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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)

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE PRC FINANCIAL SERVICES AGREEMENTS**

### **CITIC BANK PRC FINANCIAL SERVICES AGREEMENT**

On 22 October 2021, the Company entered into the CITIC Bank PRC Financial Services Agreement with CITIC Bank, pursuant to which CITIC Bank agreed to provide financial services, including but not limited to deposit services to the Service Recipients, which comprise the Company and its subsidiaries from time to time, within the PRC.

### **CITIC FINANCE PRC FINANCIAL SERVICES AGREEMENT**

On 22 October 2021, the Company entered into the CITIC Finance PRC Financial Services Agreement with CITIC Finance, pursuant to which CITIC Finance agreed to provide financial services, including but not limited to deposit services to the Service Recipients, which comprise the Company and its subsidiaries from time to time, within the PRC.

### **LISTING RULES IMPLICATIONS**

CITIC Group, through its interest in CITIC Limited's wholly-owned subsidiaries Keentech, CA and Fortune Class, controls 4,675,605,697 Shares representing 59.50% of all the Shares in issue as at the date of this announcement. CITIC Group is the controlling shareholder of the Company. CITIC Bank and CITIC Finance, being subsidiaries of CITIC Group, are connected persons of the Company. As such, the transactions contemplated under the PRC Financial Services Agreements would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Furthermore, the provision of deposit services by CITIC Finance to the Group would constitute financial assistance to be provided by the Group to a connected person.

Based on the aggregate maximum daily balance of deposits (including the interests accrued thereon) to be placed and maintained by the Group with CITIC Bank and CITIC Finance, as the highest of the applicable Percentage Ratios in respect of the deposit services under the PRC Financial Services Agreements is more than 0.1% but less than 5%, the deposit services under PRC Financial Services Agreements constitute continuing connected transactions which are subject to the reporting, annual review, announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all the applicable Percentage Ratios in respect of the service fees expected to be payable to CITIC Bank and CITIC Finance, in aggregate, for each of the settlement services and the other financial services under PRC Financial Services Agreements, on an annual basis are less than 0.1% and therefore fall below the de minimis threshold under Rule 14A.76 of the Listing Rules; and the terms of such services are on normal commercial terms or better, the settlement services and the other financial services are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The comprehensive credit services under the PRC Financial Services Agreements involve the provision of financial assistance by CITIC Bank and CITIC Finance to the Group. As the comprehensive credit services to be provided under the PRC Financial Services Agreements are on normal commercial terms or better, and no security will be granted by the Group over its assets in respect of such comprehensive credit services, therefore the comprehensive credit services are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

## **I) CITIC BANK PRC FINANCIAL SERVICES AGREEMENT**

On 22 October 2021, the Company entered into the CITIC Bank PRC Financial Services Agreement with CITIC Bank, pursuant to which CITIC Bank agreed to provide financial services, including but not limited to deposit services to the Service Recipients, which comprise the Company and its subsidiaries from time to time, within the PRC.

The material terms of the CITIC Bank PRC Financial Services Agreement are set out as follows:

### **Date**

22 October 2021

### **Parties**

- (1) the Company; and
- (2) CITIC Bank

## **Duration and Effective Date**

Upon its execution by the legal representatives or authorised representative of the Company and CITIC Bank, the CITIC Bank PRC Financial Services Agreement shall become effective on the Effective Date. The CITIC Bank PRC Financial Services Agreement shall remain in force for a term of three years from the Effective Date, being the date on which the Board grants its approval for the CITIC Bank PRC Financial Services Agreement. The approval from the Board has been granted on the date of this announcement.

## **Principal terms**

The financial services proposed to be provided by CITIC Bank to the Service Recipients include deposit services, comprehensive credit services, settlement services, and other financial services.

Pursuant to the CITIC Bank PRC Financial Services Agreement, the cooperation between the Service Recipients and CITIC Bank shall be on a non-exclusive basis. The Service Recipients are entitled to decide whether they would accept the services provided by CITIC Bank, and whether they would continue to maintain the relationship of financial services with CITIC Bank upon expiry of the CITIC Bank PRC Financial Services Agreement, based on market rates and after taking into consideration other conditions.

The CITIC Bank PRC Financial Services Agreement is a framework agreement only and the Service Recipients will separately negotiate and enter into specific agreements with CITIC Bank in respect of each type of service referred to in the CITIC Bank PRC Financial Services Agreement.

## ***Deposit services***

Pursuant to the terms and conditions of the CITIC Bank PRC Financial Services Agreement, the Service Recipients may deposit funds at CITIC Bank in accordance with the principle of free deposit and withdrawal. The forms of deposits include demand deposits, call deposits, fixed deposits and negotiated deposits.

The interest rates on RMB deposits placed by any Service Recipient at CITIC Bank are floating interest rates that will be determined with reference to the RMB benchmark deposit interest rates published by the PBOC. 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 by other financial institutions in the PRC to the relevant Service Recipient. The final interest rate shall be confirmed by both parties in writing or by way of emails between authorised email addresses.

CITIC Bank shall safeguard the safety of the Service Recipients' deposits. Subject to the terms of the definitive business agreements for such deposits, CITIC Bank shall pay the funds in full and on a timely basis as and when the relevant Service Recipient makes any request for funds.

### ***Comprehensive credit services***

CITIC Bank shall provide any Service Recipient with comprehensive credit services in accordance with the relevant Service Recipient's operation and development needs and subject to compliance with the relevant requirements of the PBOC and CBIRC and the internal risk management system and approval procedures of CITIC Bank. The relevant Service Recipient may use the comprehensive credit services provided by CITIC Bank to proceed with various financial services, including but not limited to, loans, trade financing, bill discounting, bill acceptance, guarantee, letter of credit, letter of guarantee, sale and settlement of spot foreign exchange, financial leasing and other forms of financing business.

The interest rate of the RMB loans and trade financing provided by CITIC Bank for any Service Recipient shall be determined by the parties with reference to the loan prime rate (LPR) published by the National Interbank Funding Center with the authority of the PBOC. The actual interest rate shall in principle be not higher than the interest rate of same-grade loans of the same term offered by the other financial institutions in the PRC to the relevant Service Recipient.

The interest rate of the foreign currency loans and trade financing provided by CITIC Bank for any Service Recipient shall be determined with reference to the international interbank lending rate. The actual interest rate shall be agreed by both parties and in principle shall be not higher than the interest rate of same-grade loans of the same term and in the same currency offered by the other financial institutions in the PRC to the relevant Service Recipient. The final interest rate shall be confirmed in writing by both parties by way of loan agreement.

The comprehensive credit services to be provided by CITIC Bank under the CITIC Bank PRC Financial Services Agreement shall not be secured by the assets of the Company and/or its subsidiaries.

### ***Settlement services***

As and when any Service Recipient has applied to open a settlement account at CITIC Bank, CITIC Bank shall process the relevant procedures on a timely basis and open a settlement account for the relevant Service Recipient.

CITIC Bank shall provide any Service Recipient with settlement services in accordance with the relevant Service Recipient's instructions for payment or collection, and ancillary services related to settlement services.

CITIC Bank shall provide any Service Recipient with the above settlement services for a settlement fee in accordance with the charging standards agreed by both parties, and the fees charged shall not be higher than the similar service fee standards offered by the other financial institutions in the PRC to the relevant Service Recipient. CITIC Bank shall endeavour to offer favourable terms for settlement fee to the Services Recipients. If CITIC Bank is unable to offer favourable terms for settlement fee, the Service Recipients may engage other financial institutions to provide the relevant financial services.

CITIC Bank shall ensure the safe operations of the network for funds settlement, safeguarding the security of funds and controlling the risks of assets and liabilities in order to fulfil the payment needs of the Service Recipients.

### ***Other financial services***

CITIC Bank shall provide any Service Recipient with collection and payment services (including cash management services), manage the bank accounts required by the Service Recipients for their daily operations, and revert to the Service Recipients with business statistics within an appropriate timeframe.

CITIC Bank shall provide any Service Recipient with other financial services within its scope of business in accordance with its instructions and requirements. Both parties shall negotiate and enter into definitive agreements before CITIC Bank provides other financial services to any Service Recipient.

The relevant service fees charged by CITIC Bank for the provision of other financial services shall comply with the relevant requirements (if any) in the charging standards of CBIRC for the same type of financial services, and such fee standards shall not be higher than the similar business fee standards offered by other financial institutions in the PRC.

## **II) CITIC FINANCE PRC FINANCIAL SERVICES AGREEMENT**

On 22 October 2021, the Company entered into the CITIC Finance PRC Financial Services Agreement with CITIC Finance, pursuant to which CITIC Finance agreed to provide financial services, including but not limited to deposit services to the Service Recipients, which comprise the Company and its subsidiaries from time to time, within the PRC.

The material terms of the CITIC Finance PRC Financial Services Agreement are set out as follows:

### **Date**

22 October 2021

### **Parties**

- (1) the Company; and
- (2) CITIC Finance

## **Duration and Effective Date**

Upon its execution by the legal representatives or authorised representative of the Company and CITIC Finance, the CITIC Finance PRC Financial Services Agreement shall become effective on the Effective Date. The CITIC Finance PRC Financial Services Agreement shall remain in force for a term of three years from the Effective Date, being the date on which the Board grants its approval for the CITIC Finance PRC Financial Services Agreement. The approval from the Board has been granted on the date of this announcement.

## **Principal terms**

The financial services proposed to be provided by CITIC Finance to the Service Recipients include deposit services, comprehensive credit services, settlement services, and other financial services.

Pursuant to the CITIC Finance PRC Financial Services Agreement, the cooperation between the Service Recipients and CITIC Finance shall be on a non-exclusive basis. The Service Recipients are entitled to decide whether they would accept the services provided by CITIC Finance, and whether they would continue to maintain the relationship of financial services with CITIC Finance upon expiry of the CITIC Finance PRC Financial Services Agreement, based on market rates and after taking into consideration other conditions.

The CITIC Finance PRC Financial Services Agreement is a framework agreement only and the Service Recipients will separately negotiate and enter into specific agreements with CITIC Finance, in respect of each type of service referred to in the CITIC Finance PRC Financial Services Agreement, provided that such specific agreements shall be consistent with the principles and terms of the CITIC Finance PRC Financial Services Agreement.

## ***Deposit services***

Pursuant to the terms and conditions of the CITIC Finance PRC Financial Services Agreement, the Service Recipients may deposit funds at CITIC Finance in accordance with the principle of free deposit and withdrawal. The forms of deposits include demand deposits, call deposits, fixed deposits and negotiated deposits.

The interest rates on RMB deposits placed by any Service Recipient at CITIC Finance are floating interest rates that will be determined with reference to the RMB benchmark deposit interest rates published by the PBOC. 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 by other financial institutions in the PRC to the relevant Service Recipient. The final interest rate shall be confirmed by both parties in writing or by way of emails between authorised email addresses.

CITIC Finance shall safeguard the security of the Service Recipients' deposits. CITIC Finance shall pay the funds in full and on a timely basis as and when the relevant Service Recipient makes any request for funds.

### ***Comprehensive credit services***

CITIC Finance shall provide any Service Recipient with comprehensive credit services in accordance with the relevant Service Recipient's operation and development needs and subject to compliance with the applicable laws and regulations. The relevant Service Recipient may use the comprehensive credit services provided by CITIC Finance to proceed with various financial services, including but not limited to, loans, trade financing, bill discounting, bill acceptance, guarantee, letter of credit, letter of guarantee, sale and settlement of spot foreign exchange, financial leasing and other forms of financing business.

The interest rate of the RMB loans and trade financing provided by CITIC Finance for any Service Recipient shall be determined by the parties with reference to the loan prime rate (LPR) published by the National Interbank Funding Center under the authority of the PBOC. The actual interest rate shall in principle be not higher than the interest rate of same-grade loans of the same term offered by the other financial institutions in the PRC to the relevant Service Recipient.

The interest rate of the foreign currency loans and trade financing provided by CITIC Finance for any Service Recipient shall be determined with reference to the international interbank lending rate. The actual interest rate shall be agreed by both parties and in principle shall be not higher than the interest rate of same-grade loans of the same term and in the same currency offered by the other financial institutions in the PRC to the relevant Service Recipient. The final interest rate shall be confirmed in writing by both parties by way of loan agreement.

The comprehensive credit services to be provided by CITIC Finance under the CITIC Finance PRC Financial Services Agreement shall not be secured by the assets of the Company and/or its subsidiaries.

### ***Settlement services***

As and when any Service Recipient has applied to open a settlement account at CITIC Finance, CITIC Finance shall process the relevant procedures on a timely basis and open a settlement account for the relevant Service Recipient.

CITIC Finance shall provide any Service Recipient with settlement services in accordance with the relevant Service Recipient's instructions for payment or collection, and ancillary services related to settlement services.

CITIC Finance shall provide any Service Recipient with the above settlement services for a settlement fee in accordance with the charging standards agreed by both parties, and the fees charged shall not be higher than the similar service fee standards offered by the other financial institutions in the PRC to the relevant Service Recipient. CITIC Finance shall offer favourable terms for settlement fee to the Services Recipients.

CITIC Finance shall ensure the safe operations of the network for funds settlement, safeguarding the security of funds and controlling the risks of assets and liabilities in order to fulfil the payment needs of the Service Recipients.

### ***Other financial services***

CITIC Finance shall provide any Service Recipient with collection and payment services (including cash management services), manage the bank accounts required by the Service Recipients for their daily operations, and revert to the Service Recipients with business statistics within an appropriate timeframe.

CITIC Finance shall provide any Service Recipient with other financial services within its scope of business (including but not limited to financial and financing advisory, credit verification and related consulting and agency services, and entrustment loans) in accordance with its instructions and requirements. Both parties shall negotiate and enter into definitive agreements before CITIC Finance provides other financial services to any Service Recipient.

The relevant service fees charged by CITIC Finance for the provision of other financial services shall comply with the relevant requirements (if any) in the charging standards of CBIRC for the same type of financial services, and such fee standards shall not be higher than the similar business fee standards offered by other financial institutions in the PRC.

## **ANNUAL CAPS**

### **Deposit services**

As the nature of services to be provided by CITIC Bank and CITIC Finance under the PRC Financial Services Agreements are similar, the annual caps in respect of the aggregate amount of daily maximum balance of deposits to be placed and maintained by the Group with CITIC Bank and CITIC Finance (including the interests accrued thereon) for the term of the PRC Financial Services Agreements have been aggregated and are as follows:

	<b>From the Effective Date (i.e. 22 October 2021) to 31 December 2021</b>	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>From 1 January 2024 to 21 October 2024</b>
Aggregate amount of daily maximum balance of deposits to be placed and maintained by the Group with CITIC Bank and CITIC Finance (including interests accrued thereon)	Equivalent to HK\$105 million <i>(Note 1)</i>	Equivalent to HK\$105 million <i>(Note 1)</i>	Equivalent to HK\$105 million <i>(Note 1)</i>	Equivalent to HK\$105 million <i>(Note 1)</i>

*Note 1: The cash deposits of the Group to be placed with CITIC Bank and CITIC Finance may be denominated in multiple currencies.*

In determining the above annual caps of the deposit services, the Company has taken into account:

- (1) the expected aggregate cash and deposits balances of the Group to be placed with CITIC Bank and CITIC Finance in the PRC for the term of the PRC Financial Services Agreements by taking into account (i) the actual amount of cash and cash equivalents and deposits balances of the Group placed in the PRC; (ii) the expected cash flow to be generated during the term of the PRC Financial Services Agreements; and (iii) the projected interest income of the Group during the term of the PRC Financial Services Agreements;
- (2) the actual aggregate cash and deposits balances that were maintained by the Group with other independent commercial banks or financial institutions in the PRC;
- (3) the strategies for treasury management of the Group, taking into account the business development plans and the financial needs of the Group; and
- (4) the diversification of Group's portfolio of its principal bankers and/or financial institutions after its assessment of the counterparty risk and credit risk to conduct transactions with CITIC Bank and/or CITIC Finance as compared with the other major domestic commercial banks and/or financial institutions.

Based on the above factors, the Board (including the independent non-executive Directors) consider that the annual caps of the deposit services are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Comprehensive credit services**

The comprehensive credit services under the PRC Financial Services Agreements involve the provision of financial assistance by CITIC Bank and CITIC Finance to the Group. As the comprehensive credit services to be provided under the PRC Financial Services Agreements are on normal commercial terms or better, and no security will be granted by the Group over its assets in respect of such comprehensive credit services, therefore the comprehensive credit services are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules. No annual caps are therefore set for such comprehensive credit services.

### **Settlement services and other financial services**

The Company expects that all of the applicable Percentage Ratios in respect of the service fees payable by the Group to CITIC Bank and CITIC Finance, in aggregate, for each of the settlement services and other financial services under the PRC Financial Services Agreements, on an annual basis, are less than 0.1% and therefore fall below the de minimis threshold under Rule 14A.76 of the Listing Rules. Such services to be provided to the Group shall be on normal commercial terms or on terms that are no less favourable than those offered by the other financial institutions in the PRC. Accordingly, each of the settlement services and other financial services under the PRC Financial Services Agreements are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will comply with the applicable reporting, annual review, announcement and Independent Shareholders' approval requirements of the Listing Rules if the service fees for the settlement services and/or other financial services to be provided by CITIC Bank and/or CITIC Finance to the Group under the respective PRC Financial Services Agreements may exceed the de minimis threshold under Rule 14.76 of the Listing Rules.

## HISTORICAL TRANSACTION AMOUNTS

### Deposit services`

The table below sets forth the historical aggregate amount of the daily maximum balance of deposits placed and maintained by the Group with CITIC Bank and CITIC Finance (including the interests accrued thereon) for each of the three years ended 31 December 2020:

	For the year ended 31 December		
	2018	2019	2020
Aggregate amount of daily maximum balance of deposits placed and maintained by the Group with CITIC Bank and CITIC Finance (including the interests accrued thereon)	HK\$12,668,205.73 (Note 2)	HK\$10,508,075.65 (Note 2)	HK\$5,610,512.50 (Note 2)

*Note 2: The cash deposits of the Group were denominated in multiple currencies (i.e. HKD, RMB and USD) and the equivalent amount in HKD is calculated based on the prevailing exchange rate (RMB:HKD and USD:HKD) at the relevant time for illustrative purpose only.*

### Settlement services and other financial services

The historical figures for the aggregate amount of service fees paid by the Group to CITIC Bank and CITIC Finance for the provision of settlement services and other financial services, in aggregate, for the three years ended 31 December 2020 were HK\$2,576.21, HK\$2,068.05 and HK\$727.97, respectively.

### Comprehensive credit services

The Group did not have any outstanding loan amount (including interests accrued thereon) from CITIC Bank or CITIC Finance for the three years ended 31 December 2020.

The Group did not conduct any trade financing, bill discounting, bill acceptance, guarantee, letter of credit, letter of guarantee, sale and settlement of spot foreign exchange, financial leasing and other forms of financing business with CITIC Bank or CITIC Finance for the three years ended 31 December 2020.

## **INTERNAL CONTROL MEASURES FOR THE PRC FINANCIAL SERVICES AGREEMENTS**

The financial services (including the deposit services) to be provided by CITIC Bank and CITIC Finance to the Group under the PRC Financial Services Agreements shall be on a non-exclusive basis. The Company will implement the following internal control measures to ensure that the transactions contemplated under the PRC Financial Services Agreements are on normal commercial terms and do not exceed the annual caps:

- (1) To ensure that the interest rates and other terms offered by CITIC Bank and CITIC Finance under the PRC Financial Services Agreements will be fair and reasonable and on normal commercial terms, prior to placing cash deposits at or procuring other types of financial services from CITIC Bank and CITIC Finance, the Planning and Finance Department of the Company will obtain at least three quotations from other financial institutions in the PRC who are independent third parties to determine the prevailing interest rate(s) and other terms being offered by those institutions in the ordinary course of business for comparable deposits of similar nature during the same period. Such reference interest rate(s) will then be reviewed and approved by the management of the Company in accordance with its internal approval processes and procedures prior to entering into each individual specific agreement for the deposit services. The Company may also take into account factors, including, among other things, quality of services, safety of deposits, reputation of financial institutions, and history of cooperation in making decisions to place deposits with any banks or financial institutions. If the Company is aware that the deposit interest rate offered by CITIC Bank or CITIC Finance is less favourable than that offered by the other financial institutions in the PRC for the deposit of the same type and term, the Group will not maintain deposits with CITIC Bank or CITIC Finance, or it will negotiate with CITIC Bank or CITIC Finance to re-determine the interest rate.
- (2) To ensure that the transactions contemplated under the PRC Financial Services Agreements do not exceed the annual cap(s), the Planning and Finance Department of the Company shall monitor the aggregate amount of daily maximum deposits balance (including interests accrued thereon) to be maintained by the Group with CITIC Bank and CITIC Finance on a daily basis, and prepare continuing connected transaction reports on a monthly basis in respect of the status of compliance with the annual caps and utilisation of the annual caps under the PRC Financial Services Agreements for the consideration of the Company's audit committee. In the event that the amount of transactions incurred or to be incurred under the PRC Financial Services Agreements is expected to reach or exceed the relevant annual cap(s), the Planning and Finance Department of the Company will follow up forthwith by reporting and making a proposal to the management of the Company, and in case any revision of the annual cap(s) is required, it will report the particulars to the Board and a Board meeting will be convened for considering the relevant matters to ensure compliance with the requirements under the Listing Rules.
- (3) The auditors of the Company will conduct annual review on the transactions contemplated under the PRC Financial Services Agreements in relation to the pricing policy and annual caps in accordance with the Listing Rules. The independent non-executive Directors will also provide annual confirmations in the annual reports of the Company in respect of the transactions contemplated under the PRC Financial Services Agreements to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PRC FINANCIAL SERVICES AGREEMENTS**

The transactions contemplated under the PRC Financial Services Agreements will enable the Company to further strengthen its centralized fund management and thereby allows its subsidiaries to allocate funds more efficiently. The Company expects that it is beneficial to utilise the financial services from CITIC Bank and CITIC Finance under the PRC Financial Services Agreements for the following reasons:

- (1) CITIC Bank is regarded as a reputable, well-established, licensed, and legitimate financial institution in the PRC that is no different than other third party banks and financial institutions;
- (2) CITIC Finance is a subsidiary of CITIC Limited established in the PRC, and its principal businesses include accepting deposits, providing loans, and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting for member companies and other businesses;
- (3) CITIC Bank and CITIC Finance will be able to service the business and financial needs of the Group;
- (4) the terms (including the interest rates and bank charges) offered by or available from CITIC Bank and CITIC Finance with respect to the PRC Financial Services Agreements are on normal commercial terms, which are expected to be at prevailing market rates that are not less favourable than the terms offered or available to the Service Recipients from the other financial institutions in the PRC for similar services;
- (5) the interest rates offered by CITIC Bank and CITIC Finance on cash deposits are competitive in the market and are expected to allow the Company to maximise interest return;
- (6) the service fees and charges levied by CITIC Bank and CITIC Finance on financial services are competitive and cost-effective;
- (7) the counter-party risks and credit risks arising from cash depository and foreign exchange transactions with CITIC Bank and CITIC Finance are relatively lower compared with other third party banks and financial institutions; and
- (8) the diversification of the Group's portfolio of its principal bankers and/or financial institutions in the PRC during the term of the PRC Financial Services Agreements.

The Board (including the independent non-executive Directors) is of the view that the terms of the PRC Financial Services Agreements and the transactions contemplated thereunder (including the annual caps) are fair and reasonable, concluded on arm's length basis in the ordinary and usual course of business, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the PRC Financial Services Agreements and the transactions contemplated thereunder (including the annual caps) have been approved by the Board. Mr. Suo Zhengang, being an executive Director, is also a non-executive director of CA and, therefore, has abstained from voting at the Board meeting for approving the transactions contemplated under the PRC Financial Services Agreements and the annual caps. Save as disclosed herein, no other Director has a material interest in the PRC Financial Services Agreements and is therefore required to abstain from voting at the Board meeting.

## **LISTING RULES IMPLICATIONS**

CITIC Group, through its interest in CITIC Limited's wholly-owned subsidiaries Keentech, CA and Fortune Class, controls 4,675,605,697 Shares representing 59.50% of all the Shares in issue as at the date of this announcement. CITIC Group is the controlling shareholder of the Company. CITIC Bank and CITIC Finance, being subsidiaries of CITIC Group, are connected persons of the Company. As such, the transactions contemplated under the PRC Financial Services Agreements would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Furthermore, the provision of deposit services by CITIC Finance to the Group would constitute financial assistance to be provided by the Group to a connected person.

Based on the aggregate maximum daily balance of deposits (including the interests accrued thereon) to be placed and maintained by the Group with CITIC Bank and CITIC Finance, as the highest of the applicable Percentage Ratios in respect of the deposit services under the PRC Financial Services Agreements is more than 0.1% but less than 5%, the deposit services under PRC Financial Services Agreements constitute continuing connected transactions which are subject to the reporting, annual review, announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest of the applicable Percentage Ratios in respect of the service fees expected to be payable to CITIC Bank and CITIC Finance, in aggregate, for each of the settlement services and the other financial services under PRC Financial Services Agreements, on an annual basis, are less than 0.1% and therefore fall below the de minimis threshold under Rule 14A.76 of the Listing Rules; and the terms of such services are on normal commercial terms or better, the settlement services and the other financial services are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The comprehensive credit services under the PRC Financial Services Agreements involve the provision of financial assistance by CITIC Bank and CITIC Finance to the Group. As the credit services to be provided under the PRC Financial Services Agreements are on normal commercial terms or better, and no security will be granted by the Group over its assets in respect of such comprehensive credit services, therefore the comprehensive credit services are fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

## **INFORMATION ON THE RELEVANT PARTIES**

### **The Company**

The Company is an investment holding company mainly engaged in the exploration and sale of natural resources. Along with subsidiaries, the Company operates its business through four segments. The aluminium smelting segment is engaged in the operation of the Portland Aluminium Smelter, which sources alumina and produces aluminium ingots in Australia. The crude oil segment is engaged in the operation of oilfields and the sale of oil in Indonesia and the PRC. The import and export of commodities segment is engaged in the export of various commodity products, such as aluminium ingots and alumina. It is also involved in the import of other commodity products and manufactured goods, such as steel, in Australia. The coal segment is engaged in the operation of coal mines and the sale of coal in Australia.

### **CITIC Bank**

CITIC Bank is the Beijing branch of CNCB and its principal businesses include the provision of banking services in the PRC.

### **CITIC Finance**

CITIC Finance is a non-bank financial institution incorporated in the PRC with the approval of the CBIRC. CITIC Finance is a subsidiary of CITIC Limited, and its principal businesses include accepting deposits, providing loans, and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting for member companies and other businesses.

## **DEFINITIONS**

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

“associates”	has the meaning ascribed to it in Chapter 14A of the Listing Rules
“Board”	the board of Directors
“CA”	CITIC Australia Pty Limited, a company incorporated in the State of Victoria, Australia with limited liability
“CBIRC”	China Banking and Insurance Regulatory Commission
“CITIC Bank”	the Beijing branch of CNCB

“CITIC Bank PRC Financial Services Agreement”	the financial services framework agreement dated 22 October 2021 entered into between the Company and CITIC Bank
“CITIC Finance”	CITIC Finance Company Limited (中信財務有限公司), a subsidiary of CITIC Limited, and therefore a connected person of the Company
“CITIC Finance PRC Financial Services Agreement”	the financial services framework agreement dated 22 October 2021 entered into between the Company and CITIC Finance
“CITIC Group”	中國中信集團有限公司(CITIC Group Corporation), a state-owned enterprise under the PRC Ministry of Finance, and the controlling shareholder of the Company
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 267) and a subsidiary of CITIC Group
“CNCB”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the 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
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1205)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Effective Date”	the effective date of the respective PRC Financial Services Agreements, being the date on which the Board grants its approval for the respective PRC Financial Services Agreements
“Fortune Class”	Fortune Class Investments Limited, a company incorporated in the British Virgin Islands with limited liability

“Group” or “Service Recipients”	the Company and its subsidiaries from time to time
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders other than Keentech, CA and Fortune Class and their associates
“Keentech”	Keentech Group Limited, a company incorporated in the British Virgin Islands with limited liability
“LIBOR”	London Interbank Offered Rate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PBOC”	People’s Bank of China (中國人民銀行)
“Percentage Ratios”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“PRC”	People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“PRC Financial Services Agreements”	collectively, (i) the CITIC Bank PRC Financial Services Agreement; and (ii) the CITIC Finance PRC Financial Services Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 22 October 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.*