



ABN 43 089 093 943

# **Interim Financial Report**

**For the half-year ended 31 December 2022**

# CREAT RESOURCES HOLDINGS LIMITED

ABN 43 089 093 943

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## Interim Financial Report

For the half-year ended 31 December 2022

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# CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

## DIRECTORS' REPORT

### **Directors' Report**

The directors of Creat Resources Holdings Limited submit herewith the financial report of Creat Resources Holdings Limited and its subsidiaries (the 'Consolidated Entity' or the 'Company') for the half year ended 31 December 2022. The report is intended to be read in conjunction with the 2021 Annual Report.

The Registered Office and principal place of business is 262 Main Street, Zeehan, Tasmania 7469 Australia.

In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors and company secretary in office during or since the end of the half-year and up to the date of this report are:

### **Directors and Company Secretary**

<b><u>Name</u></b>	<b><u>Role</u></b>	<b><u>Appointed</u></b>	<b><u>Ceased</u></b>
Mr Yu Sun	Executive Chairman & CEO	02/08/17	Current
Mr Tan Yang	Non-Executive Director	31/7/17	Current
Mr. Tad Ballantyne	Deputy Chairman & Non-Executive Director	18/03/08	Current
Mr. Morris Hansen	General Manager, Company Secretary & Executive Director	26/06/12	Current
Mr Phillip Simpson	Non-Executive Director	11/02/09	Current

The above named directors and company secretary held office during the period and since start of the half-year unless stated above.

### **Principal activities**

The principal activities of the Consolidated Entity during the financial year were investment in companies involved in mining in both Australia and overseas.

### **Operating results**

The consolidated profit of the Company for the half-year after providing for income tax amounted to \$1,061,539 (2021 profit: \$12,119,768).

### **Review of operations**

#### **Allkem Limited Investment**

The company's major investment is in Allkem Limited ("Allkem"). Allkem is dual listed on the Australian Securities Exchange (ASX) and the Toronto Stock Exchange. Allkem is a speciality lithium chemicals company and borates producer with a global portfolio of diverse and high-quality lithium chemicals.

As at 31<sup>st</sup> December 2022 Allkem continued to be debt free with cash and/or cash equivalents equal to US\$552 million.

The Company's shareholding in Allkem is 3,650,000 shares. During the reporting period the Company disposed of 10,000 shares and as at 31 December 2022 held 0.57% total shareholding.

## CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

### DIRECTORS' REPORT

#### Lepidco Limited Investment

Lepidco continues to move forward with its Chemical Plant in Abu Dhabi. Front end engineering and design work has been completed at the Karibib project concentrator (Namibia). As at the 31<sup>st</sup> December 2022 the company was debt free with AUD\$17.1 million in cash and cash equivalents.

The Company's shareholding in Lepidco is 1,596,397 shares and as at 31 December 2022 held 0.02% total shareholding.

#### **Future developments**

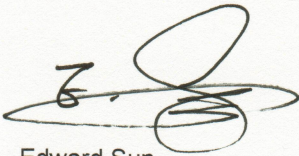
Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report. However, the company continues to assess potential investment opportunities within the mining industry as an investor and/or direct participant.

#### Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is included on page 12 of the half-year report.

Signed in accordance with a resolution of directors made pursuant the section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Edward Sun

**Executive Chairman, Managing Director  
and Chief Executive Officer**

Dated this 28 day of Feb 2023

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<u>Consolidated</u> <u>Half-year Ended</u>	
		31 Dec 2022	31 Dec 2021
		\$	\$
<b>Continuing Operations</b>			
Revenue		17,734	15,320
Other Gains and Losses	3	(581,865)	(698,284)
Depreciation Expense		(2,498)	(2,563)
Finance Costs		(1,613,710)	(1,667,964)
Fair Value Movement		3,426,180	14,654,567
Administration Expenses		(62,736)	(62,463)
Employee Expenses		(96,151)	(117,212)
Other Expenses		<u>(25,375)</u>	<u>(1,633)</u>
Profit before tax		<u>1,061,579</u>	<u>12,119,768</u>
Income Tax Benefit		<u>-</u>	<u>-</u>
<b>Total Profit/(Loss) for the period</b>		<b><u>1,061,579</u></b>	<b><u>12,119,768</u></b>
Other Comprehensive Income/(Expense) for the Period (Net of Tax)		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the Period</b>		<b><u>1,061,579</u></b>	<b><u>12,119,768</u></b>
<b>Earnings Per Share</b>			
Basic (cents per share)		0.16	1.85
Diluted (cents per share)		0.16	1.85

**The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2022 Annual Report.**

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Consolidated	
	31 Dec 2022	30 June 2022
<u>Note</u>	\$	\$
<b>Assets</b>		
<b><i>Current Assets</i></b>		
Cash and Cash Equivalents	306,995	330,911
Trade Receivables	-	1,320
Prepayments	1,639	3,165
Other Current Assets	11,236	4,325
<b>Total Current Assets</b>	<b>319,870</b>	<b>339,721</b>
<b><i>Non-Current Assets</i></b>		
Property, Plant and Equipment	183,541	186,039
Other Non-Current Assets	41,052,032	37,773,240
<b>Total Non-Current Assets</b>	<b>41,235,573</b>	<b>37,959,279</b>
<b>Total Assets</b>	<b>41,555,443</b>	<b>38,299,000</b>
<b>Liabilities</b>		
<b><i>Current Liabilities</i></b>		
Trade and Other Payables	88,199	88,913
Financial Liabilities	4 73,484,155	71,288,580
<b>Total Current Liabilities</b>	<b>73,572,354</b>	<b>71,377,493</b>
<b>Total Liabilities</b>	<b>73,572,354</b>	<b>71,377,493</b>
<b>Net Liabilities</b>	<b>(32,016,915)</b>	<b>(33,078,493)</b>
<b>Equity</b>		
Issued Capital	69,408,416	69,408,416
Reserves	370,437	370,437
Accumulated Losses	(101,795,768)	(102,857,346)
Equity attributable to owners of the Company	<b>(32,016,915)</b>	<b>(33,078,493)</b>
<b>Total Deficiency</b>	<b>(32,016,915)</b>	<b>(33,078,493)</b>

The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2022 Annual Report.

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<b>Consolidated Half-year Ended</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from Customers	16,931	15,320
Payments to Suppliers and Employees	<u>(190,357)</u>	<u>(183,292)</u>
Net Cash used in Operating Activities	<u><u>(173,426)</u></u>	<u><u>(167,972)</u></u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Property, Plant & Equipment	-	-
Proceeds from Sale of Shares	150,000	-
Purchase of Shares, Property, Plant & Equipment	(2,612)	(4,272)
Interest Received	<u>2,123</u>	<u>-</u>
Net Cash generated by Investment Activities	<u><u>149,511</u></u>	<u><u>(4,272)</u></u>
Net (decrease)/increase in Cash and Cash Equivalents	(23,915)	(172,244)
Cash and Cash Equivalents at Beginning of the Half-year	<u>330,911</u>	<u>261,780</u>
Cash and Cash Equivalents at the End of the Half-year	<u><u>306,996</u></u>	<u><u>89,536</u></u>

**The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2022 Annual Report.**

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Other Reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2021	69,408,416	(116,587,701)	370,437	(46,808,848)
Profit/(Loss) for the period	-	12,119,768	-	12,119,768
Net Revaluation Reversal	-	-	-	-
Total comprehensive income for the period	<u>-</u>	<u>12,119,768</u>	<u>-</u>	<u>12,119,768</u>
<b>Balance at 31 December 2021</b>	<u><u>69,408,416</u></u>	<u><u>(104,467,933)</u></u>	<u><u>370,437</u></u>	<u><u>(34,689,080)</u></u>
	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Other Reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2022	69,408,416	(102,857,346)	370,437	(33,078,493)
Profit/(Loss) for the period	-	1,061,579	-	1,061,579
Net Revaluation Reversal	-	-	-	-
Total comprehensive income for the period	<u>-</u>	<u>1,061,579</u>	<u>-</u>	<u>1,061,579</u>
<b>Balance at 31 December 2022</b>	<u><u>69,408,416</u></u>	<u><u>(101,795,768)</u></u>	<u><u>370,437</u></u>	<u><u>(32,016,915)</u></u>

**The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2022 Annual Report.**



**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**Note 1: Significant Accounting Policies**

**Statement of Compliance**

The half-year financial report is general purpose financial report for the half-year ended 31 December 2022 prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and it is recommended that it be read in conjunction with the most recent annual financial report, and the public announcements made during the half-year in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

**Basis of Preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for the assets. All amounts are in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2022 annual financial report for the financial year ended 30 June 2022. These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

**Going Concern**

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2022 the Company posted a profit of \$1,061,579 arising from positive movements in financial assets and financing costs. The Company will continue to finance its operations primarily through cash and cash equivalents on hand, and future financing from the issuance of debt or equity instruments. The Company has yet to generate any significant revenues and has no assurance of future revenues.

The following plan is in place by Management to support the going concern basis of the Company and the consolidated entity.

On 29<sup>th</sup> February 2017 the Company received an undertaking from Creat Group that:

- Creat Group will continue to provide further funding to CRHL as required with interest rates to be charged based on market interest rates; and
- Creat Group will not call for or cause repayment of any loans or convertible notes, including the payment of accrued interest on such loans or convertible notes currently held by Creat Group or entered into/acquired by Creat Group and interest that will be due and payable on such loans or convertible notes until such time as CRHL has the resources to repay any or all debt.

At the date of this report and having considered the above factors, the directors are confident that the Company and the consolidated entity will be able to continue as going concerns.

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**Note 2: Segment Information**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The chief decision maker of the Company is its Board of Directors, and the system of internal reporting is such that there is only one reportable segment under AASB 8, being investment in companies involved in mining in both Australia and overseas.

**Note 3: Disclosure of additional information**

**Other Gains and Losses**

Foreign exchange gain/(loss) arising on translation of financial liabilities

Gain/(loss) on sale of Assets

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	\$	\$
	(581,865)	(698,284)
	-	-
	<u>(581,865)</u>	<u>(698,284)</u>

**Financial assets carried at fair value**

The fair value measurement of the investment in Allkem Limited at 31 December 2022 is \$41,026,000 (Galaxy Resources Limited 30 June 2022: \$37,734,000).

The fair value measurement of the investment in Lepidico Limited at 31 December 2022 is \$26,032. (30 June 2022: \$38,639).

The fair value measurement of the Financial Instruments have been classified as a level 1 in the fair value hierarchy, as they are derived from quoted prices (unadjusted) in active markets for identical assets.

**Note 4: Financial Liabilities**

**Current**

Loans from related party: secured and unsecured (i)

Withholding tax payable

	<b>31 Dec 2022</b>	<b>30 June 2022</b>
	\$	\$
	73,484,155	71,288,581
	-	-
	<u>73,484,155</u>	<u>71,288,581</u>

(i) Amount repayable to related party of the Company. Repayment of these loans has been deferred through the continuing financial support of Creat Group Company Limited ("Creat Group").

The above unsecured loans are covered by a letter of financial support from Creat Group.

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**Note 5: Contingencies and commitments**

There are no known contingent liabilities or contingent assets since the end of the last annual reporting period.

**Note 6: Subsequent events**

**Fair Value of Investment in Allkem**

Since the end of the reporting period there has been an increase in the fair value of the company's financial investment. With reference to the ASX quoted share price for Allkem, the fair value of the company's investment has increased by approximately \$3,930,150 since 31 December 2022. In accordance with the requirements of AASB 110 Events after the Reporting Period, this increase in fair value has not been recognised within this financial report.

**Fair Value of Investment in Lepidico**

Since the end of the reporting period, there has not been any movement in the fair value of the company's financial investment. With reference to the ASX quoted share price for Lepidico, the fair value of the company's investment has remained steady since 31 December 2022. In accordance with the requirements of AASB 110 Events after the Reporting Period, this movement in fair value has not been recognised within this financial report.

**CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**


**DIRECTORS' DECLARATION**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Yu Sun', with a stylized flourish extending to the right.

Yu Sun

**Executive Chairman  
and Chief Executive Officer**

Dated this 28 day of Feb,..... 2023

## Auditor's Independence Declaration

To the Directors of Creat Resources Holdings Ltd

As auditor for the review of Creat Resources Holdings Ltd for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

**Synectic Audit & Assurance Pty Ltd**

Benjamin Coull  
**Director**

Date: 10 February 2023

## **Independent Auditor's Review Report**

**To the members of Creat Resources Holdings Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Creat Resources Holdings Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory information and the directors' declaration.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Creat Resources Holdings Ltd is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date;
- b) and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Creat Resources Holdings Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### **Synectic Audit & Assurance Pty Ltd**

Benjamin Coull  
**Director**

Date: 10 February 2023