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

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS UNDER THE AGENCY FEE AGREEMENT IN RELATION TO MARKETING SERVICES PROVIDED

Reference is made to the announcement of the Company dated 15 September 2020 in relation to the continuing connected transaction contemplated under the Agency Fee Agreement (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company would like to provide further details regarding the pricing policy in relation to the Agency Fee Agreement.

Pricing policy of the commission fee income

Pricing for the commission fee rate under the Agency Fee Agreement is renewed annually and is negotiated on an arms’ length basis based on normal commercial terms between CACT and PRT by reference to:

- (a) similar or comparable previous products marketing services of CACT for persons or companies which are independent to the Group, the Directors, the chief executives, the substantial shareholders of the Company or any of its subsidiaries and their respective associates (the “**Independent Third Parties**”); and
- (b) prevailing business conditions, marketing efforts be required, transaction cost be deployed, complexity in sourcing customers and negotiating on behalf of PRT.

Such price and terms shall be subject to normal commercial terms comparable to that CACT offers to the Independent Third Parties. Management of CACT review and consider pricing and terms to be offered to PRT with reference to the pricing policy above stated, together with the expected annual volume of products to be marketed for PRT, before entering into the Agency Fee Agreement.

If in an unlikely event that no such similar or comparable previous products marketed by CACT for Independent Third Parties is available, and CACT has the capacity to take on the marketing services with PRT as no other Independent Third Party requires the same or similar types of services from CACT, CACT would still agree on a price with PRT based on price which shall be negotiated and agreed between CACT and PRT in the absence of such comparisons as entering into such marketing services would be no different to entering into any other agency fee agreement with the Independent Third Parties that can contribute to the Group's business development and revenue.

The commission fee income charged to PRT equals to a fixed commission rate as stipulated in the Agency Fee Agreement times the volume of products marketed by CACT for PRT. The same charging mechanism of commission fee income applies to similar or comparable products marketing services of CACT for the Independent Third Parties.

Based on the above, the Directors, including the independent non-executive directors, are of the view that terms and pricing of commission fee income under the Agency Fee Agreement are (a) fair and reasonable, on normal commercial and better in respect of similar or comparable marketing services provided by CACT, in the ordinary and usual course of its business, for the Independent Third Parties, and (b) it is in the interests of the Company and the Shareholders as a whole.

Save for the above, the content of the Announcement remains unchanged.

By Order of the Board
CITIC Resources Holdings Limited
Sun Yufeng
Chairman

Hong Kong, 21 September 2020

As at the date hereof, Mr. Sun Yufeng; Mr. Suo Zhengang and Mr. Sun Yang are executive directors of the Company, Mr. Chan Kin is a non-executive director of the Company, and Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Look Andrew are independent non-executive directors of the Company