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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)

## **INSIDE INFORMATION COMMENCEMENT OF PUBLIC TENDER IN RELATION TO PROPOSED DISPOSAL OF INTERESTS IN KAZAKHSTAN OIL ASSETS AND SHAREHOLDER'S LOANS**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **THE PROPOSED DISPOSAL**

Reference is made to the announcement of the Company dated 8 December 2021 in relation to the possible disposal of the Company's interests in the Kazakhstan Oil Assets.

The Company has resolved to dispose of the Sale Assets held by CITIC Oil & Gas, an indirect wholly-owned subsidiary of the Company, comprising (i) the Sale Shares, representing the entire issued share capital of the Target held by CITIC Oil & Gas, through which the Company indirectly holds its interests in the Kazakhstan Oil Assets, and (ii) the Sale Loans, representing the shareholder's loans provided by CITIC Oil & Gas to the Target and its subsidiaries, KBM Energy and CITIC Netherlands Energy.

Since the Sale Assets are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Proposed Disposal will be conducted by way of the Public Tender on SUAEE in accordance with the relevant rules and regulations governing the disposal of state-owned assets.

The notice of the Public Tender in relation to the Proposed Disposal, which contains details of the Public Tender and the Proposed Disposal, was published on 26 August 2022 on the website of SUAEE at <https://www.suaee.com/suaeeHome/#home>. The initial Public Tender will commence on 29 August 2022 and will remain open for 20 working days.

In the event that there is no bidder for the Sale Assets upon expiry of the initial Public Tender on 26 September 2022, the Public Tender will extend with the same conditions for five working days each time until there is a successful bidder, provided that it will expire at the first anniversary of the commencement date of the Public Tender.

The initial Public Tender price for the Proposed Disposal is approximately RMB1,922,560,800 (equivalent to approximately HK\$2,318,523,000), which is determined with reference to the Appraised Value as at 31 August 2021. The final consideration will depend on the final bid price offered by the successful bidder.

## **POTENTIAL IMPLICATIONS UNDER THE LISTING RULES**

Using the initial Public Tender price of the Proposed Disposal as the basis of calculation, the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Proposed Disposal is expected to be more than 25%. Therefore, the Proposed Disposal, if materialized, and subject to the terms of the final definitive agreement to be entered into by the parties, may constitute at least a major transaction (and, if applicable, a connected transaction) of the Company and may be subject to the reporting, announcement, circular and shareholders' or independent shareholders' (as applicable) approval requirements under Chapter 14 and/or Chapter 14A of the Listing Rules.

Further announcement(s) in relation to the Proposed Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

**As the Proposed Disposal may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **THE PROPOSED DISPOSAL**

### **Backgrounds**

Reference is made to the announcement of the Company dated 8 December 2021 in relation to the possible disposal of the Company's interests in the Kazakhstan Oil Assets.

The Company has resolved to dispose of the Sale Assets held by CITIC Oil & Gas, an indirect wholly-owned subsidiary of the Company, comprising:

- (i) the Sale Shares, representing the entire issued share capital of the Target held by CITIC Oil & Gas, through which the Company indirectly holds its interests in the Kazakhstan Oil Assets; and
- (ii) the Sale Loans, representing the shareholder's loans provided by CITIC Oil & Gas to the Target and its subsidiaries, KBM Energy and CITIC Netherlands Energy.

### **Public Tender**

Since the Sale Assets are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Proposed Disposal will be conducted by way of the Public Tender on SUAEE in accordance with the relevant rules and regulations governing the disposal of state-owned assets.

The Public Tender Notice, which contains details of the Public Tender and the Proposed Disposal, was published on 26 August 2022 on the website of SUAEE at <https://www.suaee.com/suaeeHome/#home>. The initial Public Tender will commence on 29 August 2022 and will remain open for 20 working days.

In the event that there is no bidder for the Sale Assets upon expiry of the initial Public Tender on 26 September 2022, the Public Tender will extend with the same conditions for five working days each time until there is a successful bidder, provided that it will expire at the first anniversary of the commencement date of the Public Tender.

## **Summary of material terms disclosed in the Public Tender Notice**

### ***Consideration***

The initial Public Tender price for the Proposed Disposal is approximately RMB1,922,560,800 (equivalent to approximately HK\$2,318,523,000), which is determined with reference to the Appraised Value as at 31 August 2021, among which:

- (i) RMB236,967,800 (equivalent to approximately HK\$285,772,000) is attributable to the Sale Shares; and
- (ii) RMB1,685,593,000 (equivalent to approximately HK\$2,032,750,000) is attributable to the Sale Loans.

The final consideration will depend on the final bid price offered by the successful bidder.

Any increase in the final bid price offered by the successful bidder will be allocated between the Sale Shares and the Sale Loans in the same proportion as in the initial Public Tender price.

### ***Conditions precedent***

The completion of the Proposed Disposal shall be conditional upon and subject to, among others, necessary prior consultation with or consents from relevant third parties and local authorities in Kazakhstan.

### ***Other material terms***

The successful bidder shall agree to assume all rights and interests of CITIC Exploration & Production Limited, an indirect wholly-owned subsidiary of the Company's holding company in certain loan(s) it has provided to a subsidiary of KMG, a joint venture partner of CCEL, the amount of which is to be determined at completion of the Proposed Disposal. As at 30 June 2022, the amount of such loan(s) is US\$476 million.

The successful bidder shall also agree to transfer to CITIC Oil & Gas 70% of the amount to be received by a subsidiary of the Target due to an export tax relief if the application for such relief to the relevant Kazakhstan authorities is successful.

The successful bidder will enter into the Equity Transaction Agreement with the Company according to the relevant rules and regulations of SUAEE.

As at the date of this announcement, no binding agreement, arrangement or commitment has been entered into by the Company with respect to the Proposed Disposal.

## **INFORMATION ON THE TARGET**

The Target is a company incorporated under the laws of BVI with limited liability and is principally engaged in investment holding.

The Target holds the entire issued share capital of KBM Energy, which in turn holds 99% of the entire issued share capital of CITIC Netherlands Energy. The remaining 1% of the entire issued share capital of CITIC Netherlands Energy is directly held by the Target. Each of KBM Energy and CITIC Netherlands Energy is an investment holding company.

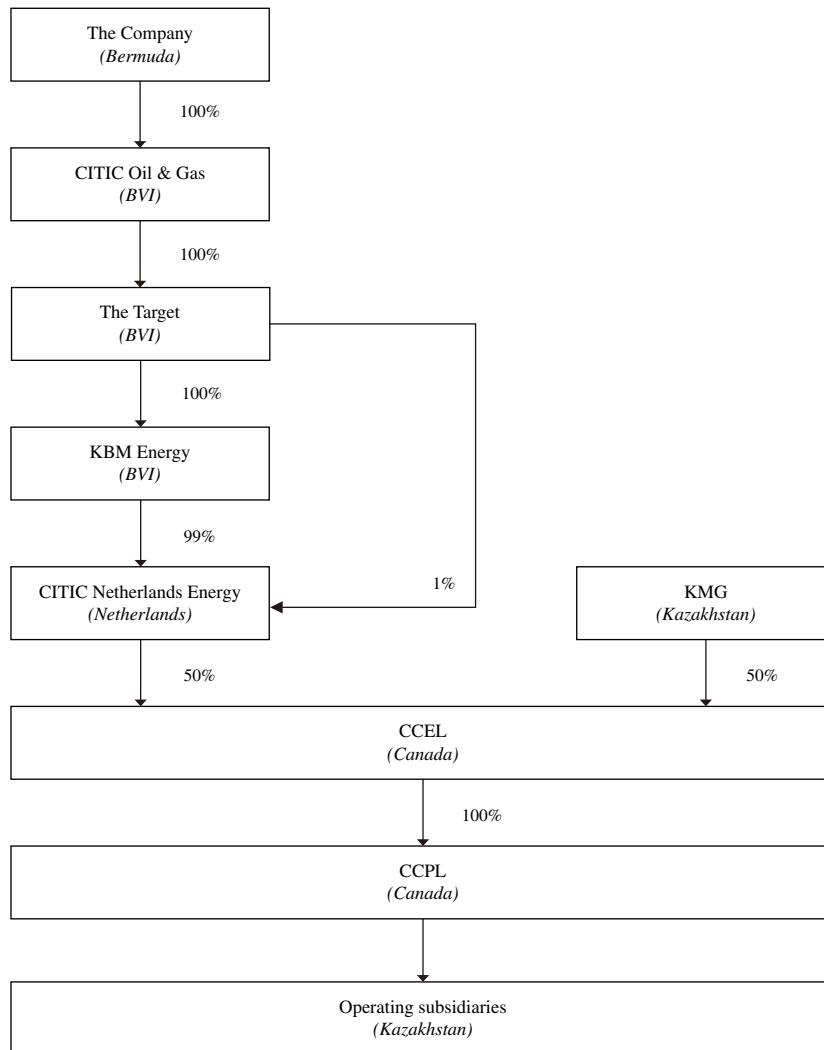
CITIC Netherlands Energy holds 50% of the entire issued share capital of CCEL. CCEL is an investment holding company, and its operating subsidiaries are principally engaged in the exploration, development, production and sale of oil and provision of oilfield related services in Kazakhstan.

While the Company has an indirect 50% attributable interest in CCEL as at the date of this announcement, 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.

As disclosed in the latest annual report of the Company published on 21 April 2022, as at 31 December, the Kazakhstan Oil Assets had an audited net asset value of approximately HK\$4.37 billion and the proportionate share of net assets and carrying amount of the Group's investment in CCEL is approximately HK\$2.07 billion.

Further information of CCEL and its operating subsidiaries was disclosed in the Company's announcements dated 7 July 2021 and 1 September 2021 and latest annual report published on 21 April 2022.

Below is a simplified corporate structure chart of the Target as at the date of this announcement:



## POTENTIAL IMPLICATIONS UNDER THE LISTING RULES

Using the initial Public Tender price of the Proposed Disposal as the basis of calculation, the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Proposed Disposal is expected to be more than 25%. Therefore, the Proposed Disposal, if materialized, and subject to the terms of the final definitive agreement to be entered into by the parties, may constitute at least a major transaction (and, if applicable, a connected transaction) of the Company and may be subject to the reporting, announcement, circular and shareholders' or independent shareholders' (as applicable) approval requirements under Chapter 14 and/or Chapter 14A of the Listing Rules.

Further announcement(s) in relation to the Proposed Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

**As the Proposed Disposal may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Appraised Value”	the value of the Sale Shares of RMB236,967,800 (equivalent to approximately HK\$285,772,000) and the Sale Loans of RMB1,685,593,000 (equivalent to approximately HK\$2,032,750,000) as at 31 August 2021 as appraised by an independent valuer
“Board”	the board of Directors
“BVI”	British Virgin Islands
“CCEL”	CITIC Canada Energy Limited, a company incorporated under the laws of Alberta, Canada with limited liability
“CCPL”	CITIC Canada Petroleum Limited, formerly known as Nations Energy Co Ltd, a company incorporated under the laws of Alberta, Canada with limited liability
“CITIC Netherlands Energy”	CITIC Netherlands Energy Coöperatief U.A., a company incorporated under the laws of BVI with limited liability

“CITIC Oil & Gas”	CITIC Oil & Gas Holdings Limited, a company incorporated under the laws of BVI with limited liability
“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)
“Directors”	directors of the Company
“Equity Transaction Agreement”	an equity transaction agreement to be entered into between the Company and the successful bidder of the Public Tender in respect of the Proposed Disposal according to the rules and regulations of SUAEE
“Kazakhstan”	the Republic of Kazakhstan
“Kazakhstan Oil Assets”	50% interests in CCEL and its operating subsidiaries attributable to the Company, the details of which are set out in the section headed “Information on the assets that may be disposed – Kazakhstan Oil Assets” in this announcement and the Company’s announcement dated 7 July 2021
“KBM Energy”	KBM Energy Limited, a company incorporated under the laws of BVI with limited liability
“KMG”	JSC National Company “KazMunayGas”, a company incorporated under the laws of Kazakhstan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Proposed Disposal”	the proposed disposal of the Sale Assets by the Company
“PRC”	People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region of the People’s Republic of China
“Public Tender”	the public tender process for the Proposed Disposal on SUAEE



“Public Tender Notice”	the notice of the Public Tender in relation to the Proposed Disposal published by the Company on SUAEE on 26 August 2022
“Sale Assets”	the Sale Shares and the Sale Loans
“Sale Loans”	the shareholder’s loans provided by CITIC Oil & Gas to the Target and its subsidiaries, KBM Energy and CITIC Netherlands Energy, which amounted to approximately RMB1.686 billion in aggregate as at 31 August 2021
“Sale Shares”	the entire issued share capital in the Target
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAEE”	Shanghai United Assets and Equity Exchange
“Target”	Renowned Nation Limited, a company incorporated under the laws of BVI with limited liability
“%”	per cent

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

Hong Kong, 26 August 2022

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.2059 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.*

*As at the date hereof, Mr. Sun Yufeng and Mr. Suo Zhengang 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.*