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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)

## VOLUNTARY ANNOUNCEMENT

### PROPOSED ACQUISITIONS OF PARTICIPATING INTERESTS IN ANCILLARY BUSINESSES FOR THE KARAZHANBAS OILFIELD IN KAZAKHSTAN

This is a voluntary announcement made by the board of directors (the “**Board**”) of CITIC Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the proposed acquisitions by CITIC Canada Petroleum Limited (“**CCPL**”), which is a wholly-owned subsidiary of the Company’s joint venture, CITIC Canada Energy Limited (“**CCEL**”), in respect of the participating interests in ancillary businesses for the Karazhanbas oilfield in the Republic of Kazakhstan (“**Kazakhstan**”).

#### THE PROPOSED ACQUISITIONS

On 28 April 2021, CCPL entered into a sale and purchase agreement (the “**Caspi Bitum SPA**”) in respect of the acquisition (the “**Caspi Bitum Acquisition**”) of the entire participating interests in Caspi Bitum JV LLP (“**Caspi Bitum**”), which comprised of 50% of participating interests (“**KMG Participating Interests**”) owned by JSC National Company “KazMunayGas” (“**KMG**”) and 50% of participating interests (“**CKLLP Participating Interests**”) owned by CITIC Kazakhstan LLP (“**CKLLP**”).

On the same date, CCPL also entered into a sale and purchase agreement (the “**UTTiOS SPA**”) in respect of the acquisition (the “**UTTiOS Acquisition**” and, together with the Caspi Bitum Acquisition, the “**Proposed Acquisitions**”) of the entire participating interests in Support Service Vehicles and Well Servicing Division LLP (also known as “**UTTiOS LLP**”) (“**UTTiOS**”) from KMG.

Pursuant to the terms of the Caspi Bitum SPA and the UTTiOS SPA, the closing of each of the Caspi Bitum Acquisition and the UTTiOS Acquisition is conditional to the other closing to take place simultaneously.

## **EQUITY TRANSFER AGREEMENT IN RELATION TO THE CASPI BITUM ACQUISITION**

The closing of the Caspi Bitum Acquisition is subject to the satisfaction (or, where applicable, waiver) of a number of conditions precedent, including but not limited to the completion of the public tender process (the “**Chinese Public Tender**”) for the CKLLP Participating Interests in the People’s Republic of China (the “**PRC**”) via the China Beijing Equity Exchange (“**CBEX**”) in accordance with the relevant laws and regulations of the PRC, and the provision by CKLLP to KMG and CCPL of a certificate confirming the completion of the Chinese Public Tender.

The CKLLP Participating Interests were publicly listed on the CBEX and CCPL submitted its bid for the acquisition of the CKLLP Participating Interests on 10 May 2021.

On 7 July 2021, CCPL and CKLLP entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) pursuant to which CCPL agreed to acquire, and CKLLP agreed to sell, the CKLLP Participating Interests, representing 50% of the participating interests in Caspi Bitum, at the consideration of RMB260,168,000. The consideration was determined through the public tender process and it was not lower than the minimum transfer price of RMB260,000,000 as set by CKLLP for the Chinese Public Tender.

## **EXPECTED CLOSING OF THE PROPOSED ACQUISITIONS**

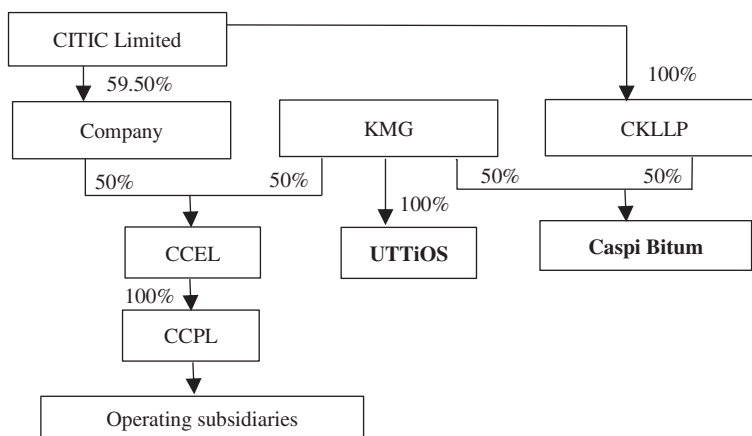
Following the completion of the Chinese Public Tender, subject to the satisfaction or waiver of the other conditions precedent to the Proposed Acquisitions, the parties to the Caspi Bitum SPA and the UTTiOS SPA will proceed to closing of the Proposed Acquisitions, which is currently expected to take place no later than 31 July 2021.

## EFFECT OF THE PROPOSED ACQUISITIONS

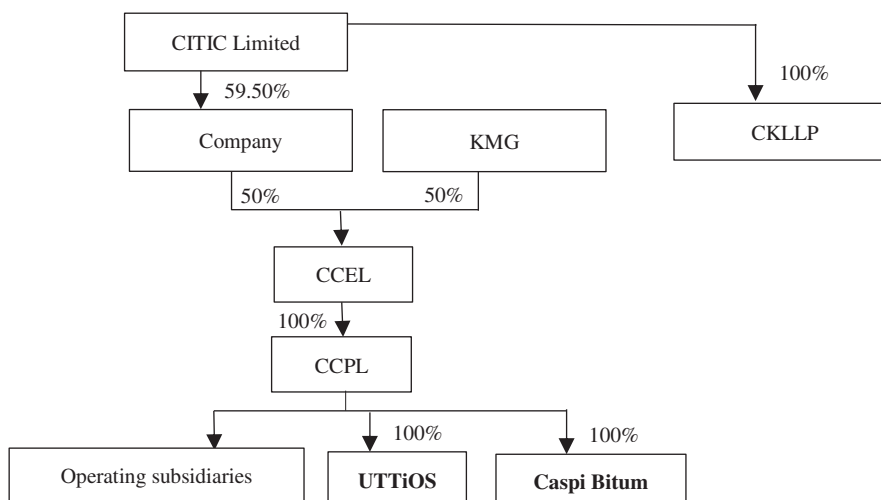
As at the date of this announcement and immediately before completion of the Proposed Acquisitions, the entire participating interest of UTTiOS is held by KMG whereas the participating interest of Caspi Bitum is held as to 50% and 50% by each of KMG and CKLLP. Immediately after completion of the Proposed Acquisitions, the entire participating interest of each of Caspi Bitum and UTTiOS will be directly owned by CCPL, which is a wholly-owned subsidiary of CCEL. As CCEL is not a subsidiary of the Company, but a joint venture whose results are accounted for in the Group's consolidated financial statements using the equity method, each of Caspi Bitum and UTTiOS will not become a subsidiary of the Company immediately after completion of the Proposed Acquisitions.

The following diagrams illustrate the simplified corporate structure of Caspi Bitum and UTTiOS immediately before and immediately after completion of the Proposed Acquisitions:

### Immediately before completion of the Proposed Acquisitions



### Immediately after completion of the Proposed Acquisitions



## **INFORMATION ON THE RELEVANT PARTIES**

The Company is a diversified energy and natural resources investment holding company. Through its subsidiaries, the Company is principally engaged and has interests in aluminium smelting, coal, import and export of commodities, the exploration, development and production of oil and has interests in bauxite mining and alumina refining.

CCPL is a wholly-owned subsidiary of CCEL. CCEL is an investment holding company which is indirectly owned as to 50% and 50% by each of the Company and KMG, and its operating subsidiaries are principally engaged in the exploration, development, production and sale of oil and provision of oilfield related services in Kazakhstan.

KMG is a leading vertically integrated oil and gas company in Kazakhstan. KMG manages assets throughout the entire production cycle, i.e. from exploration and production of hydrocarbons to transportation, refining and provision of maintenance services. KMG is the state-owned oil company of Kazakhstan and is not a connected person of the Company

CKLLP is a limited liability partnership incorporated and registered in Kazakhstan, which is wholly-owned by CITIC Limited (stock code: 267), a controlling shareholder of the Company holding 4,675,605,697 shares of the Company representing approximately 59.50% of all its shares in issue as at the date of this announcement. CITIC Limited is a subsidiary of CITIC Group, which is a state-owned enterprise under the PRC Ministry of Finance.

Caspi Bitum is a limited liability partnership incorporated and registered in Kazakhstan, which is principally engaged in processing of crude oil, producing road bitumen and clarified oil.

UTTiOS is a limited liability partnership incorporated and registered in Kazakhstan, which is principally engaged in oilfield service, such as drilling, well workover and transportation.

## **REASONS AND BENEFITS FOR THE PROPOSED ACQUISITIONS TO THE GROUP**

The Company and KMG, through CCEL and CCPL, jointly own, manage and operate various operating subsidiaries engaged in the operation of oil and oil-related businesses and activities, including but not limited to the development, production and sale of oil at the Karazhanbas oilfield in Kazakhstan. As at 31 December 2020, the Karazhanbas oilfield had estimated proved oil reserves of 167.5 million barrels.

It is expected that the Proposed Acquisitions will enhance economic efficiency in the operations of the Karazhanbas oilfield by promoting the integrated development of upstream and downstream enterprises. Furthermore, the Proposed Acquisitions will deepen the strategic relationships between the Group and KMG, which will be beneficial to the long-term development of the Group's business. Therefore, the Board believes that the Proposed Acquisitions will be in the interest of the Group and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As CCEL is a joint venture but not a subsidiary of the Company, the Company (or its subsidiaries) is not a party to any of the Proposed Acquisitions. Therefore, the Proposed Acquisitions do not trigger disclosure requirements for the Company (or its subsidiaries) under Chapter 14 or 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This announcement is made by the Board on a voluntary basis to keep the shareholders and potential investors informed of latest developments concerning the Company.

**As the closing of each of the Proposed Acquisitions is subject to the satisfaction (or, if applicable, waiver) of certain conditions precedent, the Proposed Acquisitions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 7 July 2021

*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.*