

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

NOTIFIABLE TRANSACTION

PROPOSED VERY SUBSTANTIAL DISPOSAL

SALE OF CITIC HAIYUE ENERGY LIMITED AND HAINAN-YUEDONG BLOCK

RESUMPTION OF TRADING

Proposed Disposal of CITIC Haiyue

On 27 August 2018, Star Elite issued the Letter of Intent to Geo-Jade confirming its intention to sell, and containing details of the basis and the Sale & Purchase Conditions for the sale of, the Sale Share(s). On the same date, Geo-Jade acknowledged receipt of the Letter of Intent and confirmed its agreement to purchase the Sale Share(s) in accordance with the Sale & Purchase Conditions. The Letter of Intent issued by Star Elite and its acceptance by Geo-Jade constitute legally binding obligations between Star Elite and Geo-Jade to sell and purchase the Sale Share(s) in accordance with the Sale & Purchase Conditions.

Requirement for Public Tender and Geo-Jade Commitment to Bid

Subject to Geo-Jade delivering the Bank Letter to Star Elite within two months of the date of the Letter of Intent, Star Elite will commence the Public Tender through CBEX to sell the Sale Share(s). Geo-Jade has agreed, upon commencement of the Public Tender, to submit a bid of not less than the Minimum Consideration to purchase the Sale Share(s).

Geo-Jade must bid successfully in the Public Tender to purchase the Sale Share(s). If Geo-Jade is not the successful bidder for the Sale Share(s), the agreement between Star Elite and Geo-Jade for the sale and purchase of the Sale Share(s) shall automatically terminate.

Accordingly, if Geo-Jade is not the successful bidder for the Sale Share(s) in the Public Tender, Star Elite shall enter into an Asset Transaction Agreement with the successful qualifying bidder and the consideration payable for the Sale Share(s) shall be the final bid price made in the Public Tender, in accordance with and subject to the Public Tender Rules.

Consideration Payable by Geo-Jade

If Geo-Jade successfully bids in the Public Tender for the Sale Share(s), Geo-Jade will pay in cash a consideration equal to the higher of (i) US\$765,580,456 (equivalent to RMB4,973,363,761) and (ii) the successful bid price for the Sale Share(s).

Conditions Precedent to Disposal

In addition to Geo-Jade successfully bidding in the Public Tender for the Sale Share(s), the Disposal is also subject to the satisfaction of certain conditions precedent including the approval of Shareholders and the approval of directors/shareholders of Geo-Jade.

Listing Rules Implications

As one or more of the applicable percentage ratios calculated under rule 14.07 of the Listing Rules (using the Minimum Consideration as the basis of calculation) in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal for the Company and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, (i) information on the Disposal; (ii) financial and other information of the CITIC Haiyue Group; (iii) unaudited pro forma financial information of the Group assuming completion of the Disposal; (iv) if applicable, a competent person's report in respect of the oil and gas reserves of the Yuedong oilfield, the principal oilfield in the Hainan-Yuedong Block; and (v) a notice of SGM, is expected to be despatched to Shareholders. As more time is required for the Company to prepare and finalise the information and reports to be included in the circular, it is expected that the circular will be despatched to Shareholders on or before 10 October 2018. The SGM is expected to be held on or about 26 October 2018.

An announcement containing, among other things, (i) the results of the Public Tender; (ii) the final bid price offered by the successful bidder; and (iii) the entering into of the Asset Transaction Agreement in relation to the Disposal, will be made by the Company as soon as practicable after the completion of the Public Tender.

Termination of the HOA

On 27 August 2018, the Company, Geo-Jade and Shanghai Co. entered into the HOA Deed of Termination to terminate the HOA with effect from 27 August 2018.

General

As the Disposal is subject to, among other things, the satisfaction of the conditions precedent set out below and the results of the Public Tender, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Tuesday, 28 August 2018 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Thursday, 30 August 2018.

INTRODUCTION

Reference is made to the MOU entered into between Geo-Jade and the Company and the HOA entered into between Geo-Jade, the Company and Shanghai Co., as disclosed by the Company in the Announcements.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BACKGROUND

On 27 August 2018, following negotiations between Star Elite, a wholly-owned subsidiary of the Company, and Geo-Jade, Star Elite issued the Letter of Intent to Geo-Jade confirming its intention to sell its interest in 100% of the issued shares of CITIC Haiyue and containing details of the basis on which Star Elite will sell CITIC Haiyue and the Sale & Purchase Conditions. On the same date, Geo-Jade acknowledged receipt of the Letter of Intent and confirmed its agreement to purchase Star Elite's interest in CITIC Haiyue in accordance with the Sale & Purchase Conditions. The Letter of Intent and Sale & Purchase Conditions issued by Star Elite and their acceptance by Geo-Jade constitute legally binding obligations between Star Elite and Geo-Jade to sell and purchase the Sale Share(s) in accordance with the Sale & Purchase Conditions. Details of the Sale & Purchase Conditions are set out below.

CITIC Haiyue 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. 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.

As CITIC Haiyue constitutes a State-controlled asset, Star Elite must offer the Sale Share(s) for sale through the Public Tender with an approved equity exchange in the PRC in accordance with the relevant PRC laws and regulations. Accordingly, Star Elite will sell the Sale Share(s) to the successful qualifying bidder in the Public Tender. Geo-Jade must bid successfully in the Public Tender to purchase the Sale Share(s). Subject to Geo-Jade delivering the Bank Letter within two (2) months of the date of the Letter of Intent, Star Elite will commence the Public Tender. Geo-Jade has agreed to bid in the Public Tender. More details concerning the commitment from Geo-Jade to bid in the Public Tender and the procedures of the Public Tender are set out below.

Under the Sale & Purchase Conditions, and assuming completion of the Disposal, Geo-Jade will pay to Star Elite a purchase price of not less than US\$765,580,456 (equivalent to RMB4,973,363,761).

The Disposal is subject to the satisfaction of certain conditions precedent including completion of the Public Tender, the approval of Shareholders and the approval of directors/shareholders of Geo-Jade. More details of the conditions precedent are set out below.

Assuming completion, the Disposal will constitute a very substantial disposal (as defined under Chapter 14 of the Listing Rules) for the Company.

SALE & PURCHASE CONDITIONS

Public Tender and Agreement to Bid by Geo-Jade

As CITIC Haiyue constitutes a State-controlled asset, Star Elite must offer the Sale Share(s) for sale through the Public Tender with an approved equity exchange in the PRC in accordance with the relevant PRC laws and regulations.

Subject to Geo-Jade having duly delivered the Bank Letter to Star Elite on or before the date falling two (2) months of the date of the Letter of Intent or such other date as may be agreed between Star Elite and Geo-Jade, Star Elite has undertaken to commence the Public Tender process as soon as reasonably practicable after delivery to it of the Bank Letter. Star Elite will conduct the Public Tender through CBEX.

Geo-Jade has agreed that, upon commencement of the Public Tender process, it shall submit a bid for an aggregate price of not less than the Minimum Consideration to purchase the Sale Share(s) offered for sale in the Public Tender within five business days after commencement of the Public Tender Acceptance Period.

If Geo-Jade is not the successful bidder for the Sale Share(s) on or before the third business day after the expiry of the Public Tender Acceptance Period or, if required, the formal bidding period of the Public Tender (which is required to take place after the Public Tender Acceptance Period in case there is one or more qualified potential bidders) (or such later period as Star Elite shall determine), the agreement between Star Elite and Geo-Jade for the sale and purchase of the Sale Share(s) shall automatically terminate.

Accordingly, if Geo-Jade is not the successful bidder for the Sale Share(s) in the Public Tender, Star Elite shall enter into an Asset Transaction Agreement with the successful qualifying bidder and the consideration payable for the Sale Share(s) shall be the final bid price made in the Public Tender, in accordance with and subject to the Public Tender Rules.

In conjunction with the Disposal, (i) Star Elite shall assign or procure to be assigned in full and Geo-Jade shall accept the assignment of the Shareholder's Loans at completion of the Disposal; or (ii) if otherwise agreed between Star Elite and Geo-Jade, the Shareholder's Loans shall be capitalised or dealt with in such method or manner prior to the completion of the Disposal, as shall be acceptable to Star Elite and Geo-Jade. In order to effect the assignment of the Shareholder's Loans (if applicable), Star Elite and Geo-Jade shall enter into the Deed of Assignment in due course.

Description and Qualifications of the Potential Bidders

Under the Public Tender Rules, the potential bidders shall satisfy, among others, the following descriptions and qualifications:

- (i) a potential bidder must be financial sound and with payment ability;
- (ii) a potential bidder must have good business credibility;
- (iii) a potential bidder who is a natural person must have full civil capacity; and
- (iv) other qualifications stipulated under the laws and regulations of the PRC.

Qualified bidders may indicate their interests in purchasing the Sale Share(s) during the formal disclosure period (i.e. a period no less than 20 working days as stipulated by the CBEX pursuant to the Public Tender Rules from the date of the Tender Notice) by submitting applications to CBEX.

Pre-condition and Conditions Precedent

The obligation of Star Elite to sell, and Geo-Jade to purchase, the Sale Share(s) is subject to the pre-condition of Geo-Jade being the successful bidder for the Sale Share(s) in the Public Tender.

In addition, completion of the sale and purchase of the Sale Share(s) between Star Elite and Geo-Jade is also conditional upon the satisfaction, of the following conditions precedent:

- (i) the approval of the Shareholders of the Disposal in accordance with the Company's constitutional documents and the Listing Rules having been obtained;
- (ii) the approval of the directors and/or shareholders (as the case may be) of Geo-Jade of the purchase of the Sale Share(s) in accordance with its constitutional documents, applicable laws and the Rules Governing the Listing of Stocks on the SSE having been obtained;
- (iii) all necessary consents and approvals required to be obtained by the Company, Star Elite and each member of the CITIC Haiyue Group in respect of the sale of the Sale Share(s) having been obtained and remaining in full force and effect;
- (iv) all necessary consents and approvals required to be obtained by Geo-Jade in respect of the purchase of the Sale Share(s), including, without limitation, the ODI Approvals (if applicable), having been obtained and remaining in full force and effect as of the date of completion of the Disposal;
- (v) due execution of the Asset Transaction Agreement by Star Elite and Geo-Jade; and
- (vi) Geo-Jade and Star Elite having complied in all material respects with the Public Tender Rules.

In the event that any of the above conditions precedent has not been satisfied on or before the date falling six (6) months after the date of the Letter of Intent, either Star Elite or Geo-Jade may give notice to the other to terminate the sale and purchase of the Sale Share(s) with immediate effect, and each party's rights and obligations shall cease to have force and effect except for such rights and obligations arising from antecedent breaches and certain specified provisions.

Consideration Payable by Geo-Jade

Assuming Geo-Jade successfully bids for the Sale Share(s) in the Public Tender, the Consideration payable by Geo-Jade to Star Elite for the Sale Share(s) shall be the higher of (i) the Minimum Consideration (being the minimum price that Geo-Jade has agreed to bid in the Public Tender) of US\$765,580,456 (equivalent to RMB4,973,363,761), and (ii) the final bid price by Geo-Jade made in the Public Tender.

The Minimum Consideration is determined with reference to the Valuation Report issued by an independent valuer, 北京中企華資產評估有限責任公司 (Beijing China Enterprise Appraisal Co., Ltd.), in respect of the Sale Share(s) with 31 December 2017 as the base date for valuation and using the asset-based approach. The valuation amount of the Sale Share(s) as at 31 December 2017 as per the Valuation Report was RMB226,871,400, which valuation amount is in respect of the Sale Share(s) only and excludes other components of the Company's investment in CITIC Haiyue, including in the form of shareholder's loans, which as at 31 December 2017, were in the aggregate amount of RMB4,746,492,361. Shareholders should note that the Consideration will depend on the final bid price, but will in any event be not less than the Minimum Consideration.

The Consideration will be payable, in cash, by Geo-Jade to Star Elite in the following manner:

- (i) the Initial Consideration will be payable on the date of completion of the Disposal; and
- (ii) the Balance Consideration will be payable on a date specified by Star Elite but, in any event, not later than the date falling one (1) year after the date of completion of the Disposal, unless otherwise agreed by Star Elite.

Deemed Ownership and Economic Rights

Upon completion of the Disposal, the sale and purchase of the Sale Share(s) shall, as between Geo-Jade and Star Elite, be deemed to have taken effect on 1 January 2018 and the economic rights and liabilities of CITIC Haiyue shall have been assumed by Geo-Jade as of 1 January 2018. No adjustment shall be made to the amount of the Consideration as a result of any change in the economic and/or financial position of CITIC Haiyue between 1 January 2018 and the date of completion of the Disposal.

FINANCIAL INFORMATION OF CITIC HAIYUE

In accordance with Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, the unaudited consolidated financial results of the CITIC Haiyue Group for the financial years ended 31 December 2017 and 31 December 2016 were as follows:

| | For the year ended 31 December 2017 | For the year ended 31 December 2016 |
|-----------------|--|--|
| Loss before tax | HK\$331,853,000 | HK\$189,048,000 |
| Loss after tax | HK\$331,853,000 | HK\$189,048,000 |

The unaudited consolidated net liabilities of the CITIC Haiyue Group as of 31 December 2017 and 31 December 2016 were HK\$2,487,926,000 and HK\$2,405,899,000, respectively. The net liabilities included the Shareholder's Loans of HK\$5,699,133,000 as at 31 December 2017 and HK\$6,275,577,000 as at 31 December 2016.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As stated in the Announcements, the Company entered into the MOU with Geo-Jade on 8 September 2017 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. 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. proposed to undertake the Proposed Reorganisation involving their respective interests in Tincy and BPL by effecting three inter-conditional transactions. Following further discussions between the Company and Geo-Jade and the legal and regulatory complexity of achieving the Proposed Reorganisation, the Company and Geo-Jade have agreed to effect the sale and purchase of the Sale Share(s) as a stand-alone transaction.

The Group acquired its interest in CITIC Haiyue in 2007 and has been providing 100% of the funding for operations in the Yuedong oilfield since then. As the production plans for the Yuedong oilfield anticipate the drilling of more wells, capital expenditure is likely to increase. Having considered the merits of continuing as the principal financier of operations in the Yuedong oilfield and the option presented by the Disposal, the Directors (including the independent non-executive Directors) consider the Disposal presents a strategic opportunity for the Group to divest its risk and realise its investment in CITIC Haiyue, especially at a time when oil prices have gone through a period of trending higher, with Brent crude having rallied of late to US\$76 per barrel.

Therefore, assuming completion of the Disposal and Geo-Jade pays the Minimum Consideration for the Sale Share(s), the Group will realise a gain of, subject to finalisation, about HK\$2,500,000,000 based on the net book value of the Sale Share(s) in the audited financial statements of the Company for the year ended 31 December 2017 and taking into account the adjustments specified in the section headed “Financial Effect of the Disposal and Intended Use of Proceeds” below between 1 January 2018 and an assumed date of completion of the Disposal of 31 December 2018. As the Consideration is payable in cash by Geo-Jade, the Group will be enabled with a significant cash reserve to review and, if considered suitable, have finances to support the acquisition of other investment opportunities to enhance shareholder value and returns.

The Directors believe that the terms of the Disposal (including the Sale & Purchase Conditions) are fair, reasonable and in the interests of the Company and Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Assuming completion of the Disposal, it is estimated that the Company will record a gain from the Disposal of about HK\$2,500,000,000 (subject to finalisation which will be disclosed in a further announcement after the completion of the Public Tender). Such gain is calculated based on the Minimum Consideration, being HK\$5,971,528,000 and as reduced by (i) the changes in net asset value of the CITIC Haiyue Group attributable to Star Elite between 1 January 2018 and an assumed date of completion of the Disposal of 31 December 2018 of about HK\$225,000,000, and (ii) the net asset value of the CITIC Haiyue Group attributable to Star Elite at an assumed date of completion of the Disposal of 31 December 2018 of about HK\$3,246,528,000.

CITIC Haiyue will cease to be a subsidiary of the Company after the completion of the Disposal.

The Board intends to use the net proceeds arising from the Disposal to finance suitable acquisitions, investments and general working capital of the Group.

THE HOA DEED OF TERMINATION

As disclosed in the announcement of the Company dated 8 April 2018, the Company, Geo-Jade and Shanghai Co. entered into the HOA, pursuant to which they conditionally agreed, amongst other things, to proceed with a reorganisation involving their respective interests in Tincy and BPL.

Due to legal and regulatory complexities of achieving the Proposed Reorganisation, the Company has agreed with Geo-Jade and Shanghai Co. to terminate the HOA. On 27 August 2018, the Company entered into the HOA Deed of Termination with Geo-Jade and Shanghai Co. to terminate the HOA with effect from 27 August 2018. The HOA ceased to have any further force, effect or application on any of the parties thereto with effect from 27 August 2018.

INFORMATION ON THE COMPANY

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 manganese, and bauxite mining and alumina refining.

INFORMATION ON STAR ELITE

Star Elite is a 100% wholly-owned subsidiary of the Company and the direct sole shareholder of CITIC Haiyue.

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 in February 2004, as supplemented by an agreement signed in May 2010.

INFORMATION ON GEO-JADE

Geo-Jade was incorporated in August 1984 (originally called Hainan Zhenghe Group Co. Ltd.) and is listed on the SSE (Stock Code: 600759). It is one of the largest independent oil exploration and production companies based in the PRC.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Geo-Jade and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

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, among other things, 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under rule 14.07 of the Listing Rules (using the Minimum Consideration as the basis of calculation) in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal for the Company and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, (i) information on the Disposal; (ii) financial and other information of the CITIC Haiyue Group; (iii) unaudited pro forma financial information of the Group assuming completion of the Disposal; (iv) if applicable, a competent person's report in respect of the oil and gas reserves of the Yuedong oilfield, the principal oilfield in the Hainan-Yuedong Block; and (v) a notice of SGM, is expected to be despatched to Shareholders. As more time is required for the Company to prepare and finalise the information and reports to be included in the circular, it is expected that the circular will be despatched to the Shareholders on or before 10 October 2018. The SGM is expected to be held on or about 26 October 2018.

An announcement containing, among other things, (i) the results of the Public Tender; (ii) the final bid price offered by the successful bidder; and (iii) the entering into of the Asset Transaction Agreement in relation to the Disposal, will be made by the Company as soon as practicable after the completion of the Public Tender.

GENERAL

As the Disposal is subject to, amongst others, satisfaction of the conditions precedent set out above and the results of the Public Tender, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Tuesday, 28 August 2018 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Thursday, 30 August 2018.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following terms shall have the meaning set out below:

| | |
|-------------------------------|---|
| “Announcements” | the announcements of the Company published on 8 September 2017 and 8 April 2018 on the website of the Stock Exchange |
| “Asset Transaction Agreement” | an asset transaction agreement (產權交易合同) to be entered into between Star Elite and the successful bidder of the Public Tender required under the rules and regulations of CBEX |
| “Balance Consideration” | the remaining balance of an amount equal to the successful bid amount less the Initial Consideration, subject to a minimum of US\$152,914,590 (equivalent to RMB993,363,761), together with interest at prevailing interest rates as stipulated under the Public Tender Rules, accruing from the date of completion of the Disposal until the date of payment of the Balance Consideration, payable by Geo-Jade to Star Elite after payment of the Initial Consideration pursuant to the Sale & Purchase Conditions |
| “Bank Letter” | the bank letter to be delivered to Star Elite by Geo-Jade, from a bank and in the form and substance satisfactory to Star Elite, confirming that Geo-Jade has sufficient financial resources or the bank has agreed to lend sufficient monies to Geo-Jade, to pay the Consideration |
| “Board” | the board of Directors |
| “BPL” | Bankers Petroleum Limited, a company incorporated in Canada and an international oil exploration and production company |
| “business day” | a day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Hong Kong and the PRC |
| “CBEX” | 北京產權交易所 (China Beijing Equity Exchange), an institution authorised by 國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission) to transact assets and equity of State-owned enterprises under the central government of the PRC |
| “CITIC Haiyue” | CITIC Haiyue Energy Limited (中信海月能源有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company |

| | |
|---------------------------|--|
| “CITIC Haiyue Group” | CITIC Haiyue and its subsidiaries |
| “Company” | CITIC Resources Holdings Limited, a company incorporated in Bermuda, and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited |
| “Consideration” | the purchase price for the Sale Share(s) and the assignment of the Shareholder’s Loans (if applicable), being the Initial Consideration plus the Balance Consideration |
| “Deed of Assignment” | the deed relating to the assignment by Star Elite of the Shareholder’s Loans to Geo-Jade (if applicable) to be entered into at or prior to completion of the Disposal |
| “Directors” | directors of the Company |
| “Disposal” | the proposed disposal of the Sale Share(s) by Star Elite to Geo-Jade |
| “Geo-Jade” | 洲際油氣股份有限公司 (Geo-Jade Petroleum Corporation), a company established in the PRC, the shares of which are listed on the SSE (Stock Code: 600759) |
| “Group” | the Company and its subsidiaries |
| “HOA” | the binding heads of agreement dated 8 April 2018 entered into between the Company, Geo-Jade and Shanghai Co., pursuant to which the relevant parties thereto have conditionally agreed to proceed with a reorganisation involving their respective interests in Tincy and BPL |
| “HOA Deed of Termination” | the deed of termination entered into between the Company, Geo-Jade and Shanghai Co. on 27 August 2018 in relation to the termination of the HOA |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Initial Consideration” | an initial consideration of US\$612,665,866 (equivalent to RMB3,980,000,000) payable by Geo-Jade to Star Elite pursuant to the Sale & Purchase Conditions |
| “Letter of Intent” | a legally binding letter of intent dated 27 August 2018 issued by Star Elite to Geo-Jade which confirms the intention of Star Elite to sell the Sale Share(s) and contains the Sale & Purchase Conditions |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

| | |
|-----------------------------------|--|
| “Minimum Consideration” | the proposed floor price of US\$765,580,456 (equivalent to RMB4,973,363,761) for the sale and purchase of the Sale Share(s) and the assignment of the Shareholder’s Loans (if applicable) |
| “MOU” | the memorandum of understanding dated 8 September 2017 between Geo-Jade and the Company in respect of potentially mutual beneficial business and investment opportunities and synergies in the oil and gas sector |
| “ODI Approvals” | all PRC governmental approvals with respect to the Disposal, including, specifically, (i) the outbound direct investment project registration/filing with 中國國家發展和改革委員會 (National Development and Reform Commission of the PRC) or its applicable branches; (ii) the outbound direct investment certificate issued by 中國商務部 (Ministry of Commerce of the PRC) or its applicable branches; and (iii) the outbound direct investment foreign exchange registration with 中國國家外匯管理局 (State Administration of Foreign Exchange of the PRC) or its applicable branches, if applicable |
| “PRC” or “State” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Public Tender” | the public tender for the Sale of the Sale Share(s) through CBEX conducted in accordance with the Public Tender Rules |
| “Public Tender Acceptance Period” | the formal listing period of the Public Tender on CBEX during which the offer of the Public Tender remains open for interested bidders to tender their bid applications in accordance with the Public Tender Rules |
| “Public Tender Rules” | the public tender rules and regulations governing the transfer of PRC State-controlled assets prescribed under (a) 《中華人民共和國企業國有資產法》 (Law of the PRC on the State-owned Assets of Enterprises); (b) 《金融企業國有資產轉讓管理辦法》 (財政部令第54號) (Administrative Measures for the Transfer of the State-owned Assets of Financial Enterprises) (No. 54 of the Ministry of Finance); and (c) the operating rules for the trading of the State-owned assets adopted by CBEX (北京產權交易所企業國有產權轉讓操作規則) |
| “Sale & Purchase Conditions” | the terms and conditions for the sale and purchase of the Sale Share(s) as set out in the Letter of Intent |
| “Sale Share(s)” | the sole issued share of par value US\$1.00 of CITIC Haiyue held by Star Elite as at the date of the Letter of Intent, plus, if applicable, any shares in the capital of CITIC Haiyue resulting from a capitalisation of the Shareholder’s Loan, representing the entire issued share capital of CITIC Haiyue |

| | |
|-----------------------|---|
| “SGM” | the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Disposal |
| “Shanghai Co.” | 上海瀧洲鑫科能源投資有限公司 (Shanghai Longzhou Xinke Energy Investment Co. Ltd.), a company established in the PRC |
| “Shareholder’s Loans” | the debts owed by CITIC Haiyue as at the date of the Letter of Intent, in the amounts of (i) US\$2,442,277 (equivalent to RMB16,504,730) to Global Enterprises (HK) Limited (an indirect wholly-owned subsidiary of the Company), and (ii) US\$660,221,579 (equivalent to RMB4,461,729,611) to the Company, each being interest free and repayable on demand, and which (1) (a) shall have been assigned in full to Star Elite prior to completion of the Disposal, and (b) shall be assigned in full to Geo-Jade (if applicable) at or prior to completion of the Disposal pursuant to the Deed of Assignment, or (2) if otherwise agreed between Star Elite and Geo-Jade, shall be capitalised or dealt with in such method and manner prior to completion of the Disposal, as shall be acceptable to Star Elite and Geo-Jade |
| “Shareholders” | holders of Shares |
| “Shares” | ordinary shares of HK\$0.05 each in the share capital of the Company |
| “SSE” | 上海證券交易所 (the Shanghai Stock Exchange) |
| “Star Elite” | Star Elite Venture Limited, a company incorporated in the British Virgin Islands, and the sole shareholder of CITIC Haiyue |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tender Notice” | the tender notice (產權轉讓公告), a document required for the Disposal in accordance with the rules and regulations of CBEX |
| “Tincy” | Tincy Group Energy Resources Limited, a company incorporated in Hong Kong, and in which CITIC Haiyue holds a 90% interest |
| “Valuation Report” | 中企華評報字(2018)第1300號《資產評估報告書》(Zhong Qi Hua Ping Bao Zi (2018) No. 1300, Asset Valuation Report), the valuation report issued by 北京中企華資產評估有限責任公司 (Beijing China Enterprise Appraisal Co., Ltd.) in respect of the Sale Share(s) with 31 December 2017 as the base date for valuation, prepared in accordance with the relevant PRC laws and regulations and the rules of CBEX |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

| | |
|--------|--|
| “RMB” | Renminbi, the lawful currency of the PRC |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent. |

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

Hong Kong, 29 August 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 is the 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.