australia;

(c) the import and export of other commodity products and manufactured goods;

(d) the exploration, development, production and sale of crude oil from the Seram Block; and

(e) the exploration, development, production and sale of crude oil from the Hainan-Yuedong Block.

In the opinion of the directors, the ultimate holding company of the Company is 中國中信集團有限公司 (CITIC Group Corporation), a company established in China. The immediate holding company of the Company, CITIC Limited, which is incorporated and listed in Hong Kong, produces consolidated financial statements available for public use.

1 Corporate and group information (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries were as follows:

Name	Place of incorporation/ operation	Issued ordinary share capital	Percentage of equity interest attributable to the Company	Principal activities
Directly held				
Star Choice Venture Limited	BVI/Hong Kong	US$1	100	Financing
Global Enterprises (HK) Limited	Hong Kong	HK$2	100	Provision of management services
CITIC Resources Australia Pty Limited	State of Victoria, Australia	A$430,298,351	100	Investment holding
Indirectly held				
CITIC Australia (Portland) Pty Ltd	State of Victoria, Australia	A$45,675,119	100	Aluminium smelting
CITIC Australia Coppabella Pty Ltd	State of Victoria, Australia	A$5,000,002	100	Mining and production of coal
CA Commodity Trading Pty Ltd	State of Victoria, Australia	A$500,002	100	Import and export of commodities and manufactured goods
CRH Trading Pty Ltd	State of Victoria, Australia	A$2	100	Petroleum and commodities trading

1 Corporate and group information (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ operation	Issued ordinary share capital	Percentage of equity interest attributable to the Company	Principal activities
Indirectly held (continued)				
北京千泉投資顧問有限公司 (Beijing Qian Quan Investment Consulting Co. Limited) *(wholly foreign-owned enterprise)*	Mainland China/ Limited liability	RMB1,243,173	100	Consulting
CITIC Seram Energy Limited	BVI/Indonesia	US$1	100	Exploration, development and operation of oilfields
CITIC Haiyue Energy Limited	BVI/Hong Kong	US$1	100	Investment holding
Tincy Group Energy Resources Limited *(wholly foreign-owned enterprise)*	Hong Kong/ Mainland China/ Limited liability	HK$10,000,000	90	Exploration, development and operation of oilfields
CITIC Oil & Gas Holdings Limited	BVI/Hong Kong	US$100	100	Investment holding
KAZCITIC Investment LLP	Kazakhstan	KZT100,000,000	100	Property holding
中信石油技術開發（北京）有限公司 (CITIC Petroleum Technology Development (Beijing) Limited) *(wholly foreign-owned enterprise)*	Mainland China/ Limited liability	US$100,000	100	Oil technology development

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial asset at fair value through other comprehensive income, derivative financial instruments and defined benefit pension plans plan assets which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollar ("**HK$**").

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024 ("**Financial Statements**"). A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to ordinary shareholders of the Company and also to the non-controlling interests. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for these Financial Statements.

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

The adoption of the above new and revised HKFRSs in the current year has no material impact to the Group.

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The following new and revised HKFRSs to the Group which have been issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as of 31 December 2024 may impact the Group in future years but are not yet effective for the year ended 31 December 2024:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments[2]
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRSs – Volume 11
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to Hong Kong Interpretation 5	Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for accounting periods beginning on or after 1 January 2025
2 Effective for accounting periods beginning on or after 1 January 2026
3 Effective for accounting periods beginning on or after 1 January 2027
4 Effective date to be determined

The Group has not early adopted the above new standards, amendments and interpretation and will apply when they become effective. The Group has already commenced an assessment of the related impact to the Group, certain of which may give rise to change in presentation and disclosure of certain items in the consolidated financial statements.

2.4 Summary of material accounting policies

Investments in an associate and a joint venture

An associate is an entity, in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in an associate and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets using the equity method, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of an associate and a joint venture is included in the consolidated income statement and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of its associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of its investment in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of an associate or a joint venture is included as part of the Group's investments in an associate or a joint venture.

Contractual arrangements that do not give rise to joint control or control

The Group has interests in certain contractual arrangements that do not give rise to joint control or control. Despite not having joint control or control, the Group has rights to, and obligations for, the underlying assets and obligations of these arrangements. Therefore, the Group accounts for its rights and obligations arising from these contracts by applying each HKFRS as appropriate.

2.4 Summary of material accounting policies (continued)

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement in which the Group has rights to the assets and obligations for the liabilities of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interests in joint operations:

(a) its assets, including its share of any assets held jointly;

(b) its liabilities, including its share of any liabilities incurred jointly;

(c) its revenue from the sale of its share of the output arising from the joint operation;

(d) its share of the revenue from the sale of the output by the joint operation; and

(e) its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interests in joint operations are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at fair value on the acquisition date, which is the sum of the fair values of assets transferred by the Group, liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group in exchange for control of the acquiree at the acquisition date. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 Summary of material accounting policies (continued)

Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after assessment, recognised in the consolidated income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. Provision for impairment of goodwill is included in "Other expenses, net" in the consolidated income statement.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Summary of material accounting policies (continued)

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which the fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 Summary of material accounting policies (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and goodwill), the recoverable amount of the asset or cash-generating unit is estimated. The recoverable amount is the higher of its value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated income statement in the reporting period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated income statement in the reporting period in which it arises.

Property, plant and equipment

Property, plant and equipment, other than oil and gas properties, capital works and construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. Plant, machinery, equipment and buildings used in the PAS, which include the furnace, water system, pot room and ingot mill, and buildings and structures, are estimated to have a useful life up to 2035.

2.4 Summary of material accounting policies (continued)

Property, plant and equipment (continued)

Other property, plant and equipment are estimated to have the following useful lives:

Leasehold improvements	10 to 12 years or over the unexpired lease terms, whichever is shorter
Motor vehicles, plant, machinery, tools and equipment	2 to 19 years
Furniture and fixtures	4 to 5 years
Buildings and structures	10 to 30 years

Freehold land is not depreciated.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment, including any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement recognised in the consolidated income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and structures under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Oil and gas properties

For oil and gas properties, the successful effort method of accounting is adopted. The Group capitalises initial acquisition costs of oil and gas properties. Impairment of initial acquisition costs is recognised based on exploratory experience and management judgment. Upon discovery of commercial reserves, acquisition costs are transferred to proved properties. The costs of drilling and equipping successful exploratory wells are all classified as development costs, including those renewals and betterment which extend the economic lives of the assets. The costs of unsuccessful exploratory wells and all other exploration costs are expensed as incurred.

Exploratory wells are evaluated for economic viability within one year of completion. Expenditure incurred in respect of the exploratory wells that discover potential economic reserves in areas where major capital expenditure will be required before production could begin and the major capital expenditure depends upon successful completion of further exploratory work remains capitalised, and are reviewed periodically for impairment.

2.4 Summary of material accounting policies (continued)

Property, plant and equipment (continued)

Oil and gas properties (continued)

Oil and gas properties are stated at cost less accumulated depreciation and depletion, and any impairment losses. The depreciation and depletion of oil and gas properties with a life longer than or equal to the licence life is estimated on a unit-of-production basis, in the proportion of actual production for the period to the total estimated remaining reserves of the oilfield. The remaining reserves figure is the amount estimated up to the licence expiration date plus the production for the period. Costs associated with significant development projects are not depleted until commercial production commences and the reserves related to those costs are excluded from the calculation of depletion.

Capitalised acquisition costs of proved properties are amortised by the unit-of-production method on a property-by-property basis computed based on the total estimated units of proved reserves.

The Group estimates future dismantlement costs for oil and gas properties with reference to the estimates provided by either internal or external engineers after taking into consideration the anticipated method of dismantlement required in accordance with the current legislation and industry practices. The associated cost is capitalised and the liability is discounted. An accretion expense is recognised using the credit-adjusted risk-free interest rate in effect when the liability is initially recognised.

Capital works

Capital works represent development expenditures in relation to the Group's mining activities, which are carried forward to the extent that such costs are expected to be recouped through successful development and production of the areas or by their sale.

Exploration, evaluation and development expenditures

Exploration, evaluation and development expenditures are recorded at cost less any impairment losses. If an indication of impairment arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Exploration, evaluation and development costs relating to current areas of interest are capitalised to the extent that such costs are expected to be recouped through successful development and production of the areas, by its sale, or of an area of interest or where activities in an area of interest have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves but active and significant work are continuing.

Where it is decided to abandon an area of interest, exploration, valuation and development expenditures capitalised in respect of that area of interest are written off in the year in which the decision is taken.

2.4 Summary of material accounting policies (continued)

Mining assets

Mining assets

Expenditure is transferred from the "Exploration, evaluation and development expenditures" to "Mining assets" when the exploration and development work completed supports a decision to develop the area of interest for commercial production. Upon commercial production of the mining area commences, amortisation of the expenditure will be recognised in accordance with the manner in which economic benefits is expected to flow to the Group.

Mining assets are stated at cost, less accumulated amortisation and accumulated impairment losses. The initial cost of a mining asset comprises the capitalised expenditure transferred from the "Exploration, evaluation and development expenditures" plus any costs directly attributable to bringing the asset to commercial production.

Mining assets are amortised on a units-of-production basis over the expected economically recoverable reserve of the area of interest. Economically recoverable reserve of the area of interest includes proven and probable reserve based on the life of mine plans prepared by the manager of the mine. The assets' economically recoverable reserve and method of amortisation are reviewed at each year end and adjusted prospectively, if appropriate. Amortisation of mining assets are recorded as part of Cost of Goods Sold in the consolidated income statement.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 Summary of material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated income statement when the asset is derecognised, modified or impaired.

Financial asset at fair value through other comprehensive income (equity instrument)

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment related reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits. Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses, net" line item in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated statement of financial position) when:

(a) the rights to receive cash flows from the asset have expired; or

(b) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset; or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 Summary of material accounting policies (continued)

Investments and other financial assets (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises the associated liability of the transferred asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for Expected Credit Loss(es) ("**ECL(s)**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 Summary of material accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 Summary of material accounting policies (continued)

Impairment of financial assets (continued)

Simplified approach (continued)

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another one from the same lender but on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amount is recognised in the consolidated income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 Summary of material accounting policies (continued)

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments to manage its price risk. These derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the consolidated income statement, except for the effective portion of cash flow hedges, which is recognised in the consolidated statement of comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges of the Group are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements.

2.4 Summary of material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

(a) There is "an economic relationship" between the hedged item and the hedging instrument.

(b) The effect of credit risk does not "dominate the value changes" that result from that economic relationship.

(c) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for cash flow hedges are accounted for as follows.

(a) The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

(b) The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

    For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the consolidated income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated income statement.

(c) If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the consolidated income statement as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

2.4 Summary of material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are separated into current and non-current portions based on an assessment of the facts and circumstances, including the underlying contracted cash flows.

(a) Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current or separated into current and non-current portions consistently with the classification of the underlying hedged item.

(b) Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

Derivative instruments that are designated as effective hedging instruments are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined on the weighted average basis. In the case of work in progress and finished goods, costs comprise direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. Provision for or write-back of inventories to net realisable value is included in "Other expenses, net" in the consolidated income statement.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash subject to an insignificant risk of changes in value and having a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits with short maturity of generally within three months and which are not restricted as to use.

2.4 Summary of material accounting policies (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated income statement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration the interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) when the deferred tax liability arises from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 Summary of material accounting policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

(a) when the deferred tax asset relating to the deductible temporary differences arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and

(b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Dividend income derived from the Group's subsidiaries in China is subject to withholding tax under the prevailing tax rules and regulations.

2.4 Summary of material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue from sale of goods is recognised at the point in time when control of the products is transferred to the customer, generally on delivery of goods.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Other income

Handling service fee is recognised as other income in the consolidated income statement, when the services have been rendered.

2.4 Summary of material accounting policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for Short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 years
Buildings	2 to 8 years
Plant and machinery	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 Summary of material accounting policies (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its Short-term leases of offices, machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on Short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Employee benefits

Pension schemes

The Group operates a MPF Scheme for those employees in Hong Kong who are eligible to participate. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

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 contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

The Group provides employee benefits on retirement, disability or death to its employees in the PAS located in Australia. The benefit has a defined benefit plan and defined contribution plan. The defined benefit plan provides defined lump sum benefits based on years of service and final average salary. The defined contribution plan receives fixed contributions from the joint venture manager, and joint venture manager's legal or constructive obligation is limited to these contributions. A liability in respect of the defined benefit plan is recognised in the consolidated statement of financial position, and is measured as the present value of the defined benefit obligation at that date and any unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligations is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. All re-measurements of defined benefit liabilities/assets are recognised in other comprehensive income.

Re-measurements arising from defined benefit plans, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.4 Summary of material accounting policies (continued)

Employee benefits (continued)

Paid leave carried forward

The Group provides paid leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, any paid leave that remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees of the Group and carried forward.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (being those that necessarily take a substantial period of time to get ready for their intended use or sale) are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividends are recognised as liabilities when they are approved by shareholders in a general meeting.

Foreign currencies

The financial statements are presented in HK$ which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially translated using their respective functional currency rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item. In other words, the translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively.

2.4 Summary of material accounting policies (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint venture, joint operations and associate are currencies other than HK$. As at the end of the reporting period, the assets and liabilities of these entities are translated into HK$ at the exchange rates prevailing at the end of the reporting period and their income statements are translated into HK$ at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component in the consolidated statement of comprehensive income relating to that particular foreign operation is recognised in the consolidated income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries and joint operations are translated into HK$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and joint operations which arise throughout the year are translated into HK$ at the weighted average exchange rates for the year.

3 Significant accounting judgments and estimates

The preparation of the Group's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The following is a review of the more significant assumptions and estimates as well as the accounting policies and methods used in the preparation of the Financial Statements.

a) Income tax

Determining income tax provisions requires the Group to make judgments on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. This requires significant judgments on the tax treatment of certain transactions and also assessment on the probability that adequate future taxable profits will be available to recover the deferred tax assets.

3 Significant accounting judgments and estimates (continued)

b) Oil and gas reserves and mining reserves

The most significant estimates in the oil and gas and mining operations pertain to the volumes of oil and gas reserves and mining reserves and the future development, purchase price allocation, provisions for rehabilitation cost and abandonment cost, as well as estimates relating to certain oil and gas and mining revenues and expenses. Actual amounts could differ from those estimates and assumptions. Further details are set out in notes 13 and 30 to the Financial Statements.

c) Recoverability of non-financial assets (other than goodwill)

The Group assesses all its non-financial assets (other than goodwill) at the end of each reporting period whether there are any indicators of impairment or a previously recognised impairment loss has disappeared or reduced. Internal and external sources of information are reviewed at each balance sheet date for indications.

If there is such indicator, the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use, is then assessed to identify whether any impairment charge or reversal of impairment is required as at the year end.

Based on the above, an impairment or a reversal of an impairment previously provided on the relevant non-financial assets (other than goodwill) is made by management. In the event of a previously provided impairment being reversed, the reversal cannot raise the carrying value above the carrying amount that would have been determined (net of amortisation or depreciation), if no impairment had originally been recognised. Significant judgments are required in assessing whether such indicators of impairment or reversal of impairment exist, and in estimating the recoverable amounts. Further details are set out in notes 13, 16, 17, 20 and 21 to the Financial Statements.

d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Management's judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are set out in notes 10 and 32 to the Financial Statements.

3 Significant accounting judgments and estimates (continued)

e) Rehabilitation provisions

(i) Aluminium business unit

The Group has used the current CPI of 2.5% in projecting the future value of its rehabilitation costs. The discount rate is based on the long-term Australian Treasury 10-year bond rate 4.0% (2022: 4.1%) appropriate for Portland Aluminium Smelter to calculate the present value of the liability. Dismantling costs are based on the estimate prepared by the smelter's manager.

The valuation amount derived was translated from A$ into US$ at the period end rate of 0.68 (2022: 0.68).

(ii) Coal business unit

The manager of the Coppabella and Moorvale coal mines provides estimated costs for closing and rehabilitating the mine sites. These estimates include the costs of dismantling the infrastructure and the costs of restoring the land in compliance with the requirements of the Environmental Laws of the State. The Group has applied CPI of 2.5% against management's estimated costs to project the future costs of rehabilitating the mine at the time when the life of the mine expires. This projected future cost was discounted to net present value using a discount rate, based on the long-term Australian Treasury 10-year bond rate of 4.1% (2022: 4.1%) appropriate for the coal mines project.

The valuation amount derived was translated from A$ into US$ at the period end rate of 0.68 (2022: 0.68).

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 and produces aluminium ingots in Australia;

(b) the coal segment comprises the operation of coal mines and the sale of coal in Australia;

(c) the import and export of commodities segment comprises the trading of crude oil and oil products around the world and trading of alumina in Australia; and

(d) the crude oil segment comprises the operation of oilfields and the sale of crude oil in Indonesia and China.

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

HK$'000

4 Operating segment information (continued)

Year ended 31 December 2024	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment revenue:					
Sales to external customers	1,363,722	787,130	5,930,570	1,416,386	9,497,808
Other income, gains and losses, net	56,414	22,181	(947)	24,102	101,750
	1,420,136	809,311	5,929,623	1,440,488	9,599,558
Segment results	71,513	36,005	1,668	521,082	630,268
Reconciliations:					
Interest income and unallocated gains and losses, net					184,860
Unallocated expenses					(140,258)
Unallocated finance costs					(96,069)
Share of results of:					
An associate					2,316
A joint venture					239,640
Profit before tax					820,757
Segment assets	1,057,175	708,773	531,892	3,326,541	5,624,381
Reconciliations:					
Financial asset at fair value through other comprehensive income					2,289,703
Investment in a joint venture					2,690,406
Unallocated assets					2,068,653
Total assets					12,673,143
Segment liabilities	509,935	258,963	531,476	588,281	1,888,655
Reconciliations:					
Unallocated liabilities					2,571,415
Total liabilities					4,460,070

HK$'000

4 Operating segment information (continued)

Year ended 31 December 2024	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Other segment information:					
Depreciation and amortisation	52,014	64,574	–	429,597	546,185
Unallocated amounts					14,002
					560,187
Reversal of impairment in the consolidated income statement					
Reversal of impairment of other receivables	–	–	–	(1,440)	(1,440)
Provision of impairment in the consolidated income statement					
Provision for impairment of property, plant and equipment	–	–	–	51,476	51,476
					50,036
Capital expenditure[1]	16,518	25,141	–	336,787	378,446
Unallocated amounts					2,531
					380,977
Additions to right-of-use assets	–	45,071	–	364	45,435

[1] Capital expenditure consists of additions to property, plant and equipment, mining assets and exploration, evaluation and development expenditures.

HK$'000

4 Operating segment information (continued)

Year ended 31 December 2023	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Segment revenue:					
Sales to external customers	1,239,638	1,111,179	519	1,474,241	3,825,577
Other income, gains and losses, net	17,788	9,586	(6,940)	25,082	45,516
	1,257,426	1,120,765	(6,421)	1,499,323	3,871,093
Segment results	206,566	376,364	(4,127)	934,031	1,512,834
Reconciliations:					
Interest income and unallocated gains and losses, net					57,140
Unallocated expenses					(996,285)
Unallocated finance costs					(162,763)
Share of results of:					
An associate					(112,523)
A joint venture					398,357
Profit before tax					696,760
Segment assets	945,664	764,032	178	3,585,172	5,295,046
Reconciliations:					
Investment in an associate					1,821,296
Investment in a joint venture					2,786,632
Unallocated assets					1,721,417
Total assets					11,624,391
Segment liabilities	444,348	282,662	–	625,540	1,352,550
Reconciliations:					
Unallocated liabilities					2,430,418
Total liabilities					3,782,968

HK$'000

4 Operating segment information (continued)

Year ended 31 December 2023	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Other segment information:					
Depreciation and amortisation	31,407	67,348	–	369,020	467,775
Unallocated amounts					15,607
					483,382
Reversal of impairment in the consolidated income statement					
Write-back of inventories to net realisable value	–	–	–	(2,589)	(2,589)
Reversal of impairment of property, plant and equipment	(293,126)	–	–	(249,700)	(542,826)
Reversal of impairment of mining assets	–	(60,786)	–	–	(60,786)
Reversal of impairment of exploration, evaluation and development expenditures	–	(41,140)	–	–	(41,140)
Reversal of impairment of trade receivables	–	–	(739)	–	(739)
Provision of impairment in the consolidated income statement					
Provision for impairment of an associate					844,724
					196,644
Capital expenditure[1]	12,650	34,250	–	322,872	369,772
Unallocated amounts					477
					370,249
Additions to right-of-use assets	–	10,988	–	–	10,988

1 Capital expenditure consists of additions to property, plant and equipment, mining assets and exploration, evaluation and development expenditures.

HK$'000

4 Operating segment information (continued)

Geographical information

(a) Revenue from external customers

	2024	2023
Mainland China	**1,361,417**	1,406,152
Australia	**6,478**	21,414
Europe	**1,748,110**	868,725
Other Asian countries	**6,134,197**	1,297,723
Others	**247,606**	231,563
	9,497,808	3,825,577

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2024	2023
Hong Kong	**4,299**	13,744
Mainland China	**3,066,147**	3,290,592
Australia	**3,335,028**	2,916,397
Kazakhstan	**2,690,737**	2,787,090
Other Asian countries	**98,311**	103,858
	9,194,522	9,111,681

The non-current assets information above is based on the location of the assets which exclude deferred tax assets and pension assets.

Information about major customers

During the year, revenue of HK$2,151,366,000 (2023: nil) and HK$1,433,034,000 (2023: nil) were derived from sales to two customers of the import and export of commodities segment, respectively. Sales to each of these two customers represented more than 10% of Group's revenue for the year.

During the year, revenue of HK$1,323,391,000 (2023: HK$1,406,152,000) was derived from sales to a customer of the crude oil segment, which represented more than 10% of the Group's revenue for the year.

HK$'000

5 Revenue, other income, gains and losses, net

Revenue from contracts with customers

(a) Disaggregated revenue information

2024	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Geographical markets					
Mainland China	–	–	–	1,361,417	1,361,417
Australia	–	6,478	–	–	6,478
Europe	689,116	118,852	940,142	–	1,748,110
Other Asian countries	556,092	532,708	4,990,428	54,969	6,134,197
Others	118,514	129,092	–	–	247,606
Revenue from contracts with customers	1,363,722	787,130	5,930,570	1,416,386	9,497,808

2023	Aluminium smelting	Coal	Import and export of commodities	Crude oil	Total
Geographical markets					
Mainland China	–	–	–	1,406,152	1,406,152
Australia	–	20,895	519	–	21,414
Europe	640,562	228,163	–	–	868,725
Other Asian countries	599,076	630,557	–	68,090	1,297,723
Others	–	231,563	–	–	231,563
Revenue from contracts with customers	1,239,638	1,111,178	519	1,474,242	3,825,577

All of the Group's revenue from the sale of goods was recognised at the point in time when control of the products was transferred to the customer.

HK$'000

5 Revenue, other income, gains and losses, net (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below.

Sale of goods

The performance obligation is satisfied upon delivery of goods and payment is generally due within 30 to 120 days from delivery.

Other income, gains and losses, net

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

	2024	2023
Interest income	**61,226**	73,917
Gain on disposal of investment in an associate	**163,438**	–
Dividend income from a financial asset at fair value through other comprehensive income	**12,417**	–
Sale of scrap	**7,602**	10,082
Loss on disposal of items of exploration, evaluation and development expenditures	**–**	(6,725)
Loss on disposal of items of property, plant and equipment, net	**(4,228)**	(1,414)
Fair value gain on derivative financial instruments	**16,562**	–
Exchange gain/(losses), net	**21,741**	(6,592)
Others	**17,567**	33,388
	296,325	102,656

HK$'000

6 Profit before tax

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

	Notes	2024	2023
Cost of inventories sold		**8,767,291**	2,824,203
Depreciation of property, plant and equipment	13	**512,434**	434,006
Depreciation of right-of-use assets	14(a)	**37,397**	34,488
Amortisation of mining assets	15	**10,356**	14,888
Lease payments not included in the measurement of lease liabilities	14(c)	**6,036**	6,434
Auditor's remuneration		**7,338**	7,524
Employee benefit expenses (including directors' remuneration (note 7)):			
Full time employees of the Group			
– Wages and salaries		**159,248**	173,759
– Pension cost – defined benefit plan		**990**	702
– Reversal for long-term employee benefits		**(918)**	(13,322)
		159,320	161,139
– Welfares		**14,772**	13,157
– Pension scheme contributions**		**8,991**	8,216
		183,083	182,512
Employees by PAS & CMJV		**276,432**	284,428
Subcontractor		**60,714**	60,780
		520,229	527,720
Loss on disposal of items of property, plant and equipment, net		**4,228**	1,414
Loss on disposal of items of exploration, evaluation and development expenditures		**–**	6,725
Gain on disposal of investment in an associate		**(163,438)**	–
Fair value loss on derivative financial instruments*		**–**	30,304
Fair value gain on derivative financial instruments		**(16,562)**	–
Exchange (gains)/losses, net		**(21,741)**	6,592
Reversal of impairment of trade and other receivables		**(1,440)**	(739)
Reversal of impairment of mining assets*		**–**	(60,786)
Reversal of impairment of exploration, evaluation and development expenditures*		**–**	(41,140)
Provision/(reversal) for impairment of property, plant and equipment*		**51,476**	(542,826)
Provision for impairment of an associate*		**–**	844,724

* Included in "Other expenses, net" in the consolidated income statement.

** The Group had no forfeited contributions available to reduce its contributions to the pension schemes for the future years.

HK$'000

7 Directors' remuneration

Directors' and chief executive's remuneration, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

(a) Independent non-executive directors

The fees paid to the independent non-executive directors were as follows:

	2024	2023
Fan Ren Da, Anthony	**570**	570
Gao Pei Ji (note 1)	**–**	524
Look Andrew	**540**	540
Lu Dequan	**570**	46
Cai Jin (note 2)	**14**	–
	1,694	1,680

Note 1: retired with effect from 1 December 2023

Note 2: appointed with effect from 19 December 2024

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

(b) Executive directors and non-executive director

	Fees	Salaries	Housing allowances	Bonuses	Pension scheme contributions	Total remuneration
2024						
Executive directors:						
Hao Weibao	–	–	–	–	–	–
Wang Xinli	430	2,445	28	2,445	60	5,408
	430	2,445	28	2,445	60	5,408
Non-executive director:						
Chan Kin	290	–	–	–	–	290
	720	2,445	28	2,445	60	5,698

Except for directors' fee, the unpaid portion of the total emoluments for directors will be determined based on an evaluation to be conducted and finalised in 2024. Such emoluments, when finalised, will be disclosed on an individual name basis in the consolidated financial statements for the year ending 31 December 2024.

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7 Directors' remuneration (continued)

(b) Executive directors and non-executive director (continued)

	Fees	Salaries	Housing allowances	Bonuses	Pension scheme contributions	Total remuneration
2023						
Executive directors:						
Hao Weibao (note 1)	–	–	–	–	–	–
Sun Yufeng (note 2)	–	–	–	–	–	–
Wang Xinli (note 3)	–	112	2	112	5	231
	–	112	2	112	5	231
Non-executive director:						
Chan Kin	290	–	–	–	–	290
	290	112	2	112	5	521

Note 1: appointed with effect from 18 April 2023.

Note 2: resigned with effect from 18 April 2023.

Note 3: appointed with effect from 15 December 2023.

There was no arrangement under which a director waived or agreed to waive any remuneration in 2024 (2023: same).

8 Five highest paid employees

The five highest paid employees during the year included one (2023: one) director and four (2023: four) non-director individuals. Details of the remuneration of the director are set out in note 7 to the Financial Statements while details of the remuneration of the non-director individuals are set out below:

	2024	2023
Non-director individuals		
Salaries	**6,782**	6,305
Bonuses	**344**	5,455
Pension scheme contributions	**597**	520
Housing allowances	**36**	147
Other benefits	**3**	3
	7,762	12,430

	Year ended 31 December	
	2024	2023
Number of non-director individuals by remuneration bands:		
HK$1,000,001 – HK$1,500,000	**2**	2
HK$1,500,001 – HK$2,000,000	**–**	–
HK$2,000,001 – HK$2,500,000	**1**	–
HK$2,500,001 – HK$3,000,000	**1**	–
HK$3,000,001 – HK$3,500,000	**–**	1
HK$3,500,001 – HK$4,000,000	**–**	–
HK$4,000,001 – HK$4,500,000	**–**	–
HK$4,500,001 – HK$5,000,000	**–**	1
HK$5,000,001 – HK$5,500,000	**–**	–
	4	4

HK$'000

9 Finance costs

An analysis of finance costs is as follows:

		2024	2023
Interest expense on bank and other borrowings	38(b)	**68,150**	136,195
Interest expense on lease liabilities	14(c)	**1,265**	1,564
		69,415	137,759
Other finance charges:			
Increase in discounted amounts of provisions arising from the passage of time	30	**22,149**	17,188
Others		**4,505**	7,816
		96,069	162,763

10 Income tax expense

	2024	2023
Current – Hong Kong	–	–
Current – Elsewhere		
Charge for the year	**162,560**	168,632
Withholding tax	**9,003**	–
Under/(over) provision in prior years	**21**	(349)
Deferred taxation	**41,813**	(90,356)
Total tax expense for the year	**213,397**	77,927

Assessable profits derived in Hong Kong is subject to a tax rate of 16.5% (2023:16.5%). No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2023: Nil).

Withholding tax on dividends income from an overseas joint venture is provided at 5% (2023: Nil).

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

Australia: The Group's subsidiaries incorporated in Australia were subject to Australian income tax at a rate of 30% (2023: 30%).

Indonesia: The corporate tax rate applicable to the subsidiary which is operating in Indonesia was 25% (2023: 25%). The Group's subsidiary owning a participating interest in the oil and gas properties in Indonesia was subject to branch tax at the effective tax rate of 15% (2023: 15%).

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

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

HK$'000

10 Income tax expense (continued)

A reconciliation of the tax expense applicable to profit before tax at the Hong Kong statutory tax rate to the income tax expense at the Group's effective tax rate is as follows:

	2024	2023
Profit before tax	**820,757**	696,760
Profits attributable to an associate and a joint venture	**(241,956)**	(285,834)
	578,801	410,926
Tax at the Hong Kong statutory tax rate of 16.5% (2023: 16.5%)	**95,502**	67,803
Effect of different taxation rates in other jurisdictions	**78,926**	16,785
Underprovision in prior years	**21**	57
Effect of non-taxable income	**(6,524)**	(4,656)
Effect of non-deductible expenses	**36,650**	56,797
Withholding tax on dividends income from a joint venture	**9,003**	–
Temporary differences not recognised	**(181)**	(9,725)
Recognition/utilisation of previously unrecognised temporary differences/tax losses	**–**	(49,134)
Income tax expense	**213,397**	77,927

The Group is within the scope of the OECD Pillar Two model rules. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ("**GloBE**") effective tax rate for each jurisdiction and the 15% minimum rate. All entities within the Group have an effective tax rate that exceeds 15%.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications.

11 Dividend

	2024	2023
Proposed final dividend of HK2.60 cents (2023: HK2.50 cents) per ordinary share	**204,301**	196,443

The proposed final dividend for the year is subject to the approval of shareholders at the forthcoming annual general meeting of the Company.

HK$'000

12 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 year attributable to ordinary shareholders of the Company of HK$572,581,000 (2023: HK$551,803,000) and the weighted average number of ordinary shares in issue during the year, which was 7,857,727,149 (2023: 7,857,727,149) shares.

The Group had no potentially dilutive ordinary shares in issue during 2024 (2023: same).

13 Property, plant and equipment

2024	Oil and gas properties	Freehold land	Leasehold improvements	Motor vehicles, plant, machinery, tools and equipment	Furniture and fixtures	Buildings and structures	Capital works	Construction in progress	Total
Cost:									
At 1 January 2024	10,707,499	9,369	10,227	1,956,941	26,114	839,562	70,085	107,799	13,727,596
Change in provision for rehabilitation cost	–	–	–	(2,848)	–	16,859	–	–	14,011
Additions	2,404	–	–	25,597	1,436	4,440	5,014	332,246	371,137
Disposals/write-off	(226,697)	–	–	(21,015)	(2,527)	(367)	–	–	(250,606)
Transfers	331,476	–	–	81	–	–	–	(335,944)	(4,387)
Exchange realignment	(256,296)	–	–	5,958	–	(574)	–	4,205	(246,707)
At 31 December 2024	10,558,386	9,369	10,227	1,964,714	25,023	859,920	75,099	108,306	13,611,044
Accumulated depreciation and impairment:									
At 1 January 2024	7,560,269	–	8,431	1,531,079	24,041	574,141	41,580	–	9,739,541
Depreciation provided during the year	425,893	–	1,794	65,617	996	18,134	–	–	512,434
Disposals/write-off	(223,052)	–	–	(17,728)	(2,511)	(279)	–	–	(243,570)
Provision of impairment	51,476	–	–	–	–	–	–	–	51,476
Exchange realignment	(162,414)	–	–	5,509	–	(1,892)	–	–	(158,797)
At 31 December 2024	7,652,172	–	10,225	1,584,477	22,526	590,104	41,580	–	9,901,084
Net carrying amount:									
At 31 December 2024	2,906,214	9,369	2	380,237	2,497	269,816	33,519	108,306	3,709,960

HK$'000

13 Property, plant and equipment (continued)

2023	Oil and gas properties	Freehold land	Leasehold improvements	Motor vehicles, plant, machinery, tools and equipment	Furniture and fixtures	Buildings and structures	Capital works	Construction in progress	Total
Cost:									
At 1 January 2023	10,642,575	9,369	11,447	1,915,257	26,135	782,820	125,406	93,737	13,606,746
Change in provision for abandonment cost	(24,598)	–	–	–	–	–	–	–	(24,598)
Change in provision for rehabilitation cost	–	–	–	(6,162)	–	12,570	–	–	6,408
Additions	1,457	–	–	48,853	195	42	–	321,409	371,956
Disposals/write-off	–	–	(1,174)	(8,392)	–	(66)	–	–	(9,632)
Transfers	304,453	–	–	11,356	–	44,665	(55,321)	(305,153)	–
Exchange realignment	(216,388)	–	(46)	(3,971)	(216)	(469)	–	(2,194)	(223,284)
At 31 December 2023	10,707,499	9,369	10,227	1,956,941	26,114	839,562	70,085	107,799	13,727,596
Accumulated depreciation and impairment:									
At 1 January 2023	7,594,999	–	7,857	1,723,651	22,909	614,446	41,580	–	10,005,442
Depreciation provided during the year	364,842	–	1,794	47,608	1,190	18,572	–	–	434,006
Disposals/write-off	–	–	(1,174)	(3,103)	–	(52)	–	–	(4,329)
Reversal of impairment	(249,700)	–	–	(234,501)	–	(58,625)	–	–	(542,826)
Exchange realignment	(149,872)	–	(46)	(2,576)	(58)	(200)	–	–	(152,752)
At 31 December 2023	7,560,269	–	8,431	1,531,079	24,041	574,141	41,580	–	9,739,541
Net carrying amount:									
At 31 December 2023	3,147,230	9,369	1,796	425,862	2,073	265,421	28,505	107,799	3,988,055

With the advancement of the oil extraction operations at Tincy Group, impairment indicator has been identified with respect to the increased difficulty and cost of crude oil extraction beyond the expected level, and the actual production volume fell short of expectations. Accordingly, the Group estimated the recoverable amounts of Yuedong oilfield. Significant management's judgments and assumptions are required to estimate the recoverable amounts. The recoverable amounts are estimated taking into consideration of the forecast crude oil, prices, forecast costs, forecast production volumes, and discount rates.

Based on the assessment on the recoverable amounts performed by management, the Group recognised a provision for impairment loss of property, plant and equipment held by the Group of approximately HK$51,476,000.

The estimate of the recoverable amount of oil and gas properties relating to Hainan-Yuedong Block was determined based on a value in use calculation, using a discounted cash flow model. Future cash flows were adjusted for risks specific to these assets and discounted using a pre-tax discount rate 12.84% in respect of the Hainan-Yuedong Block for the year.

HK$'000

14 Leases

The Group has lease contracts for various items of plant and machinery, and land and buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 2 and 7 years, while plant and machinery generally have lease terms between 2 and 5 years. The Group has applied the short-term lease exemption to its three short-term leases for office premises.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land	Buildings	Plant and machinery	Total
As at 31 December 2022 and 1 January 2023	10,775	44,466	20,674	75,915
Additions	–	5,511	5,477	10,988
Disposal	–	–	(6,019)	(6,019)
Remeasurement	–	3,012	–	3,012
Depreciation charge	(1,171)	(29,055)	(4,262)	(34,488)
Exchange realignment	(277)	(128)	–	(405)
As at 31 December 2023 and 1 January 2024	**9,327**	**23,806**	**15,870**	**49,003**
Additions	**–**	**45,034**	**401**	**45,435**
Disposal	**–**	**(74)**	**–**	**(74)**
Remeasurement	**–**	**(69)**	**(120)**	**(189)**
Depreciation charge	**(1,148)**	**(31,857)**	**(4,392)**	**(37,397)**
Exchange realignment	**(261)**	**(67)**	**–**	**(328)**
As at 31 December 2024	**7,918**	**36,773**	**11,759**	**56,450**

(b) Lease liabilities

The carrying amount of lease liabilities as at 31 December 2024 and 2023 are as follows:

	2024	2023
Current portion	**16,016**	24,663
Non-current portion	**26,734**	16,196

The maturity analysis of lease liabilities is disclosed in note 41 to the Financial Statements.

HK$'000

14 Leases (continued)

(c) The amounts recognised in consolidated income statement in relation to leases are as follows:

	2024	2023
Interest on lease liabilities	**1,265**	1,564
Depreciation of right-of-use assets	**37,397**	34,488
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December (included in cost of sales and general and administrative expenses)	**6,036**	6,434

15 Mining assets

	2024	2023
Cost:		
At 1 January	**920,641**	913,712
Additions	**2,221**	6,929
At 31 December	**922,862**	920,641
Accumulated amortisation and impairment:		
At 1 January	**678,409**	724,307
Amortisation provided during the year	**10,356**	14,888
Reversal of impairment during the year	**–**	(60,786)
At 31 December	**688,765**	678,409
Net carrying amount:		
At 31 December	**234,097**	242,232

HK$'000

16 Exploration, evaluation and development expenditures

	2024	2023
Cost:		
At 1 January	**61,876**	80,834
Additions	**850**	420
Disposal	**–**	(19,378)
At 31 December	**62,726**	61,876
Accumulated amortisation and impairment:		
At 1 January	**–**	53,097
Reversal of impairment during the year	**–**	(41,140)
Disposal	**–**	(11,957)
At 31 December	**–**	–
Net carrying amount:		
At 31 December	**62,726**	61,876

17 Investments in joint operations

As at 31 December 2024 and 2023, the Group had interests in the following joint operations:

(a) 41% participating interest in the PSC in Indonesia for 20 years from 1 November 2019, the principal activities of which are the exploration, development and production of petroleum; and

(b) petroleum contract (as supplemented) for the exploration, development and production of petroleum from the Hainan-Yuedong Block in Mainland China.

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18 Interests in other contractual arrangements

As at 31 December 2024 and 2023, the Group had interests in the following contractual arrangements:

(a) 22.5% participating interest in the PAS operations, the principal activity of which is aluminium smelting;
(b) 14% participating interest in the CMJV operations, the principal activities of which are the mining and sale of coal;
(c) 15% participating interest in the Bowen Basin Coal operations;
(d) 10% participating interest in the West Rolleston operations;
(e) 10% participating interest in the Moorvale West operations;
(f) 15% participating interest in the West Walker operations; and
(g) 13.335% participating interest in the West/North Burton operations.

The principal activity of each of the contractual arrangements stated in (c) to (g) is the exploration of coal.

The Group's interest in the assets and liabilities employed in the PAS JV was included in the consolidated statement of financial position under the classification shown below:

	2024	2023
Non-current assets	**2,583,771**	2,573,128
Current assets	**278,537**	382,806
Current liabilities	**(160,701)**	(132,304)
Non-current liabilities	**(217,977)**	(242,110)

The Group had its share of commitment on plant and equipment and exploration projects totalling HK$5,752,000 (2023: HK$6,810,000).

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18 Interests in other contractual arrangements (continued)

The Group's interests in the combined net assets employed in the remaining contractual arrangements were included in the consolidated statement of financial position under the classification shown below:

	2024	2023
Non-current assets	**934,343**	893,412
Current assets	**182,941**	147,021
Current liabilities	**(94,191)**	(135,635)
Non-current liabilities	**(146,544)**	(136,645)
Proportionate share of combined net assets employed in the remaining contractual arrangements	**876,549**	768,153

The Group is committed to a total of HK$5,572,000 (2023: HK$4,436,000) in plant and equipment and exploration projects.

19 Investment in an associate

	2024	2023
Share of net assets	**–**	1,821,296

Particular of the Group's associate as at 31 December 2023 was as follows:

Name	Place of incorporation/operation	Issued ordinary share capital	Percentage of equity interest attributable to the Group		Principal activity
			2024	2023	
AWC	Australia/Australia	US$2,706,700,000	–	9.6117	Investment holding

The Group's investments in AWC were indirectly held by the Company.

AWC, an Australian company listed on the ASX (Stock Code: AWC), has significant global interests in bauxite mining, alumina refining and selected aluminium smelting operations. AWC is considered as an associate of the Group and is accounted for using the equity method.

On 18 July 2024, the Group ceased to have equity interest in AWC and in return received approximately 3.03% equity interest in Alcoa Corporation (ASX: AAI; NYSE: AA). Upon completion, a gain of HK$163.4 million from the disposal was recorded in the consolidated income statement.

HK$'000

19 Investment in an associate (continued)

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 as of 31 December 2023:

	2023
Current assets	31,980
Non-current assets	21,266,120
Current liabilities	(28,080)
Non-current liabilities	(2,321,280)
Net assets	18,948,740
Reconciliation to the Group's investment in an associate:	
Proportion of ownership	9.6117%
Proportionate share of net assets and carrying amount	1,821,296
Market value of the Group's investment	1,517,880

	Year ended 31 December 2023
Revenue	3,900
Loss for the year	(1,170,780)
Other comprehensive income/(loss) for the year	263,640
Dividend received by the Group	–

HK$'000

20 Investment in a joint venture

	2024	2023
Share of net assets	**2,690,406**	2,786,632

Particulars of the Group's joint venture as at 31 December 2024 and 2023 were as follows:

Name	Place of incorporation and operation	Issued ordinary share capital	Percentage of equity interest attributable to the Group	Principal activity
CCEL	Canada	US$1	50	Investment holding

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

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

	2024	2023
Cash and cash equivalents	**262,658**	152,865
Other current assets	**1,560,999**	1,519,149
Current assets	**1,823,657**	1,672,014
Non-current assets	**7,474,227**	7,755,167
Financial liabilities, excluding accounts payable and other payables	**(558,714)**	(533,041)
Other current liabilities	**(777,113)**	(990,844)
Current liabilities	**(1,335,827)**	(1,523,885)
Non-current financial liabilities, excluding accounts payable, other payables and provisions	**(834,679)**	(600,047)
Other non-current liabilities	**(1,483,744)**	(1,450,085)
Non-current liabilities	**(2,318,423)**	(2,050,132)
Net assets	**5,643,634**	5,853,164
Non-controlling interests	**(262,822)**	(279,900)
	5,380,812	5,573,264
Reconciliation to the Group's investment in a joint venture:		
Proportion of ownership	**50%**	50%
Proportionate share of net assets and carrying amount	**2,690,406**	2,786,632

HK$'000

20 Investment in a joint venture (continued)

	Year ended 31 December	
	2024	2023
Revenue	**7,574,382**	7,148,869
Interest income	**28,527**	24,941
Depreciation and amortisation	**(849,984)**	(772,373)
Reversal of impairment of property, plant and equipment	**–**	531,973
Interest expense	**(109,739)**	(138,009)
Income tax expense	**(177,745)**	(379,711)
Profit for the year attributable to:		
Shareholders of CCEL	**479,279**	796,714
Non-controlling interests of CCEL	**17,531**	36,708
Other comprehensive (loss)/profit attributable to:		
Shareholders of CCEL	**(325,044)**	26,746
Non-controlling interests of CCEL	**(16,793)**	889

Note 1:

Based on the order of the Department of State Revenues of the Mangistau Region (hereinafter referred to as the DSR) No. 92 dated 5 July 2022, KBM underwent an unscheduled comprehensive tax audit for the period from 1 January 2017 to 31 December 2021. On 27 January 2023, KBM received Documentary Tax Audit Report No. 92 and the corresponding Notification of Audit Results No. 92 (hereinafter called the Tax Audit Report). The Tax Audit Report reflected additional charges of KZT39,078 million (US$74,642,000), including taxes of KZT20,695 million (US$39,529,000), penalties of KZT7,964 million (US$15,212,000) and a fine of KZT10,419 million (US$19,901,000).

Of the above additional charges, KBM made a provision for the total amount of additional charges, penalties, and fines in the amount of KZT1,396 million (US$2,666,000). Regarding the remaining additional charges, KBM did not agree with the tax authorities' position. Accordingly, KBM prepared and filed a complaint against Notification of Inspection Results No. 92 with the authorised government agencies. In November 2023, a Decision was received from the Appeals Commission at the Ministry of Finance of the Republic of Kazakhstan, according to which the amount of additional taxes, penalties, and fines was reduced to KZT2,843 million (US$5,430,000). On 20 December 2023, KBM filed a claim with the Specialised Interdistrict Administrative Court ("**CIAC**") of Astana demanding to cancel the charges. In February 2024, following the trial results, the court refused to satisfy KBM's claims. In April 2024, an appeal was filed with the Astana CIAC. In June 2024, the Astana CIAC partially satisfied KBM's claims - as a result, the amount of additional tax, penalties and fines was reduced from KZT2,843 million (US$5,430,000) to KZT2,031 million (US$3,879,000). In July 2024, a cassation appeal was filed with the Supreme Court against the Appeal Resolution, the CIAC Decision in the unsatisfied part. Now, the appeal is under consideration by the Supreme Court of the Republic of Kazakhstan.

Note 2:

In 2023, the Group recognised a reversal of impairment loss of property, plant and equipment held by the Group's joint venture of approximately HK$265,987,000.

HK$'000

21 Financial asset at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise an equity security, which is not held for trading and for which the Group has irrevocably elected at initial recognition to present changes in fair value in other comprehensive income. This is a strategic investment and the Group considers this classification to be more relevant. Information about the asset is summarised below:

	2024	2023
Non-current asset		
Listed security		
AA	**2,289,703**	–

On 26 February 2024, AWC had received a non-binding, indicative and conditional proposal from Alcoa to acquire 100% of the issue shares in AWC via a scheme of arrangement ("Scheme"), for scrip consideration of 0.02854 shares of Alcoa common stock for each AWC share. On 18 July 2024, the AWC's shareholders voted and approved the Scheme during the special meeting of stockholder. The scheme had been implemented and has completed on 1 August 2024.

Since 18 July 2024, the Group ceased to have any equity interest in AWC and in return holds approximately 3.03% equity interest in Aloca Corporation (ASX: AAI; NYSE: AA), which is active in all aspects of the upstream aluminium industry with bauxite mining, alumina refining, and aluminium smelting and casting. The Group's interest in AA is being classified as a financial asset at fair value through other comprehensive income and the subsequent measurement of which will be solely based on the movement of AA's share price in active markets. As at 31 December 2024, the investment cost of AA amounted to approximately HK$2,285.4 million (2023: nil), while the carrying amount of the investment in AA was approximately 18.1% (2023: nil) of the Group's total assets.

During the year, the following gain was recognised in profit or loss and other comprehensive income:

	2024	2023
Gain recognised in other comprehensive income	**4,299**	–
Dividend from equity investments held at AA recognised in profit or loss in other income	**12,417**	–

HK$'000

22 Prepayments, deposits and other receivables

	2024	2023
Prepayments	**23,556**	20,984
Deposits and other receivables	**137,669**	182,488
	161,225	203,472
Impairment allowance	**(53,632)**	(55,072)
	107,593	148,400
Portion classified as current assets	**(91,130)**	(104,310)
Non-current portion	**16,463**	44,090

Included in the Group's other receivables was an amount due from CCEL of HK$Nil (2023: HK$12,426,000), which was interest free and repayable on demand.

At 31 December 2024, other receivables of HK$53,632,000 (2023: HK$55,072,000) were impaired and fully provided.

The carrying amounts of deposits and other receivables approximate their fair value.

The carrying amounts of the Group's deposits and other receivables are mainly denominated in Australian dollars and Renminbi which accounted for 51% (2023: 58%) and 7% (2023: 14%) respectively.

23 Inventories

	2024	2023
Raw materials	**286,359**	203,742
Work in progress	**46,086**	45,345
Finished goods	**229,799**	186,774
	562,244	435,861

HK$'000

24 Trade receivables

	2024	2023
Trade receivables	**689,541**	239,688

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

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

	2024	2023
Within one month	**689,541**	234,367
One to two months	–	5,321
Two to three months	–	–
Over three months	–	–
	689,541	239,688

The carrying amount of the Group's trade receivables are mainly denominated in A$ which accounted for 11% (2023: 61%) and 86% are denominated in US$ (2023: 23%).

Movements in the loss allowance of trade receivables are as follows:

	2024	2023
At 1 January	–	4,627
Reversal of impairment	–	(739)
Amount written off as uncollectible	–	(3,836)
Exchange realignment	–	(52)
At 31 December	–	–

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and there is no reasonable expectation of recovery.

HK$'000

24 Trade receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	31 December 2024		
	Expected credit loss rate	Gross carrying amount	Expected credit loss
Current	–	689,541	–
Less than 3 months past due	–	–	–
Over 3 months past due	–	–	–
	–	689,541	–

	31 December 2023		
	Expected credit loss rate	Gross carrying amount	Expected credit loss
Current	–	234,367	–
Less than 3 months past due	–	5,321	–
Over 3 months past due	–	–	–
	–	239,688	–

25 Derivative financial instruments

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
EHA3	89,253	–	72,691	–
Foreign exchange contract	–	12,782	–	–

A component of the cash flows under the EHA3 are linked to variability in the London Metal Exchange aluminium prices and foreign exchange rate. The future cash flows of the hedge are revalued using the forward market electricity prices, forecast aluminium prices and foreign exchange rates. These cash flows are then discounted to the net present value using a discount rate that reflects the credit risk of the hedge counterparty. The movement in the fair value of the EHA3 is recognised under in the consolidated income statement.

The Group's aluminium ingot, coal and export sales are denominated in US$ being its functional currency, while some of its purchases and operational costs are incurred in A$. The Group is therefore exposed to foreign exchange risk. The Group hedges its foreign exchange risks via derivatives such as forward foreign exchange contracts. These forward foreign exchange contracts are designated against the aggregate foreign exposure arising from anticipated A$ cost of purchases/expenses based on a first-in-first-out (FIFO) basis and/or specific transactions. Forward foreign exchange contracts described above are considered to be cash flow hedges.

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25 Derivative financial instruments (continued)

Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives please refer to note 41.

26 Cash and deposits

	Note	2024	2023
Cash and bank balances		**562,005**	493,578
Time deposits		**515,531**	384,144
		1,077,536	877,722
Less: Time deposit with original maturity more than one year	(a)	**(134,717)**	(118,497)
Cash and cash equivalents		**942,819**	759,225
Deposits with fellow subsidiaries	(b)	**1,088,628**	724,591
Cash and deposits		**2,031,447**	1,483,816

Notes:

(a) Balance represented non-pledged time deposit with original maturity more than one year, which was set aside for abandonment cost.

(b) The deposits made to CITIC Finance International Limited, a fellow subsidiary of the Company's ultimate holding company. The deposits are unsecured, interest-bearing at market rates ranging from 3.03% to 4.81% (2023: 2.78% to 5.69%) and for balance of HK$276,730,000, HK$107,360,000 and HK$549,152,500 which is withdrawable in January 2025, February 2025 and March 2025 respectively.

The deposits with CITIC Finance Limited, a fellow subsidiary, are unsecured, interest-bearing at market rates ranging from 4.5% to 4.59% (2023: nil) and balances of HK$10,000 and HK$155,376,000 are available for draw down in January 2025 and March 2025, respectively.

The bank balances and time deposits are placed with creditworthy banks with no recent history of default.

At the end of the year, the cash and bank balances and time deposits of the Group denominated in RMB and KZT were equivalent to HK$169,643,000 and HK$650,000 (2023: HK$201,318,000 and HK$22,000), respectively. Although RMB and KZT are not freely convertible into other currencies, the Group is permitted to exchange RMB and KZT for other currencies through banks which are authorised to conduct foreign exchange business under the foreign exchange control regulations of China and Kazakhstan, respectively.

HK$'000

27 Accounts payable

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

	2024	2023
Within one month	731,421	242,729
One to three months	13,813	–
Over three months	1,047	–
	746,281	242,729

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

The carrying amounts of trade payables approximate their fair value.

The carrying amounts of the Group's trade payables are primarily denominated in US$, A$ and Renminbi representing 71% (2023: Nil), 18% (2023: 60%) and 11% (2023: 38%) of the total balance, respectively.

28 Accrued liabilities and other payables

	2024	2023
Other payables	262,483	181,521
Accrued liabilities	395,349	424,505
	657,832	606,026

Note:

In 2024, included in the balance of other payables and accrued liabilities were construction expenses of HK$138,712,000 (2023: HK$154,670,000) and accrued production cost of HK$13,392,000 (2023: HK$30,291,000).

Other payables are mainly non-interest-bearing and have an average term of three months.

The carrying amounts of accrued liabilities and other payable approximate their fair values.

The carrying amounts of the Group's other payables are primarily denominated in Renminbi and Australian dollars, representing 32% (2023: 38%) and 36% (2023: 28%) of the total balance, respectively.

HK$'000

29 Bank and other borrowings

	Notes	2024	2023
Bank borrowing – unsecured	(a)	**1,010,990**	1,009,880
Other borrowings – unsecured	(b)	**957,780**	780,000
		1,968,770	1,789,880

Notes:

(a) As at 31 December 2024, the bank borrowing included:

(i) a bank loan of RMB950,000,000 (equivalent to HK$1,010,990,000), obtained from a fellow subsidiary is unsecured, interest-bearing at CNH Hong Kong Interbank Offered Rate ("CNH HIBOR") plus margin per annum, and repayable in 2025.

(b) The other borrowing of RMB900,000,000 (equivalent to HK$957,780,000) obtained from a fellow subsidiary, is unsecured, interest-bearing at 1-year Loan Prime Rate minus 20bps per annum, and repayable in 2026.

	2024	2023
Bank loan repayable:		
Within one year	**1,010,990**	350,000
In the second year	**–**	–
In the third to fifth years, inclusive	**–**	659,880
	1,010,990	1,009,880
Other borrowings repayable:		
In the second year	**957,780**	780,000
Total bank and other borrowings	**1,968,770**	1,789,880
Current portion	**(1,010,990)**	(350,000)
Non-current portion	**957,780**	1,439,880

At 31 December 2024, all (2023: Nil) of the Group's bank and other borrowings are denominated in Renminbi and nil (2023: 80%) are denominated in US$.

HK$'000

30 Provisions

	2024	2023
At 1 January	**616,295**	608,532
Remeasurement		
– to profit or loss	**(2,890)**	13,403
– to property, plant and equipment	**14,011**	(18,190)
Increase in discounted amounts of provisions arising from the passage of time	**22,149**	17,188
Exchange realignment	**(37,156)**	(4,638)
At 31 December	**612,409**	616,295
Current portion	**(14,236)**	(11,531)
Non-current portion	**598,173**	604,764

As at 31 December 2024, balance included the provision for rehabilitation cost of HK$362,477,000 (2023: HK$377,467,000) and provision of abandonment cost of HK$249,930,000 (2023: HK$238,828,000).

The provision for rehabilitation cost represents the estimated costs of rehabilitation relating to the areas disturbed during the operation of PAS and its coal mines in Australia at the end of their useful lives up to 2035 (2023: 2035). The Group has estimated and provided for the expected costs of removal and clean-up on a periodical basis, based on the estimates provided by the environmental authorities when they reviewed the sites.

The provision for abandonment cost represents the estimated costs of abandoning oil and gas properties. These costs are expected to be incurred upon abandoning wells and removal of equipment and facilities, as the case may be.

HK$'000

31 Provision for long-term employee benefits

	2024	2023
At 1 January	**56,085**	56,755
Reversal	**(793)**	(13,322)
Re-measurement (gain)/loss on defined benefit plan (note (a))	**(4,975)**	4,607
Transfer to pension assets	**9,062**	4,704
Exchange realignment	**(17,816)**	3,341
At 31 December	**41,563**	56,085
Current Portion	**(27,386)**	(32,120)
Non-current portion	**14,177**	23,965

Note (a):

The provision for long-term employee benefits represents the estimated future payments in respect of past services provided by employees in Australia. Consideration was given to expected future wages and salary levels, past records of employee departures and periods of service. Expected future payments were discounted using market yields at the reporting date and currencies that matched, as closely as possible, the estimated future cash flows.

	2024			2023		
	Present value of obligation	**Fair value of plan assets**	**Total**	Present value of obligation	Fair value of plan assets	Total
As at 1 January	**48,204**	**(52,908)**	**(4,704)**	45,973	(56,059)	(10,086)
Current service cost	**1,201**	**–**	**1,201**	1,232	–	1,232
Pass service cost/curtailments	**101**	**–**	**101**	–	–	–
Interest expense/(income)	**1,919**	**(2,231)**	**(312)**	1,880	(2,410)	(530)
Total amount recognised in consolidated income statement	**3,221**	**(2,231)**	**990**	3,112	(2,410)	702
Remeasurements						
Return on plan assets, excluding amounts included in interest/(income)	**–**	**(1,919)**	**(1,919)**	–	328	328
(Loss)/gain from change in financial assumptions	**(2,167)**	**–**	**(2,167)**	2,855	–	2,855
Actuarial losses arising from liability experience	**(889)**	**–**	**(889)**	1,424	–	1,424
Total amount recognised in other comprehensive income	**(3,056)**	**(1,919)**	**(4,975)**	4,279	328	4,607
Exchange differences	**(4,697)**	**5,213**	**516**	979	248	1,227
Contributions:						
Employers	**–**	**(889)**	**(889)**	–	(1,154)	(1,154)
Plan participants	**460**	**(460)**	**–**	460	(460)	–
Payments from plan:						
Benefit payments	**(13,229)**	**13,229**	**–**	(5,998)	5,998	–
Taxes, premiums and expenses paid	**(390)**	**390**	**–**	(601)	601	–
As at 31 December	**30,513**	**(39,575)**	**(9,062)**	48,204	(52,908)	(4,704)

HK$'000

31 Provision for long-term employee benefits (continued)

The Group operates a defined benefit plan for its employees in Australia. The obligation calculated under the Australia DBP is the sum of the discounted value of the accrued liabilities for members of the defined benefit plan. The calculation is performed by Timothy Simon Jenkins of Mercer Consulting (Australia) Pty Ltd, a fellow member of the Institute of Actuaries of Australia and is fully qualified under the Australian laws and regulations.

The Australia DBP is administered by an independent trustee and was funded to 116% of the Group's obligation to the employees pursuant to the obligation stated in the Australia Actuary Report. The valuation revealed that the assets of the Australia DBP were sufficient to cover the aggregate vested liabilities as at the valuation date.

The total assets disclosed above relates to funded plans as follows:

	2024	2023
Present value of funded obligations	**30,513**	48,204
Fair value of plan assets	**(39,575)**	(52,908)
Total surplus in defined benefit pension plans	**(9,062)**	(4,704)

The significant actuarial assumptions were as follows:

	2024	2023
Discount rate	**4.81%**	5.08%
Salary growth rate	**5.00%**	3.00%

HK$'000

31 Provision for long-term employee benefits (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation				
			Increase in assumption			Decrease in assumption	
			2024	2023		2024	2023
Discount rate	0.50%	Decrease by	772	1,209	Increase by	1,209	1,271
Salary growth rate	0.50%	Increase by	616	975	Decrease by	975	944

The Group accounts for its interest held with respect to defined benefits provided to certain of the employees at the Portland Aluminium Smelter.

Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit section is closed to new members. All new members receive only defined contribution and accumulation style benefits.

Categories of Plan Assets

Asset category	2024	2023
Cash and cash equivalents	–	8,798
Equity securities	–	11,373
Debt securities	–	13,767
Real estate	–	3,791
Private equity funds	–	2,792
Infrastructure	–	4,766
Structured debt	–	7,621
Comingled investment funds	40,396	–
Total	40,396	52,908

HK$'000

32 Deferred tax

The movements in the Group's deferred tax assets and liabilities during the years ended 31 December 2024 and 2023 were as follows:

2024 Deferred tax assets	Accrual of expenses	Capital loss	Tax losses available for offsetting against future taxable profits	Investment in an associate	Hedge revaluation reserve	Total
At 1 January	165,610	–	40,623	270,881	21,919	499,033
(Charged)/credited						
– to profit and loss	(50,942)	132,530	(40,623)	(186,755)	–	(145,790)
– to other comprehensive income	–	–	–	(84,126)	3,835	(80,291)
At 31 December	114,668	132,530	–	–	25,754	272,952

2024 Deferred tax liabilities	Property, plant and equipment and provision for impairment	Exploration, evaluation and development costs	Employee defined benefit reserve	Financial investment revaluation reserve	Others	Total
At 1 January	(388,338)	(87,804)	(15,592)	–	(175,586)	(667,320)
(Charged)/credited						
– to profit and loss	33,909	1,311	13,954	–	54,803	103,977
– to other comprehensive income	–	–	(1,492)	(1,290)	–	(2,782)
Exchange	9,837	–	–	–	3,521	13,358
At 31 December	(344,592)	(86,493)	(3,130)	(1,290)	(117,262)	(552,767)

HK$'000

32 Deferred tax (continued)

2023 Deferred tax assets	Accrual of expenses	Tax losses available for offsetting against future taxable profits	Investment in an associate	Hedge revaluation reserve	Total
At 1 January	166,569	91,775	–	21,919	280,263
(Charged)/credited					
– to profit and loss	(959)	(51,152)	269,124	–	217,013
– to other comprehensive income	–	–	1,757	–	1,757
At 31 December	165,610	40,623	270,881	21,919	499,033

2023 Deferred tax liabilities	Property, plant and equipment and provision for impairment	Exploration, evaluation and development costs	Investment in an associate	Employee defined benefit reserve	Others	Total
At 1 January	(329,944)	(62,158)	(18,049)	(16,974)	(125,186)	(552,311)
(Charged)/credited						
– to profit and loss	(68,660)	(25,646)	18,049	–	(50,400)	(126,657)
– to other comprehensive income	–	–	–	1,382	–	1,382
Exchange	10,266	–	–	–	–	10,266
At 31 December	(388,338)	(87,804)	–	(15,592)	(175,586)	(667,320)

For presentation purposes, certain deferred tax assets and deferred tax liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for the financial reporting purposes:

	2024	2023
Net deferred tax assets recognised in the consolidated statement of financial position	**5,944**	171,640
Net deferred tax liabilities recognised in the consolidated statement of financial position	**285,759**	339,927

33 Issued capital

Shares

HK$'000

	2024	2023
Authorised: 10,000,000,000 (2023: 10,000,000,000) ordinary shares of HK$0.05 each	**500,000**	500,000
Issued and fully paid: 7,857,727,149 (2023: 7,857,727,149) ordinary shares of HK$0.05 each	**392,886**	392,886

Share options

Detail of the Share Option Scheme is set out in note 34 to the Financial Statements.

34 Share option scheme

Pursuant to the Share Option Scheme, the Company may grant options to eligible persons to subscribe for shares of the Company subject to the terms and conditions stipulated therein. A summary of some of the principal terms of the Share Option Scheme is as follows:

(a) **Purposes:** The purposes of the Share Option Scheme are to allow the Company (i) to be competitive and to be able to attract, retain and motivate appropriate personnel to assist the Group in attaining its strategic objectives by offering share options to enhance general remuneration packages; (ii) to align the interests of the directors and employees of the Group with the performance of the Company and the value of the shares of the Company; and (iii) to align the commercial interests of business associates, customers and suppliers of the Group with the interests and success of the Group.

(b) **Eligible persons:** The eligible persons include any employee (whether full-time or part-time), director, consultant, business associate (such as, but not limited to, suppliers of goods or services to the Group or customers of the Group) or adviser of the Group.

(c) **Total number of shares available for issue:** The total number of shares of the Company which may be issued upon the exercise of all options granted under the Share Option Scheme and any other schemes of the Company shall not exceed 786,852,714 shares of the Company (representing 10% of the total number of shares of the Company in issue as at the date of adoption of the Share Option Scheme being 7,868,527,149 shares).

(d) **Maximum entitlement of each eligible person:** Unless approved by the shareholders of the Company in general meeting (with such eligible person and his associate abstaining from voting), the total number of shares of the Company issued and to be issued upon the exercise of the options granted to an eligible person (including any exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares of the Company in issue.

(e) **Exercise period:** The period during which an option may be exercised is determined by the Board at its absolute discretion, except that no option may be exercised after 10 years from the date of grant.

(f) **Vesting period:** The minimum period for which an option must be held before it can be exercised is one year.

(g) **Consideration payable for application or acceptance of option:** No consideration will be payable by an eligible person upon acceptance of an option.

(h) **Exercise price:** The exercise price payable for each share of the Company under an option shall be not less than the greatest of (i) the closing price of the shares of the Company on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the date of grant (which must be a business day); (ii) the average closing price of the shares of the Company on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares of the Company.

(i) **Remaining life:** The Share Option Scheme was in force for a period of 10 years from 27 June 2014 and has expired on 26 June 2024.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

No share options were granted under the Share Option Scheme.

35 Reserves

The contributed surplus represents the sum of (a) the excess of the nominal value of the share capital of the former holding company of the Group, which was acquired by the Company pursuant to the group reorganisation prior to the listing of the Company's shares, over the nominal value of the share capital of the Company issued in exchange therefor; and (b) the transfer of HK$500,000,000 from the share premium account in 2017, and then net of distribution to shareholders.

The capital reserve arose from the acquisition of shares from non-controlling shareholders of CA Trading Holding Pty Limited.

The investment related reserve comprised the share of other comprehensive income and other reserve movements of an associate and a joint venture.

The defined benefit reserve represents the actuarial valuation of the employee defined benefit assets. The unrealised gains/losses are recognised in equity and will only be realised to the consolidated income statement upon winding up of the assets for the purpose of repayment to the employees.

36 Litigation

In April 2020, Weihai City Weihai Bank commenced Claims in the People's High Court of Shandong Province against, amongst others, a wholly-owned subsidiary of the Company, CACT. The Claims relate to three letters of credit (US$ 28.4 million) 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. Weihai Bank had arranged for the issuance of the letter of credits as payment on behalf of Decheng; it subsequently disputed the authenticity of the warehouse receipts for the aluminium stored at the bonded warehouses at Qingdao Port.

In December 2020, the Shandong Court issued a First Instance Judgment and ruled 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. Weihai subsequently submitted an appeal to the SPC, appealing against the decision of the Shandong Court.

On 12 December 2022, the SPC held that the Shandong Court did not clearly ascertain the facts of the Claims based on the evidence made available at the lower court; the SPC ordered that the First Instance Judgment be rescinded and the cases be referred back to the Shandong Court for a retrial. CACT has engaged local counsel in China to defend the Claims accordingly.

A hearing was held at the Shandong Court on 10 January 2024 and CACT submitted to the court all requisite evidence for the purpose of fact finding of the case. On 30 July 2024, the Shandong Court issued a first-instance judgment, remanding the case for retrial. The court ruled that CACT did not commit letter of credit fraud and bore no fault for the losses suffered by Weihai Bank. However, based on equitable considerations, CACT was ordered to compensate Weihai Bank of approximately RMB1.15 million. In August 2024, both Weihai Bank and CACT lodged appeals separately. The case is now under further review by the SPC.

CACT maintains the view that the Claims are without merit and groundless.

HK$'000

37 Commitments

The Group's capital expenditure commitments were as follows:

	2024	2023
Contracted, but not provided for:		
Capital expenditure in respect of infrastructure and acquisition of items of property, plant and equipment	**56,257**	121,496

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

	2024	2023
Contracted, but not provided for:		
Capital expenditure in respect of infrastructure and acquisition of items of property, plant and equipment	**29,850**	48,206

38 Notes to the consolidated statement of cash flows

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$45,435,000 (2023: HK$10,988,000), in respect of lease arrangements for buildings and plant and machinery, non-cash reduction to property, plant and machinery and provision for rehabilitation cost of HK$Nil (2023: reduction of HK$24,598,000), in respect of remeasurement of provision for rehabilitation cost of plant and machinery, leasehold improvements and buildings and structures and non-cash additions to property, plant and machinery and provision for abandonment cost of HK$14,011,000 (2023: HK$6,408,000) in respect of remeasurement of provision for abandonment cost of oil and gas properties.

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38 Notes to the consolidated statement of cash flows (continued)

(b) Changes in liabilities arising from financing activities:

	Bank and other borrowings	Lease liabilities	Dividends payable
At 1 January 2024	1,789,880	40,859	93
Changes from financing cash flows:			
New bank borrowings	3,629,611	–	–
Repayment of bank borrowings	(3,414,498)	–	–
Finance charges paid	(61,965)	–	–
Principal portion of lease payments	–	(35,965)	–
Interest portion of lease liabilities	–	(1,265)	–
Dividend paid	–	–	(196,425)
	153,148	(37,230)	(196,425)
Other changes:			
New leases	–	45,435	–
Modification/remeasurement	–	(189)	–
Disposal	–	(74)	–
Foreign exchange movement	(42,408)	(7,316)	–
Interest expense	68,150	1,265	–
Final dividend	–	–	196,443
At 31 December 2024	1,968,770	42,750	111

	Bank and other borrowings	Lease liabilities	Dividends payable
At 1 January 2023	2,582,806	61,607	52
Changes from financing cash flows:			
New bank borrowings	700,000	–	–
Repayment of bank borrowings	(1,501,631)	–	–
Finance charges paid	(138,367)	–	–
Principal portion of lease payments	–	(34,857)	–
Interest portion of lease liabilities	–	(1,564)	–
Dividend paid	–	–	(471,422)
	(939,998)	(36,421)	(471,422)
Other changes:			
New leases	–	10,988	–
Modification/remeasurement	–	3,012	–
Disposal	–	(413)	–
Foreign exchange movement	10,877	522	–
Interest expense	136,195	1,564	–
Final dividend	–	–	471,463
At 31 December 2023	1,789,880	40,859	93

HK$'000

39 Related party transactions

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

(a) Transactions with state-owned enterprises (other than companies within CITIC Group)

The Company is controlled by CITIC Group which owns 58.13% of the immediate holding company's number of issued shares. CITIC Group is subject to the control of the PRC Government which also controls a significant portion of the productive assets and entities in the PRC (collectively referred as 'state-owned enterprises'). Therefore, transactions with state-owned enterprises are regarded as related party transactions.

For the purpose of related party disclosure, the Group has identified to the extent practicable whether its customers and suppliers are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs. The Group has certain transactions with other state-owned enterprises including but are not limited to sales and purchases of goods and services, payments for utilities and depositing and borrowing money. In the ordinary course of the Group's businesses, transactions occur with state-owned enterprises.

(b) Transactions with the fellow subsidiaries

Save as disclosed in other notes to the Financial Statements, the Group had the following significant transactions and balances with fellow subsidiaries:

	2024	2023
Fellow subsidiaries:		
Interest expenses on lease liabilities	**252**	116
Interest expenses on bank and other borrowings	**60,107**	136,020
Interest income on deposits to a fellow subsidiary	**30,901**	42,378

The above transactions were made based on mutually agreed terms.

HK$'000

39 Related party transactions (continued)

(b) Transactions with the fellow subsidiaries (continued)

Significant balances with fellow subsidiaries:

	2024	2023
Fellow subsidiaries:		
Cash and deposits	**1,268,111**	727,729
Bank borrowing (note 29)	**1,010,990**	659,880
Other borrowings (note 29)	**957,780**	780,000
Lease liabilities	**–**	3,351

The above other borrowings are unsecured loans having a tenor of 2 years commencing from January 2024 and December 2024 (2023: 2 years commencing from December 2023). The loans are interest-bearing at 1-year Loan Prime Rate deduct 20 bps (2023: CME Term SOFR plus margin).

(c) Details of directors' emoluments are set out in note 7 to the Financial Statements.

Compensation paid to senior management personnel of the Group was as follows:

	Year ended 31 December	
	2024	2023
Salaries	**4,329**	4,379
Bonuses	**212**	3,710
Pension scheme contributions	**477**	419
Housing allowances	**36**	147
Other benefits	**3**	3
	5,057	8,658

HK$'000

39 Related party transactions (continued)

(d) In December 2023, the Group entered into a 3-year lease agreement with CITIC House Pty Limited, a subsidiary of the Company's ultimate holding company, for the leasing of office premises.

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

	2024	2023
Within one year	4,851	1,969
In the second to fifth years, inclusive	1,355	4,172
	6,206	6,141

40 Financial instruments by category

The carrying amount of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2024	2023
Financial assets at amortised cost		
– Financial assets included in deposits and other receivables	79,562	127,416
– Time deposits	134,717	118,497
– Trade receivables	689,541	239,688
– Cash and deposits	2,031,447	1,483,816
	2,935,267	1,969,417
Financial asset at fair value through other comprehensive income-designated as such upon initial recognition		
– Financial asset at fair value through other comprehensive income	2,289,703	–
Financial asset at fair value through profit or loss-designated as such upon initial recognition		
– Derivative financial instruments	89,253	72,691

HK$'000

40 Financial instruments by category (continued)

	2024	2023
Financial liabilities at amortised cost		
– Accounts payable	**746,281**	242,729
– Financial liabilities included in other payables	**262,483**	181,521
– Bank and other borrowings	**1,968,770**	1,789,880
– Lease liabilities	**42,750**	40,859
	3,020,284	2,254,989
Financial liabilities at fair value through profit or loss-designated as such upon initial recognition		
– Derivative financial instruments	**12,782**	–

41 Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise financial asset at fair value through other comprehensive income, bank and other borrowings, lease liabilities, cash and deposits, and time deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and accounts payable, which arise directly from its operations.

The Group also enters into derivative transaction, including electricity hedge agreements. The purpose is to manage the price risk arising from the Group's operations and sources of finance.

It is, and has been throughout the year, the Group's policy that trading in financial instruments shall be undertaken with due care.

The main risks arising from the Group's financial instruments are foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

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41 Financial risk management objectives and policies (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group assesses the respective exposures of each of its operating units and enters into forward currency contracts of appropriate amounts to hedge those exposures. The forward currency contracts must be in the same currency as that of the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The following table demonstrates the sensitivity of the Group's profit before tax and equity in response to changes in exchange rates to which the Group had significant exposure (with all other variables held constant).

	Increase/ (decrease) in US$ rate %	(Decrease)/ increase in profit before tax	(Decrease)/ increase in equity
2024			
If US$ strengthens against A$	5	(24,832)	(23,756)
If US$ weakens against A$	(5)	26,387	39,304

	Increase/ (decrease) in US$ rate %	(Decrease)/ increase in profit before tax	(Decrease)/ increase in equity
2023			
If US$ strengthens against A$	7	(14,438)	(14,438)
If US$ weakens against A$	(7)	15,717	15,717

Price risk

The Group commits to electricity hedge contracts in order to protect itself from adverse movements in electricity prices.

HK$'000

41 Financial risk management objectives and policies (continued)

Price risk (continued)

Electricity

The Group enters into electricity hedge agreements to swap the market electricity price payable on the electricity consumed at the PAS to a fixed electricity price for a fixed tenure.

The Group's exposure to the market electricity price risk at balance date is as follows:

	Increase/ (decrease) in electricity price %	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
2024			
EHA3	**89**	**520,502**	**520,502**
EHA3	**(89)**	**(520,502)**	**(520,502)**

	Increase/ (decrease) in electricity price %	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
2023			
EHA3	190	727,350	727,350
EHA3	(190)	(727,350)	(727,350)

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the statement of financial position as at fair value through other comprehensive income (Note 21).

The sensitivity analysis below has been determined based on the exposure to price of securities investments at the reporting date.

	Increase/ (decrease) in share price %	Increase/ (decrease) in other comprehensive income before tax	Increase/ (decrease) in equity
2024			
Financial asset at fair value through other comprehensive income	**5**	**114,485**	**114,485**
Financial asset at fair value through other comprehensive income	**(5)**	**(114,485)**	**(114,485)**

HK$'000

41 Financial risk management objectives and policies (continued)

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's floating rate RMBdebts (2023: US$debts).

The following table demonstrates the sensitivity of the Group's profit before tax and equity in response to changes in interest rates of the Group's floating rate RMBdebts (2023: US$debts) (with all other variables held constant).

	Increase/ (decrease) in interest rate basis points	(Decrease)/ increase in profit before tax	(Decrease)/ increase in equity
2024			
RMBdebts	**100**	**(19,688)**	**(19,688)**
RMBdebts	**(100)**	**19,688**	**19,688**

	Increase/ (decrease) in interest rate basis points	(Decrease)/ increase in profit before tax	(Decrease)/ increase in equity
2023			
US$debts	100	(14,399)	(14,399)
US$debts	(100)	14,399	14,399

41 Financial risk management objectives and policies (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

A summary of the assumptions underpinning the company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Performing	Loans whose credit risk is in line with original expectations	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	Loans for which a significant increase has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Lifetime expected losses (stage 2).
Non-performing (credit impaired)	Interest and/or principal repayments are 60 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3).
Write-off	Interest and/or principal repayments are past due for more than one year and there is no reasonable expectation of recovery.	Asset is written off

HK$'000

41 Financial risk management objectives and policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which was mainly based on past due information unless other information was available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
2024					
Trade receivables*	–	–	–	689,541	689,541
Financial assets included in prepayments, deposits and other receivables					
– Normal**	79,562	–	–	–	79,562
Time deposits	134,717	–	–	–	134,717
Cash and deposits	2,031,447	–	–	–	2,031,447
	2,245,726	–	–	689,541	2,935,267

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
2023					
Trade receivables*	–	–	–	239,688	239,688
Financial assets included in prepayments, deposits and other receivables					
– Normal**	127,416	–	–	–	127,416
Time deposits	118,497	–	–	–	118,497
Cash and deposits	1,483,816	–	–	–	1,483,816
	1,729,729	–	–	239,688	1,969,417

* For trade receivables to which the Group applied the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 to the Financial Statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables was considered to be "normal" when they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets had been considered to be "doubtful".

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41 Financial risk management objectives and policies (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The Group's objectives are to maintain an optimal balance of cash holding and funding through the use of bank and other borrowings and lease liabilities, to preserve liquidity and to maximise returns to shareholders.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	Less than 3 months	3 to 12 months	Over 1 year	Total
2024				
Accounts payable	**745,234**	**1,047**	**–**	**746,281**
Financial liabilities included in other payables	**262,483**	**–**	**–**	**262,483**
Bank and other borrowings	**481,815**	**–**	**986,035**	**1,467,850**
Lease liabilities	**4,213**	**12,594**	**27,154**	**43,961**

	Less than 3 months	3 to 12 months	Over 1 year	Total
2023				
Accounts payable	242,729	–	–	242,729
Financial liabilities included in other payables	181,521	–	–	181,521
Bank and other borrowings	435,832	–	1,543,551	1,979,383
Lease liabilities	5,840	19,595	17,523	42,958

41 Financial risk management objectives and policies (continued)

Fair value estimation

The fair values of financial assets included in prepayments, deposits and other receivables, trade receivables, pledged deposit, cash and bank 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 at 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 deposits 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 deposits and bank and other borrowings as at the end of the year 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 of 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 EHA3 were the same as their carrying amounts.

(c) The fair values of listed equity securities amount are determined by reference to the quoted market.

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41 Financial risk management objectives and policies (continued)

Fair value estimation (continued)

The following table presents the carrying value of financial instruments measured at fair value at the balance sheet date across the three levels of the fair value hierarchy defined in HKFRS 13, Fair value measurement, with the fair value of each financial instrument recognised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined in note 24.

(i) Financial instruments carried at fair value

	As at 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Financial asset at fair value through other comprehensive income	**2,289,703**	**–**	**–**	**2,289,703**
Derivative financial instruments	**–**	**89,253**	**–**	**89,253**
Liabilities				
Financial liabilities through profit or loss				
Derivative financial instruments	**–**	**12,782**	**–**	**12,782**

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments	–	72,691	–	72,691

During the year, 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 (2023: Nil).

(ii) Fair values of financial instruments carried at cost or amortised cost

The carrying amounts of the Group's financial instruments carried at cost or amortised cost approximate their fair values as at 31 December 2024 (2023: Same).

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42 Capital risk management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital with the inclusion of the parameter of liquidity by using the ratio of net debt to net total capital. Net debt is total debt less cash and cash equivalents while net total capital is equity attributable to ordinary shareholders of the Company plus net debt. The Group's current objective is to maintain this ratio at a reasonable level.

The ratio of net debt to net total capital as at the end of the reporting period was as follows:

	2024	2023
Bank and other borrowings	**1,968,770**	1,789,880
Lease liabilities	**42,750**	40,859
Less: cash and deposits	**(2,031,447)**	(1,483,816)
Net (cash)/debt	**(19,927)**	346,923
Total equity	**8,082,540**	7,841,423
Add: net (cash)/debt	**(19,927)**	346,923
Net total capital	**8,062,613**	8,188,346
Net debt to net total capital	**Nil**	4.2%

HK$'000

43 Statement of financial position of the Company

The financial position of the Company as at the end of the reporting period was as follows:

	2024	2023
Non-current assets		
Property, plant and equipment	227	352
Investments in subsidiaries	4,174,361	4,174,361
Due from subsidiaries	1,880,069	3,238,184
Total non-current assets	6,054,657	7,412,897
Current assets		
Prepayments, deposits and other receivables	6,502	8,590
Cash and deposits	957,131	592,793
Total current assets	963,633	601,383
Current liabilities		
Accrued liabilities and other payables	378	349
Bank and other borrowings	–	350,000
Total current liabilities	378	350,349
Net current assets	963,255	251,034
Total assets less current liabilities	7,017,912	7,663,931
Non-current liabilities		
Due to subsidiaries	319,890	–
Bank and other borrowings	–	780,000
Total non-current liabilities	319,890	780,000
Net assets	6,698,022	6,883,931
Equity		
Issued capital	392,886	392,886
Reserves	6,305,136	6,491,045
Total equity	6,698,022	6,883,931

The statement of financial position of the Company was approved by the Board of Directors on 14 March 2025 and was signed on its behalf:

Hao Weibao
Director

Wang Xinli
Director

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43 Statement of financial position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account	Contributed surplus	Exchange fluctuation reserve	Retained profits	Total
At 1 January 2023	6,852	358,625	649	6,137,767	6,503,893
Profit for the year	–	–	–	456,839	456,839
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	–	–	1,775	–	1,775
Total comprehensive income for the year	–	–	1,775	456,839	458,614
Final dividend	–	–	–	(471,462)	(471,462)
At 31 December 2023	6,852	358,625	2,424	6,123,144	6,491,045

	Share premium account	**Contributed surplus**	**Exchange fluctuation reserve**	**Retained profits**	**Total**
At 1 January 2024	**6,852**	**358,625**	**2,424**	**6,123,144**	**6,491,045**
Profit for the year	**–**	**–**	**–**	**8,479**	**8,479**
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	**–**	**–**	**2,055**	**–**	**2,055**
Total comprehensive income for the year	**–**	**–**	**2,055**	**8,479**	**10,534**
Final dividend	**–**	**–**	**–**	**(196,443)**	**(196,443)**
At 31 December 2024	**6,852**	**358,625**	**4,479**	**5,935,180**	**6,305,136**

44 Approval of the financial statements

The financial statements were approved and authorised for issue by the Board on 14 March 2025.

Five Year Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the past five financial years, as extracted from the published audited financial statements, is set out below. This summary does not form part of the audited financial statements.

Results

HK$'000

	Year ended 31 December				
	2024	2023	2022	2021	2020
Revenue	**9,497,808**	3,825,577	5,866,160	4,349,406	2,850,058
Profit/(loss) before tax	**820,757**	696,760	1,875,310	1,336,323	(261,827)
Income tax expense	**(213,397)**	(77,927)	(475,188)	(222,176)	(98,690)
Profit/(loss) for the year	**607,360**	618,833	1,400,122	1,114,147	(360,517)
Attributable to:					
Ordinary shareholders of the Company	**572,581**	551,803	1,335,537	1,103,366	(363,848)
Non-controlling interests	**34,779**	67,030	64,585	10,781	3,331
	607,360	618,833	1,400,122	1,114,147	(360,517)

Assets, Liabilities and Non-controlling Interests

HK$'000

	As at 31 December				
	2024	2023	2022	2021	2020
Non-current assets	**9,209,528**	9,288,025	9,243,085	9,453,299	8,882,834
Current assets	**3,463,615**	2,336,366	3,196,482	3,250,441	3,392,465
Total assets	**12,673,143**	11,624,391	12,439,567	12,703,740	12,275,299
Current liabilities	**2,577,447**	1,358,236	1,203,745	1,425,066	1,189,560
Non-current liabilities	**1,882,623**	2,424,732	3,470,134	4,355,350	5,318,421
Total liabilities	**4,460,070**	3,782,968	4,673,879	5,780,416	6,507,981
Non-controlling interests	**130,533**	79,640	20,257	(21,093)	(40,397)
Equity attributable to ordinary shareholders of the Company	**8,082,540**	7,761,783	7,745,431	6,944,417	5,807,715

Reserve Quantities Information

Proved Oil Reserves Estimate (unaudited)

million barrels

2024	Indonesia (41%)	China (100%)	Kazakhstan (50%)	Total
At 1 January	1.1	24.3	65.2	90.6
Revision	0.0	0.1	2.7	2.8
Production	(0.1)	(2.9)	(7.2)	(10.2)
At 31 December	1.0	21.5	60.7	83.2

Glossary of Terms

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

A$	Australian dollar, the lawful currency of Australia
AA or Alcoa	Alcoa Corporation
AGM	Annual general meeting of the Company
AoA	Alcoa of Australia Limited
AWC	Alumina Limited
ASX	Australian Securities Exchange
Audit Committee	Audit committee of the Company
Australia DBP	Defined benefit plan in Portland Aluminium Smelter located in Australia
Authorised Representative	authorised representative of the Company appointed pursuant to Rule 3.05 of the Listing Rules
Board	Board of directors of the Company
BVI	British Virgin Islands
Bye-laws	Bye-laws of the Company
CACT	CA Commodity Trading Pty Ltd
CCEL	CITIC Canada Energy Limited
CG Code	Corporate Governance Code contained in Appendix C1 to the Listing Rules
Chairman	Chairman of the Board
Chief Executive Officer or CEO	Chief executive officer of the Company
CITIC Group	中國中信集團有限公司 (CITIC Group Corporation)
CITIC Haiyue	CITIC Haiyue Energy Limited
CITIC Seram	CITIC Seram Energy Limited
Claims	Three claims commenced by Weihai in the Shandong High People's Court in China against, among others, CACT
CITIC Oil & Gas	CITIC Oil & Gas Holdings Limited

Glossary of Terms

CMJV	Coppabella and Moorvale coal mines joint venture
CNPC	China National Petroleum Corporation
Companies Act	Companies Act 1981 of the laws of Bermuda, as amended from time to time
Company	CITIC Resources Holdings Limited
Decheng	Qingdao Decheng Minerals Co., Ltd. (青島德誠礦業有限公司)
Diversity Policy	Nomination and diversity policy which sets out the criteria and procedures to be used for the selection, appointment and re-election of candidates to achieve diversity on the Board
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)
ESG Report	Environmental, social and governance report published by the Company on its website and the website of the Stock Exchange
Financial Statements	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
Karazhanbas oilfield	Karazhanbas Oil and Gas Field in Mangistau Oblast, Kazakhstan
KBM	JSC Karazhanbasmunai
KZT	Tenge, the lawful currency of Kazakhstan
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
LIBOR	London interbank offered rates
MET	Mineral extraction tax
MPF Scheme	Defined scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules

Glossary of Terms

Nomination Committee	Nomination committee of the Company
PAS	Portland Aluminium Smelter
PAS JV	Portland Aluminium Smelter joint venture in Australia
PRC	the People's Republic of China and for the purpose of this report only, excluding Hong Kong Special Administrative Region of the People's Republic of China and Macau Special Administrative Region of the People's Republic of China and Taiwan
PRMS	Petroleum Resources Management System
PSC	Production sharing contract which grants the right to explore, develop and produce petroleum from the Seram Block
Remuneration Committee	Remuneration committee of the Company
Risk Management Committee	Risk management committee of the Company
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)
Share Option Scheme	Share option scheme adopted by the Company on 27 June 2014
Short-term leases	Leases with a lease term of 12 months or less
SPPI	Solely payments of principal and interest
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
2026 EHA	Hedging agreement with an independent electricity supplier, for a term of nine years commencing from 1 July 2026 and ending on 30 June 2035 with the supply of 300 megawatts of electricity to the PAS.

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

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