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## **CITIC Dameng Holdings Limited**

**中信大錡控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1091)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

#### **(A) 2016 CITIC BANK AGREEMENT**

Reference is made to the announcement of the Company dated 31 December 2012 in respect of 2013 CITIC Bank Agreement.

As 2013 CITIC Bank Agreement will expire on 31 December 2015, the Company entered into 2016 CITIC Bank Agreement with CITIC Bank and CITIC Bank International on 30 December 2015, pursuant to which the Group will continue to maintain bank balances and deposits with CITIC Bank and CITIC Bank International subject to the Proposed CITIC Bank Annual Caps for a further period of three years commencing from 1 January 2016 and expiring on 31 December 2018.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable Percentage Ratio calculated with reference to the Proposed CITIC Bank Annual Caps exceeds 0.1% but less than 5%, the transactions contemplated under 2016 CITIC Bank Agreement are subject to reporting, annual review and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **(B) 2016 GUANGXI DAMENG AGREEMENTS AND 2016 GUANGXI DAMENG TENANCY AGREEMENT**

Reference is made to:

- (1) the announcement of the Company dated 10 December 2012 in respect of 2013 Guangxi Dameng Agreements; and
- (2) the announcement of the Company dated 27 June 2013 in respect of 2013 Guangxi Dameng Tenancy Agreement .

2013 Guangxi Dameng Agreements and 2013 Guangxi Dameng Tenancy Agreement will expire on 31 December 2015 and 30 June 2016 respectively and it is currently expected that the continuing connected transactions under 2013 Guangxi Dameng Agreements and 2013 Guangxi Dameng Tenancy Agreement will continue to be entered into on a recurring basis. In compliance with Rule 14A.54 of the Listing Rules, on 30 December 2015, the Group has entered into 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement.

Reference is also made to the announcement of the Company dated 15 July 2015 in respect of 2015 Guangxi Dameng Agreements.

### **LISTING RULES IMPLICATIONS**

As 2015 Guangxi Dameng Agreements and 2016 Guangxi Dameng Agreements were entered into between CITIC Dameng Mining and Guangxi Dameng and/or its subsidiaries within 12 months, all the transactions contemplated under such agreements have to be aggregated for the purpose of the Rule 14A.81 of the Listing Rules. As the highest applicable Percentage Ratio calculated with reference to the aggregate of (i) 2015 Guangxi Dameng Annual Caps and (ii) 2016 Guangxi Dameng Annual Caps is more than 0.1% but less than 5%, the transactions contemplated under 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement are therefore subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Similarly, the transactions contemplated under 2015 Guangxi Dameng Agreements will continue to be subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules as more detailed in the announcement of the Company of 15 July 2015.

## **INTRODUCTION**

### **(A) 2016 CITIC Bank Agreement**

Reference is made to the announcement of the Company dated 31 December 2012 in respect of 2013 CITIC Bank Agreement.

As 2013 CITIC Bank Agreement will expire on 31 December 2015, the Company entered into 2016 CITIC Bank Agreement with CITIC Bank and CITIC Bank International on 30 December

2015, pursuant to which the Group will continue to maintain bank balances and deposits with CITIC Bank and CITIC Bank International subject to the Proposed CITIC Bank Annual Caps for a further period of three years commencing from 1 January 2016 and expiring on 31 December 2018. Details of 2016 CITIC Bank Agreement are set out below:

Date: 30 December 2015

Parties: (1) CITIC Bank and CITIC Bank International  
(2) The Company

Subject: The Group will continue to maintain bank balances and deposits with CITIC Bank and CITIC Bank International.

Pricing basis: The transactions under 2016 CITIC Bank Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and conditions and such terms and conditions will be no less favorable than those available from Independent Third Parties.

It is expected that for the three years ending 31 December 2018, the maximum aggregate of the bank balances and deposits maintained by the Group with CITIC Bank and CITIC Bank International on any given day will not exceed HK\$80,000,000.

Term: For the period from 1 January 2016 to 31 December 2018.

#### **ANNUAL CAPS AND HISTORICAL AMOUNTS OF THE TRANSACTIONS UNDER 2013 CITIC BANK AGREEMENT**

The historical aggregate of the bank balances and deposits with CITIC Bank and CITIC Bank International placed by the Group as at the year ended 31 December 2013, 31 December 2014 and the eleven months ended 30 November 2015 and the maximum aggregate of the bank balances and deposits with CITIC Bank and CITIC Bank International placed by the Group on any given day during each of the two years ended 31 December 2014 and eleven months ended 30 November 2015 were as follows:

	For the year ended 31 December 2013	For the year ended 31 December 2014	For the eleven months ended 30 November 2015
Aggregate balance and deposits as at the year/period end	HK\$15,276,000	HK\$14,396,000	HK\$4,130,000
Maximum aggregate balance and deposits on any given day during the year /period	HK\$99,613,000	HK\$65,679,000	HK\$22,052,000

2013 CITIC Bank Agreement provides that the maximum aggregate of bank balances and deposits which the Group can maintain with CITIC Bank and CITIC Bank International on any given day during each of the three years ending 31 December 2015 should not exceed HK\$110,000,000.

### **THE PROPOSED CITIC BANK ANNUAL CAPS**

It is expected that for the three years ending 31 December 2018, the maximum aggregate of the bank balances and deposits maintained by the Group with CITIC Bank and CITIC Bank International on any given day will not exceed HK\$80,000,000.

The basis of the Proposed CITIC Bank Annual Caps is determined after taking into account the followings:

- (i) the historical aggregate of the bank balances and deposits of the Group maintained with CITIC Bank and CITIC Bank International during the two years and eleven months ended 30 November 2015;
- (ii) the estimated counterparty risk of the banks in the three years ending 31 December 2018; and
- (iii) the expected increase in the number of the principal bankers of the Group in the three years ending 31 December 2018.

Due to the nature of general bank deposit arrangements and normal banking business practice, the bank account documentation does not require the bank accounts to be maintained for a fixed period not exceeding three years. Nevertheless, the bank accounts documentation does provide that the bank accounts can be terminated by giving a certain number of days' notice, meaning that the period of the bank deposits arrangements is not indefinite and can be terminated with notice.

### **REASONS FOR ENTERING INTO 2016 CITIC BANK AGREEMENT**

In the ordinary and usual course of business, the Company and its subsidiaries maintain bank balances and deposits with CITIC Bank and CITIC Bank International on normal commercial terms. The relevant banking documents executed by the Group with CITIC Bank and CITIC Bank International do not require the bank accounts with CITIC Bank and CITIC Bank International to be maintained for any fixed period of time. Interests are accrued on such bank balances and deposits at prevailing market rates and standard bank charges are applicable to the accounts and transactions with CITIC Bank and CITIC Bank International.

Mr. Suo Zhengang, being a director of certain subsidiaries of CITIC Group, is considered to have a material interest in the transactions contemplated under 2016 CITIC Bank Agreement and therefore has abstained from voting on the board resolution approving 2016 CITIC Bank Agreement. Save as disclosed hereinabove, none of the Directors have any material interest in 2016 CITIC Bank Agreement nor is any of them required to abstain from voting in respect of the relevant board resolution.

The Directors (including the independent non-executive Directors) are of the view that: (i) 2016 CITIC Bank Agreement has been entered into on normal commercial terms and in the ordinary

and usual course of business of the Group; and (ii) the terms under 2016 CITIC Bank Agreement (including the Proposed CITIC Bank Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

CITIC Group is a substantial shareholder of the Company. As CITIC Bank and CITIC Bank International are subsidiaries of CITIC Group, they are therefore connected persons of the Company under Rule 14A.07 of the Listing Rules.

As the highest applicable Percentage Ratio calculated with reference to the Proposed CITIC Bank Annual Caps exceeds 0.1% but less than 5%, the transactions contemplated under 2016 CITIC Bank Agreement are subject to reporting, annual review and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INFORMATION RELATING TO THE COMPANY, CITIC BANK AND CITIC BANK INTERNATIONAL**

The Company is a vertically integrated manganese producer that produces and sells manganese products. It has manganese mining, ore processing and downstream processing operations in the PRC as well as manganese mining and ore processing operations in Gabon.

CITIC Bank is a national commercial bank in China providing a full range of financial products and services to customers nationwide, with corporate banking, personal banking and treasury capital market operations being its principal business activities.

CITIC Bank International is a Hong Kong-based full-service commercial bank that offers a spectrum of financial services spanning wealth management, personal banking, wholesale banking as well as global markets and treasury solutions.

## **(B) 2016 GUANGXI DAMENG AGREEMENTS AND 2016 GUANGXI DAMENG TENANCY AGREEMENT**

Reference is made to:

- (1) the announcement of the Company dated 10 December 2012 in respect of 2013 Guangxi Dameng Agreements; and
- (2) the announcement of the Company dated 27 June 2013 in respect of 2013 Guangxi Dameng Tenancy Agreement .

2013 Guangxi Dameng Agreements and 2013 Guangxi Dameng Tenancy Agreement will expire on 31 December 2015 and 30 June 2016 respectively and it is currently expected that the continuing connected transactions under 2013 Guangxi Dameng Agreements and 2013 Guangxi Dameng Tenancy Agreement will continue to be entered into on a recurring basis. In compliance

with Rule 14A.54 of the Listing Rules, on 30 December 2015, the Group has entered into 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement.

Reference is also made to the announcement of the Company dated 15 July 2015 in respect of 2015 Guangxi Dameng Agreements.

## **2016 GUANGXI DAMENG AGREEMENTS**

Details of 2016 Guangxi Dameng Agreements are set out below:

### **(i) 2016 Integrated Services Framework Agreement**

Date: 30 December 2015

Parties: (1) Guangxi Dameng  
(2) CITIC Dameng Mining

Subject: Pursuant to 2016 Integrated Services Framework Agreement, (1) Guangxi Dameng agreed to provide the Integrated Services and mining drawing services to CITIC Dameng Mining; and (2) CITIC Dameng Mining agreed to provide electricity and fuels to Guangxi Dameng in connection with the provision of the Integrated Services at Daxin Mine.

Pricing basis: The transactions under 2016 Integrated Services Framework Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and conditions and such terms and conditions will be no less favorable than those available to/from Independent Third Parties.

Fees charged by Guangxi Dameng to CITIC Dameng Mining in relation to the provision of the Integrated Services and mining drawing services is based on the costs incurred by Guangxi Dameng and to be agreed between the parties. The fees for the provision of the Integrated Services by Guangxi Dameng will be charged to CITIC Dameng Mining at the respective rates of RMB260,000 (approximately HK\$311,000), RMB270,000 (approximately HK\$323,000) and RMB280,000 (approximately HK\$335,000) per month for each of the three years ending 31 December 2018. The fees for the provision of mining drawing services by Guangxi Dameng will be charged to CITIC Dameng Mining in the fixed sum of RMB700,000 (approximately HK\$838,000) per annum for the three years ending 31 December 2018.

Fees charged by CITIC Dameng Mining to Guangxi Dameng in relation to the provision of electricity and fuels will be determined by

the usage attributable to the provision of the Integrated Services by Guangxi Dameng. In addition, the prices are not fixed and are to be determined in accordance with prevailing market prices and to be agreed between the parties from time to time on cost basis.

Term: For the period from 1 January 2016 to 31 December 2018.

**(ii) 2016 Guangxi Liuzhou Agreement**

Date: 30 December 2015

Parties: (1) Guangxi Liuzhou  
(2) CITIC Dameng Mining

Subject: Pursuant to 2016 Guangxi Liuzhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase negative plates, vertical mills and its accessories from Guangxi Liuzhou.

Pricing basis: The transactions under 2016 Guangxi Liuzhou Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and conditions and such terms will be no less favorable than those available from Independent Third Parties.

Under 2016 Guangxi Liuzhou Agreement, the quantity of negative plates, vertical mills and its accessories to be purchased from Guangxi Liuzhou is not fixed but is to be determined and agreed between the parties from time to time. CITIC Dameng Mining is not required to purchase a minimum amount or any pre-defined quantity of negative plates, vertical mills and its accessories from Guangxi Liuzhou during the term of the agreement. In addition, the prices are not fixed and are to be determined in accordance with the prevailing market prices (including with reference to quotations of the same products issued by no less than two Independent Third Parties), and through arm's length negotiation and in a fair and reasonable manner .

Term: For the period from 1 January 2016 to 31 December 2018.

**(iii) 2016 Nanning Battery Plant Agreement**

Date: 30 December 2015

Parties: (1) Nanning Battery Plant  
(2) CITIC Dameng Mining

Subject: Pursuant to 2016 Nanning Battery Plant Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase packaging bags produced by Nanning Battery Plant.

Pricing basis: The transactions under 2016 Nanning Battery Plant Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and conditions and such terms and conditions will be no less favorable than those available from Independent Third Parties.

Under 2016 Nanning Battery Plant Agreement, the quantity of packaging bags to be purchased by CITIC Dameng Mining is not fixed but is to be determined and agreed between the parties from time to time. CITIC Dameng Mining is not required to purchase a minimum amount or any pre-defined quantity of packaging bags from Nanning Battery Plant during the term of the agreement. In addition, the prices are not fixed and are to be determined in accordance with prevailing market prices (including with reference to quotations of the same products issued by no less than two Independent Third Parties), and through arm's length negotiation and in a fair and reasonable manner.

Term: For the period from 1 January 2016 to 31 December 2018.

## **2016 GUANGXI DAMENG TENANCY AGREEMENT**

Date: 30 December 2015

Parties: (1) Guangxi Dameng  
(2) CITIC Dameng Mining

Subject: Pursuant to 2016 Guangxi Dameng Tenancy Agreement, CITIC Dameng Mining agreed to lease the Premises to Guangxi Dameng.

Pricing basis: The transactions under 2016 Guangxi Dameng Tenancy Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and conditions. The terms of 2016 Guangxi Dameng Tenancy Agreement have been negotiated on an arm's length basis and in a fair and reasonable manner between CITIC Dameng Mining and Guangxi Dameng. The rental is determined by the parties with reference to: (i) size and location of the Premises; (ii) the market rent of the surrounding premises with size and location similar to the Premises; (iii) the prevailing market conditions; and (iv) the contemplated inflation of the property price in the three years ending 30 June 2019.



Rental:	<p>(1) RMB797,302 (approximately HK\$955,000) per annum for the first year, i.e. from 1 July 2016 to 30 June 2017 and the monthly rental is RMB66,442 (approximately HK\$80,000)</p> <p>(2) RMB825,208 (approximately HK\$988,000) per annum for the second year, i.e. from 1 July 2017 to 30 June 2018 and the monthly rental is RMB68,767 (approximately HK\$82,000)</p> <p>(3) RMB854,090 (approximately HK\$1,023,000) per annum for the third year, i.e. from 1 July 2018 to 30 June 2019 and the monthly rental is RMB71,174 (approximately HK\$85,000)</p> <p>(Payment of rental are inclusive of air-conditioning charges and taxes but exclusive of management fees, electricity charges, communication fees, network charges, cleaning charges, car parking charges and all other outgoing charges and expenses)</p>
Deposit:	RMB100,000 (approximately HK\$120,000)
Payment terms:	Rental of each year is payable in cash before the end of the first month of relevant year.
Renewal option:	Subject to the condition that Guangxi Dameng has not been in breach of any terms and conditions of 2016 Guangxi Dameng Tenancy Agreement, Guangxi Dameng has an option to renew 2016 Guangxi Dameng Tenancy Agreement for a further term not exceeding three years at such rent and on such terms and conditions in accordance with the prevailing market conditions to be negotiated between the parties but to be determined by CITIC Dameng Mining in any event.
Use of Premises:	Commercial office use
Term:	For the period from 1 July 2016 to 30 June 2019

#### **ANNUAL CAPS AND HISTORIAL AMOUNTS FOR THE CONTINUING CONNECTED TRANSACTIONS UNDER 2013 GUANGXI DAMENG AGREEMENTS AND 2013 GUANGXI DAMENG TENANCY AGREEMENT**

Set out below are (a) the annual caps under 2013 Guangxi Dameng Agreements and 2013 Guangxi Tenancy Agreement for the two years ended 31 December 2014 and the year ending 31 December 2015 ; (b) the historical amounts under Guangxi Dameng Agreements and 2013 Tenancy Agreement for the two years and eleven months ended 30 November 2015:

	Audited transaction amount for the year ended 31 December 2013	Annual cap for the year ended 31 December 2013	Audited transaction amount for the year ended 31 December 2014	Annual cap for the year ended 31 December 2014	Unaudited transaction amount for the eleven months ended 30 November 2015	Annual cap for the year ending 31 December 2015
<b>2013 GUANGXI DAMENG AGREEMENTS</b>						
<b>(1) 2013 Integrated Services Framework Agreement</b>						
(i) Provision of Integrated Services and mining drawing services by Guangxi Dameng	RMB3,360,000 (approximately HK\$4,024,000)	RMB3,360,000 (approximately HK\$4,024,000)	RMB3,480,000 (approximately HK\$4,168,000)	RMB3,480,000 (approximately HK\$4,168,000)	RMB3,300,000 (approximately HK\$3,952,000)	RMB3,600,000 (approximately HK\$4,311,000)
(ii) Provision of electricity and fuels to Guangxi Dameng	RMB37,000 (approximately HK\$44,000)	RMB42,440 (approximately HK\$51,000)	RMB28,000 (approximately HK\$34,000)	RMB44,562 (approximately HK\$53,000)	RMB36,158 (approximately HK\$43,000)	RMB46,684 (approximately HK\$56,000)
<b>(2) 2013 Guangxi Liuzhou Agreement</b>						
(i) Purchase of negative plates from Guangxi Liuzhou	RMB13,996,000 (approximately HK\$16,762,000)	RMB36,750,000 (approximately HK\$44,012,000)	Nil	RMB24,412,500 (approximately HK\$29,236,000)	Nil	RMB13,200,000 (approximately HK\$15,808,000)
(ii) Purchase of vertical mills and accessories from Guangxi Liuzhou	RMB36,000 (approximately HK\$43,000)	RMB19,512,821 (approximately HK\$23,369,000)	Nil	Nil	Nil	Nil
<b>(2) 2013 Nanning Battery Plant Agreement</b>						
Purchase of packaging bags from Nanning Battery Plant	RMB8,857,000 (approximately HK\$10,607,000)	RMB18,455,934 (approximately HK\$22,103,000)	RMB6,512,000 (approximately HK\$7,799,000)	RMB20,223,099 (approximately HK\$24,219,000)	RMB3,128,573 (approximately HK\$3,747,000)	RMB21,186,103 (approximately HK\$25,372,000)
<b>2013 GUANGXI DAMENG TENANCY AGREEMENT</b>						
Letting of the Premises to Guangxi Dameng	RMB299,812 (approximately HK\$359,000)	RMB299,812 (approximately HK\$359,000)	RMB732,247 (approximately HK\$877,000)	RMB732,247 (approximately HK\$877,000)	RMB693,448 (approximately HK\$830,000)	RMB757,643 (approximately HK\$907,000)

## 2016 GUANGXI DAMENG ANNUAL CAPS

2016 Guangxi Dameng Annual Caps under 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement are as follows:

	2016 Guangxi Dameng Annual Caps For the year ending		
	2016	2017	2018
<b>2016 GUANGXI DAMENG AGREEMENTS</b>			
<b>(1) 2016 Integrated Services Framework Agreement</b>			
(i) Provision of Integrated Services and mining drawing services by Guangxi Dameng	RMB3,820,000 (approximately HK\$4,575,000)	RMB3,940,000 (approximately HK\$4,719,000)	RMB4,060,000 (approximately HK\$4,862,000)
(ii) Provision of electricity and fuels to Guangxi Dameng	RMB60,080 (approximately HK\$72,000)	RMB60,080 (approximately HK\$72,000)	RMB60,080 (approximately HK\$72,000)
<b>(2) 2016 Guangxi Liuzhou Agreement</b>			
(i) Purchase of negative plates from Guangxi Liuzhou	RMB1,200,000 (approximately HK\$1,437,000)	RMB10,500,000 (approximately HK\$12,575,000)	RMB10,500,000 (approximately HK\$12,575,000)
(ii) Purchase of vertical mills and accessories from Guangxi Liuzhou	RMB13,000,000 (approximately HK\$15,569,000)	Nil	Nil
<b>(3) 2016 Nanning Battery Plant Agreement</b>			
Purchase of packaging bags from Nanning Battery Plant	RMB5,020,000 (approximately HK\$6,012,000)	RMB5,020,000 (approximately HK\$6,012,000)	RMB5,020,000 (approximately HK\$6,012,000)
<b>2016 GUANGXI DAMENG TENANCY AGREEMENT</b>			
Letting of the Premises to Guangxi Dameng	RMB783,821 (approximately HK\$939,000)	RMB811,255 (approximately HK\$972,000)	RMB839,649 (approximately HK\$1,006,000)

## REASONS FOR ENTERING INTO 2016 GUANGXI DAMENG AGREEMENTS AND 2016 GUANGXI DAMENG TENANCY AGREEMENT

CITIC Dameng Mining has established long term working relationship with Guangxi Dameng and

Guangxi Dameng Subsidiaries.

The provision of Integrated Services by Guangxi Dameng has enabled our employees to continue to enjoy the basic welfare at Daxin Mine. Electricity and fuels are consumed in connection with the provision of Integrated Services by Guangxi Dameng.

Guangxi Dameng can provide mining drawing services at competitive prices and Guangxi Dameng Subsidiaries have proven to be reliable suppliers to the Group in the provision of raw materials, tools and equipment at competitive prices which are beneficial to the continuing operations and business of the Group.

Guangxi Dameng is one of the largest state-owned company in Guangxi, the PRC. Leasing of the whole floor to Guangxi Dameng will increase the occupation rate and decrease the management costs and thus increase the rental income of CITIC Dameng Building. As a result, the revenue of the Group will also be increased.

Mr. Li Weijian, being a director of Guangxi Dameng and its certain subsidiaries, is considered to have a material interest in the transactions contemplated under 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement and therefore has abstained from voting on the board resolution approving 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement. Save as disclosed hereinabove, none of the Directors have any material interest in 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement nor is any of them required to abstain from voting in respect of the relevant board resolutions.

The Directors (including the independent non-executive Directors) are of the view that: (i) 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement have been entered into on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) the terms under 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement (including the 2016 Guangxi Dameng Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON GUANGXI DAMENG, GUANGXI LIUZHOU AND NANNING BATTERY PLANT**

Guangxi Dameng holds 23.33% equity interest in the Company and therefore is a connected person of the Company. Guangxi Dameng is principally engaged in mining business.

Guangxi Liuzhou is owned as to 98.18% by Guangxi Dameng and therefore is a connected person of the Company. Guangxi Liuzhou is principally engaged in electrical and mechanical equipment manufacturing business.

Nanning Battery Plant is a wholly owned subsidiary of Guangxi Dameng and therefore is a connected person of the Company. Nanning Battery Plant is principally engaged in battery manufacturing business.

## INFORMATION ON DAXIN MINE

Daxin Mine is the largest manganese mine in China in terms of resources and reserves. As at 30 June 2015, the manganese mineral resources and manganese ore reserves of Daxin Mine in accordance with JORC code are as follows:

### Manganese mineral resources

JORC Resource Category	Million Tonnes	Average Manganese Grade (%)
Measured	5.04	24.49
Indicated	<u>65.50</u>	21.21
Subtotal	70.54	21.44
Inferred	<u>0.43</u>	21.23
Total	70.97 =====	21.42

### Manganese ore reserves

JORC Reserve Category	Million Tonnes	Average Manganese Grade (%)
Proved	4.82	20.99
Probable	<u>62.97</u>	18.82
Total	67.79 =====	18.97

## LISTING RULES IMPLICATIONS

As 2015 Guangxi Dameng Agreements and 2016 Guangxi Dameng Agreements were entered into between CITIC Dameng Mining and Guangxi Dameng and/or its subsidiaries within 12 months, all the transactions contemplated under such agreements have to be aggregated for the purpose of the Rule 14A.81 of the Listing Rules. As the highest applicable Percentage Ratio calculated with reference to the aggregate of (i) 2015 Guangxi Dameng Annual Caps and (ii) 2016 Guangxi Dameng Annual Caps is more than 0.1% but less than 5%, the transactions contemplated under 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement are therefore subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Similarly, the transactions contemplated under 2015 Guangxi Dameng Agreements will continue to be subject to the reporting, annual review and announcement requirements but are exempt from

the independent shareholders' approval requirement under Chapter 14A of the Listing Rules as more detailed in the announcement of the Company of 15 July 2015.

## DEFINITIONS

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

“2013 CITIC Bank Agreement”	the agreement dated 31 December 2012 entered into between the Company, CITIC Bank and CITIC Bank International, pursuant to which the Group agreed to continue to maintain bank balances and deposits with CITIC Bank and CITIC Bank International for the three years ending 31 December 2015, the details of which have been disclosed in the announcement of the Company dated 31 <sup>st</sup> December 2012
“2013 Guangxi Dameng Agreements”	2013 Integrated Services Framework Agreement, 2013 Guangxi Liuzhou Agreement and 2013 Nanning Battery Plant Agreement
“2013 Guangxi Dameng Tenancy Agreement”	the tenancy agreement dated 27 June 2013 entered into between CITIC Dameng Mining and Guangxi Dameng in respect of the leasing of the Premises, details of which have been disclosed in the announcement of the Company dated 27 June 2013
“2013 Guangxi Liuzhou Agreement”	the agreement dated 10 December 2012 entered into between CITIC Dameng Mining and Guangxi Liuzhou and as amended by the supplemental agreement dated 15 July 2015, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase negative plates, vertical mills and its accessories from Guangxi Liuzhou for the three years ending 31 December 2015, details of which have been disclosed in the announcement of the Company 15 July 2015
“2013 Integrated Services Framework Agreement”	the agreement dated 10 December 2012 entered into between CITIC Dameng Mining and Guangxi Dameng, pursuant to which Guangxi Dameng agreed to provide the Integrated Services and mining drawing services to CITIC Dameng Mining while CITIC Dameng Mining agreed to provide electricity and fuels to Guangxi Dameng in connection with the provision of the Integrated Services at Daxin Mine for the three years ending 31 December 2015 details of which have been disclosed in the announcement of the Company dated 10 December 2012
“2013 Nanning Battery Plant Agreement”	the agreement dated 10 December 2012 entered into between CITIC Dameng Mining and Nanning Battery Plant, pursuant to

	<p>which Nanning Battery Plant agreed to provide packaging bags to CITIC Dameng Mining and/or its subsidiaries for the three years ending 31 December 2015, details of which have been disclosed in the announcement of the Company dated 10 December 2012</p>
“2015 Guangxi Dameng Agreements”	<p>Guangxi Dameng Ore Agreement, Guangxi Hezhou Agreement and Guangxi Wuzhou Agreement, the details of which have been disclosed in the announcement of the Company dated 15 July 2015</p>
“2015 Guangxi Dameng Annual Caps”	<p>the maximum annual values of the transactions under 2015 Guangxi Dameng Agreements for each of the three years ending 31 December 2017</p>
“2016 CITIC Bank Agreement”	<p>the agreement dated 30 December 2015 entered into between the Company, CITIC Bank and CITIC Bank International, pursuant to which the Group will continue to maintain bank balances and deposits with CITIC Bank and CITIC Bank International for the three years ending 31 December 2018</p>
“2016 Guangxi Dameng Agreements”	<p>2016 Integrated Services Framework Agreement, 2016 Guangxi Liuzhou Agreement and 2016 Nanning Battery Plant Agreement</p>
“2016 Guangxi Dameng Annual Caps”	<p>the proposed maximum annual values of the transactions under 2016 Guangxi Dameng Agreements and 2016 Guangxi Dameng Tenancy Agreement for each of the three years ending 31 December 2018</p>
“2016 Guangxi Dameng Tenancy Agreement”	<p>the tenancy agreement dated 30 December 2015 entered into between CITIC Dameng Mining and Guangxi Dameng in respect of the leasing of the Premises for the three years ending 30 June 2019</p>
“2016 Guangxi Liuzhou Agreement”	<p>the agreement dated 30 December 2015 entered into between CITIC Dameng Mining and Guangxi Liuzhou, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase negative plates, vertical mills and its accessories from Guangxi Liuzhou for the three years ending 31 December 2018</p>
“2016 Integrated Services Framework Agreement”	<p>the agreement dated 30 December 2015 entered into between CITIC Dameng Mining and Guangxi Dameng, pursuant to which Guangxi Dameng agreed to provide the Integrated Services and mining drawing services to CITIC Dameng Mining while CITIC Dameng Mining agreed to provide electricity and</p>

	fuels to Guangxi Dameng in connection with the provision of the Integrated Services at Daxin Mine for the three years ending 31 December 2018
“2016 Nanning Battery Plant Agreement”	the agreement dated 30 December 2015 entered into between CITIC Dameng Mining and Nanning Battery Plant, pursuant to which Nanning Battery Plant agreed to provide packaging bags to CITIC Dameng Mining and/or its subsidiaries for the three years ending 31 December 2018
“Board”	the board of directors of the Company
“CITIC Bank”	中信銀行股份有限公司 (China CITIC Bank Corporation Limited), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:998)
“CITIC Bank International”	中信銀行(國際)有限公司 (China CITIC Bank International Limited), a company incorporated in Hong Kong with limited liability and is an indirect wholly owned subsidiary of CITIC Bank
“CITIC Dameng Mining”	中信大錳礦業有限責任公司 (CITIC Dameng Mining Industries Co., Limited), an indirect wholly-owned subsidiary of the Company
“Company”	CITIC Dameng Holdings Limited (Stock Code: 1091), a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning given to it by the Listing Rules
“Daxin Mine”	中信大錳礦業有限責任公司大新錳礦 (CITIC Dameng Mining Industries Limited Daxin Manganese Mine)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Guangxi Dameng”	廣西大錳錳業集團有限公司 (Guangxi Dameng Manganese Industrial Co., Ltd.), formerly known as 廣西大錳錳業有限公司, a state-owned limited liability company established under the laws of the PRC. Guangxi Dameng is indirect wholly owned by the government of Guangxi



“Guangxi Dameng Subsidiaries”	the subsidiaries of Guangxi Dameng, including but not limited to Guangxi Liuzhou and Nanning Battery Plant
“Guangxi Liuzhou”	廣西柳州大鋳機電設備製造有限公司 (Guangxi Liuzhou Dameng Electrical and Mechanical Equipment Manufacturer Co., Ltd.), a company incorporated under the laws of the PRC which is owned as to 98.18% by Guangxi Dameng and is a connected person of the Company
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	persons or companies which are independent of the Group, the directors, the chief executives, the substantial shareholders of the Company or any of its subsidiaries, and their respective associates
“Integrated Services”	the provision of social facilities (including but not limited to housing, schools, hospitals, recreational facilities) by Guangxi Dameng to CITIC Dameng Mining at Daxin Mine
“JORC”	the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy
“Listing Rule(s)”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanning Battery Plant”	南寧市電池廠 (Nanning Battery Plant), a company incorporated under the laws of the PRC which is wholly owned by Guangxi Dameng and is a connected person of the Company
“packaging bags”	the packaging bags for manganese products
“Percentage Ratio”	the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules
“PRC” or “China”	the People’s Republic of China. Geographical reference in this announcement to the PRC excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	2nd Floor of CITIC Dameng Building, No. 18 Zhujin Road, Nanning, Guangxi, PRC

“Proposed CITIC Bank Annual Caps”	the proposed maximum aggregate of the bank balances and deposits maintained by the Group with CITIC Bank and CITIC Bank International for the three years ending 31 December 2018
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shares(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

- Note:*
- 1. The English names of the PRC entities mentioned hereinabove are translated from their Chinese names. If there are any inconsistencies, the Chinese names shall prevail.*
  - 2. Unless otherwise specified and for illustration purpose only, the figures in RMB are converted into HK\$ at the rate of RMB1.00=HK\$1.1976 throughout this announcement for indication purposes only. Such conversion should not be construed as a representation that the relevant currency could actually be converted into HK\$ at that rate or at all.*

By order of the Board  
**CITIC DAMENG HOLDINGS LIMITED**  
**Yin Bo**  
Chairman

Hong Kong, 30 December 2015

*As at the date of this announcement, the executive Directors are Mr. Yin Bo, Mr. Li Weijian and Mr. Tian Yuchuan; the non-executive Directors are Mr. Suo Zhengang and Mr. Chen Jiqu; and the independent non-executive Directors are Mr. Yang Zhi Jie, Mr. Mo Shijian and Mr. Tan Zhuzhong.*

*\*For identification purpose only*