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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

BINDING HEADS OF AGREEMENT WITH GEO-JADE PETROLEUM CORPORATION RELATING TO PROPOSED REORGANISATION OF CERTAIN OIL AND GAS ASSETS

POTENTIAL NOTIFIABLE TRANSACTIONS

Binding Heads of Agreement

On 8 April 2018, the Company entered into the HOA with Geo-Jade and Shanghai Co., pursuant to which the Company, Geo-Jade and Shanghai Co. propose to undertake a reorganisation involving their respective interests in Tincy and BPL.

Conditions Precedent

The Proposed Reorganisation is subject to the satisfaction of certain conditions including, but not limited to, agreement and entering into of the Definitive Agreements between the Company, Geo-Jade and the Owners, as applicable, and the approval of the Board and Shareholders, respectively.

Listing Rules Implications

In the event the Proposed Reorganisation proceeds, the transactions contemplated under the Proposed Reorganisation are expected to constitute notifiable transactions under the Listing Rules. The Company will make such further announcements in respect of the Proposed Reorganisation as and when appropriate in accordance with the Listing Rules and the Inside Information Provisions.

General

The Proposed Reorganisation is subject to, amongst others, the agreement and entering into of the Definitive Agreements between the Parties and satisfaction of certain conditions as described below. There is no assurance that the Definitive Agreements will be agreed and entered into between the Parties or that the conditions will be satisfied.

The Company therefore advises Shareholders and potential investors to exercise caution when dealing in the shares of the Company.

This announcement is made by CITIC Resources Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Background

Reference is made to the memorandum of understanding dated 8 September 2017 (the “**MOU**”) between 洲際油氣股份有限公司 (Geo-Jade Petroleum Corporation) (“**Geo-Jade**”) and the Company which enables the Company and Geo-Jade to, on a non-exclusive basis, identify, review or evaluate potentially mutual beneficial business and investment opportunities and synergies in the oil and gas sector. Details relating to the MOU are disclosed in the announcement by the Company dated 8 September 2017.

Heads of Agreement

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that the Company, Geo-Jade and 上海瀧洲鑫科能源投資有限公司 (Shanghai Longzhou Xinke Energy Investment Co. Ltd.) (“**Shanghai Co.**” together with the Company and Geo-Jade, the “**Parties**”) have entered into binding heads of agreement dated 8 April 2018 (the “**HOA**”), pursuant to which the Parties have agreed, subject as described below, to proceed with a reorganisation (the “**Proposed Reorganisation**”) involving their respective interests in Tincy Group Energy Resources Limited (“**Tincy**”) and Bankers Petroleum Limited (“**BPL**”).

Proposed Reorganisation

The principal steps of the Proposed Reorganisation are expected to include the following:

- (1) Geo-Jade shall acquire the Company’s interest in the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province, China (the “**Hainan-Yuedong Block**”) by purchasing 100% of the issued shares of CITIC Haiyue Energy Limited (“**CITIC Haiyue**”) for a cash purchase price to be determined between the Company and Geo-Jade and in compliance with applicable laws;
- (2) Shanghai Co. shall procure the owners (the “**Owners**”) of 87.33% of the shares or equity of Shanghai Co. (the “**Shanghai Co. Shares**”) to sell the Shanghai Co. Shares to the Company (or a subsidiary of the Company) for a cash purchase price to be determined between the Company and the Owners, but which price shall be not less than the Owners’ acquisition costs in respect of their purchase of the Shanghai Co. Shares; and
- (3) the Company (or its subsidiary) shall transfer the Shanghai Co Shares to Geo-Jade for a purchase price to be determined between the Company and Geo-Jade, but which price shall be not less than the acquisition costs of the Company (or its subsidiary) in respect of its purchase of the Shanghai Co. Shares (the “**Geo-Jade Shanghai Co. Shares Purchase Price**”). The Geo-Jade Shanghai Co. Shares Purchase Price shall be payable:
 - (A) through the issue of such number of new shares or equity in Geo-Jade (the “**Consideration Shares**”) as shall be agreed between Geo-Jade and the Company, at an issue price per Consideration Share as shall be agreed between Geo-Jade and the Company in compliance with applicable Chinese securities laws and regulations (including, but not limited to, the rules and regulations of the Shanghai Stock Exchange and the Chinese Securities and Regulatory Commission (the “**CSRC**”)) (the “**Chinese Securities Laws**”); and
 - (B) in cash, as to any balance of the Geo-Jade Shanghai Co. Shares Purchase Price not paid through the issue of Consideration Shares.

Conditions to Proposed Reorganisation

The Proposed Reorganisation is subject to the satisfaction of the following conditions:

- (1) completion of such due diligence as the Company shall consider necessary or desirable and to its satisfaction in respect of, amongst other things, Shanghai Co., BPL and Geo-Jade;
- (2) completion of such due diligence as Geo-Jade shall consider necessary or desirable and to its satisfaction in respect of BPL, CITIC Haiyue and Tincy;
- (3) the negotiation and agreement of all relevant agreements and documents as may be required to effect the Proposed Reorganisation and the transactions contemplated under the Proposed Reorganisation (the “**Definitive Agreements**”) in such form and containing such terms as shall be satisfactory to the Parties and the Owners (to the extent that they are a party to such Definitive Agreements) and the execution of the Definitive Agreements;
- (4) the obtaining of the approval of the Board and Shareholders, respectively, in respect of the Proposed Reorganisation and transactions contemplated by the Proposed Reorganisation and the Definitive Agreements and compliance with, amongst others, the requirements of the applicable securities laws and regulations in Hong Kong including, but not limited to, the SFO and the Listing Rules;
- (5) the obtaining of the approval of the board of directors of Geo-Jade and the shareholders of Geo-Jade, respectively, in respect of the transactions under the Proposed Reorganisation to which Geo-Jade is a party and the applicable Definitive Agreements and compliance with, amongst others, the requirements of the Chinese Securities Laws;
- (6) the obtaining of all relevant Chinese government and regulatory approvals and examinations and third party approvals applicable to the Proposed Reorganisation and the transactions under the Proposed Reorganisation including, but not limited to, the approval and examination of the CSRC, the Ministry of Commerce of the People’s Republic of China (“**PRC**”), the State Administration of Foreign Exchange of the PRC and the National Development and Reform Commission of the PRC;
- (7) compliance with the requirements of the Laws of the PRC on the State-Owned Assets of Enterprises as may be applicable to any of the transactions contemplated under the Proposed Reorganisation; and
- (8) such other conditions precedent as shall be necessary or as set out in the Definitive Agreements.

Termination of the HOA

The HOA shall terminate upon the earlier of:

- (1) the expiry of the period of 12 months following the date of the HOA (or such longer period as shall be agreed between the Parties);
- (2) the mutual agreement of the Parties; and
- (3) the HOA being superseded by the Definitive Agreements.

Information on CITIC Haiyue

CITIC Haiyue is an indirect wholly-owned subsidiary of the Company and owns 90% of the issued shares of Tincy.

Tincy holds the right to explore, develop and produce petroleum from the Hainan-Yuedong Block until 2034 pursuant to a petroleum contract entered into with China National Petroleum Corporation (“**CNPC**”) in February 2004, as supplemented by an agreement signed in May 2010 between CNPC and Tincy.

As at 31 December 2017, the Yuedong oilfield, the principal field within the Hainan-Yuedong Block, had estimated proved oil reserves of 30.2 million barrels of crude oil.

Information on Geo-Jade

Geo-Jade was incorporated in August 1984 (originally called Hainan Zhenghe Group Co. Ltd.) and is listed on the Shanghai Stock Exchange (SSE: 600759). It is one of the largest independent oil exploration and production companies based in China. Geo-Jade’s business activities include oil and gas exploration and production, petrochemical and technical development, petrochemical consultancy services, sales of petroleum products, pipeline materials, petroleum product trading, import and export, energy infrastructure investment, development, renewable energy research and development and real estate leasing and management.

Geo-Jade has, amongst others, exploration licences and production licences relating to oilfields in the Pre-Caspian Basin of Kazakhstan including the Kara-Arna oilfield, the Kolkama East oilfield and the Matin oilfield.

Geo-Jade holds 3.3% of Shanghai Co.

To the best of the knowledge, information and belief of the members of the Board and having made all reasonable enquiry, Geo-Jade is independent of the Group and connected persons of the Group.

Information on Shanghai Co.

Shanghai Co. is a private investment company incorporated in China. Its business activities include investment in energy and high tech, oil and gas development and production, petrochemical research and development and the provision of consulting services.

Shanghai Co. holds 100% of BPL.

Information on BPL

BPL is incorporated in Canada and an international oil exploration and production company. BPL is developing Patos-Marinza, in Albania.

Information on the Owners

To the best of the knowledge, information and belief of the members of the Board and having made all reasonable enquiry, the Owners and other shareholders of Shanghai Co. are independent of the Group and connected persons of the Group.

Listing Rules Implications

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By Order of the Board
CITIC Resources Holdings Limited
Kwok Peter Viem
Chairman

Hong Kong, 8 April 2018

As at the date hereof, Mr. Kwok Peter Viem; Mr. Suo Zhengang; Mr. Sun Yang and Ms. Li So Mui are executive directors of the Company, Mr. Chan Kin and Mr. Ma Ting Hung are non-executive directors 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.