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## **CITIC Dameng Holdings Limited**

**中信大錳控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1091)**

### **NEW CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAP FOR A CONTINUING CONNECTED TRANSACTION**

#### **(A) NEW CONTINUING CONNECTED TRANSACTION BETWEEN CITIC DAMENG MINING AND JIANGYIN XINGCHENG - JIANGYIN XINGCHENG AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Jiangyin Xingcheng Agreement with Jiangyin Xingcheng. Pursuant to Jiangyin Xingcheng Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell silicomanganese alloy to Jiangyin Xingcheng for the period from 15 July 2015 to 31 December 2017.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable Percentage Ratio calculated with reference to the Proposed Jiangyin Xingcheng Caps is more than 0.1% but less than 5%, the transaction contemplated under Jiangyin Xingcheng Agreement is therefore subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **(B) REVISION OF ANNUAL CAP AND NEW CONTINUING CONNECTED TRANSACTIONS BETWEEN CITIC DAMENG MINING AND GUANGXI DAMENG AND ITS SUBSIDIARIES**

##### **(1) REVISION OF ANNUAL CAP FOR RENEWED GUANGXI LIUZHOU AGREEMENT**

Reference is made to the announcement dated 10 December 2012 in respect of, inter alia, the

Renewed Guangxi Liuzhou Agreement.

On 15 July 2015, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) entered into the Renewed Guangxi Liuzhou Supplemental Agreement with Guangxi Liuzhou pursuant to which the parties agreed to increase the annual cap under Guangxi Liuzhou Agreement for the year ending 31 December 2015 from nil to RMB11,400,000 (approximately HK\$14,364,000). Save and except for the increase of the annual cap, all other terms and conditions under the Renewed Guangxi Liuzhou Agreement remained unchanged.

## **(2) NEW CONTINUING CONNECTED TRANSACTIONS BETWEEN CITIC DAMENG MINING AND GUANGXI DAMENG AND ITS SUBSIDIARIES**

### **(i) GUANGXI DAMENG ORE AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Guangxi Dameng Ore Agreement with Guangxi Dameng. Pursuant to Guangxi Dameng Ore Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase manganese ore from Guangxi Dameng for the period from 15 July 2015 to 31 December 2017.

### **(ii) GUANGXI HEZHOU AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Guangxi Hezhou Agreement with Guangxi Hezhou. Pursuant to Guangxi Hezhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou for the period from 15 July 2015 to 31 December 2017.

### **(iii) GUANGXI WUZHOU AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Guangxi Wuzhou Agreement with Guangxi Wuzhou. Pursuant to Guangxi Wuzhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou for the period from 15 July 2015 to 31 December 2017.

## **LISTING RULES IMPLICATIONS**

As the highest applicable Percentage Ratio calculated with reference to the Proposed New Guangxi Dameng Caps and the Existing Guangxi Dameng Caps (as adjusted by the revised annual cap under the Renewed Liuzhou Supplemental Agreement), in aggregate, is more than 0.1% but less than 5%, the transactions contemplated under the New Guangxi Dameng Agreements are therefore subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## INTRODUCTION

### (A) NEW CONTINUING CONNECTED TRANSACTION BETWEEN CITIC DAMENG MINING AND JIANGYIN XINGCHENG - JIANGYIN XINGCHENG AGREEMENT

On 15 July 2015, CITIC Dameng Mining entered into Jiangyin Xingcheng Agreement with Jiangyin Xingcheng. Pursuant to Jiangyin Xingcheng Agreement, CITIC Dameng Mining agreed to sell silicomanganese alloy to Jiangyin Xingcheng for the period from 15 July 2015 to 31 December 2017. Details of Jiangyin Xingcheng Agreement are set out as follows:

Date: 15 July 2015

Parties: (1) CITIC Dameng Mining (as the seller)  
(2) Jiangyin Xingcheng (as the purchaser)

Subject: Pursuant to Jiangyin Xingcheng Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell silicomanganese alloy to Jiangyin Xingcheng.

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

Under Jiangyin Xingcheng Agreement, the quantity of silicomanganese alloy to be sold by CITIC Dameng Mining is not fixed and is to be determined and agreed between the parties from time to time. CITIC Dameng Mining is not required to sell a minimum amount or any pre-defined quantity of silicomanganese alloy to Jiangyin Xingcheng during the term of the agreement. 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.

The annual cap for the sale of silicomanganese alloy by CITIC Dameng Mining to Jiangyin Xingcheng under Jiangyin Xingcheng Agreement is calculated by reference to the prevailing market unit price of silicomanganese alloy multiplying the estimated quantity of silicomanganese alloy to be sold by CITIC Dameng Mining to Jiangyin Xingcheng under Jiangyin Xingcheng Agreement for the three years ending 31 December 2017. The amount will be settled in accordance with the prevailing market practice and to be agreed between the parties.

Term: For the period from 15 July 2015 to 31 December 2017.

## **HISTORIAL AMOUNTS OF THE TRANSACTIONS BETWEEN THE GROUP AND JIANGYIN XINGCHENG**

Set out below are the historical amounts in relation to the transactions between the Group and Jiangyin Xingcheng for the period from 1 January 2013 to 14 July 2015:

	<b>For the year ended 31 December 2013</b>	<b>For the year ended 31 December 2014</b>	<b>For the period from 1 January 2015 to 14 July 2015</b>
Sale of silicomanganese alloy to Jiangyin Xingcheng	Nil	Nil	Nil

## **THE PROPOSED JIANGYIN XINGCHENG CAPS**

The Proposed Jiangyin Xingcheng Caps under Jiangyin Xingcheng Agreement are as follows:

<b>Proposed Jiangyin Xingcheng Caps</b>		
<b>For the period from 15 July 2015 to 31 December 2015</b>	<b>For the year ending 31 December 2016</b>	<b>For the year ending 31 December 2017</b>

## **JIANGYIN XINGCHENG AGREEMENT**

Sale of silicomanganese alloy to Jiangyin Xingcheng	RMB37,800,000 (approximately HK\$47,806,000)	RMB75,600,000 (approximately HK\$95,611,000)	RMB75,600,000 (approximately HK\$95,611,000)
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## **REASONS FOR ENTERING INTO JIANGYIN XINGCHENG AGREEMENT**

Jiangyin Xingcheng is one of the market leaders in steel production in China which purchases silicomanganese alloy in large quantities and at competitive price and therefore sales of silicomanganese alloy to Jiangyin Xingcheng can expand our customer portfolio and increase our sales network, which is beneficial to our continuing operations and business.

The Directors (excluding Mr. Qiu Yiyong and Mr. Suo Zhengang, both of whom are also directors of certain subsidiaries of CITIC Group, have abstained from voting on the board resolution approving Jiangyin Xingcheng Agreement and the Proposed Jiangyin Xingcheng Caps) are of the view that: (i) Jiangyin Xingcheng 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 Jiangyin Xingcheng Agreement (including the Proposed Jiangyin Xingcheng Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON JIANGYIN XINGCHENG**

Jiangyin Xingcheng is an indirect wholly owned subsidiary of CITIC Limited, which is in turn a subsidiary of CITIC Group. Therefore, Jiangyin Xingcheng is a connected person of the Company. Jiangyin Xingcheng is principally engaged in steel and ancillary products manufacturing and processing.

### **GENERAL**

As the highest applicable Percentage Ratio calculated with reference to the Proposed Jiangyin Xingcheng Caps is more than 0.1% but less than 5%, the transaction contemplated under Jiangyin Xingcheng Agreement is therefore subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **(B) REVISION OF ANNUAL CAP AND NEW CONTINUING CONNECTED TRANSACTIONS BETWEEN CITIC DAMENG MINING AND GUANGXI DAMENG AND ITS SUBSIDIARIES**

#### **(1) REVISION OF ANNUAL CAP FOR RENEWED GUANGXI LIUZHOU AGREEMENT**

Reference is made to the announcement dated 10 December 2012 in respect of, inter alia, the Renewed Guangxi Liuzhou Agreement.

In order to upgrade the processing capacity of its concentration plants, thereby reducing production costs, CITIC Dameng Mining intends to purchase new vertical mill(s) with higher grinding capacity. Therefore, on 15 July 2015, CITIC Dameng Mining entered into the Renewed Guangxi Liuzhou Supplemental Agreement with Guangxi Liuzhou pursuant to which the parties agreed to increase the annual cap for the purchase of vertical mills for the year ending 31 December 2015 from nil to RMB11,400,000 (approximately HK\$14,418,000).

The annual cap for the sale of vertical mill(s) by Guangxi Lizhou to CITIC Dameng Mining under Renewed Guangxi Lizhou Agreement is calculated by reference to the prevailing market unit price of vertical mill(s) multiplying the estimated quantity of vertical mill(s) to be sold by Guangxi Lizhou to CITIC Dameng Mining under Renewed Guangxi Lizhou Agreement for the year ending 31 December 2015. The amount will be settled in accordance with the prevailing market practice and to be agreed between the parties.

Save and except for the increase of the annual cap, all other terms and conditions under the Renewed Guangxi Liuzhou Agreement remains unchanged.

## **(2) NEW CONTINUING CONNECTED TRANSACTIONS BETWEEN CITIC DAMENG MINING AND GUANGXI DAMENG AND ITS SUBSIDIARIES**

### **(i) GUANGXI DAMENG ORE AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Guangxi Dameng Ore Agreement with Guangxi Dameng. Pursuant to Guangxi Dameng Ore Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase manganese ore from Guangxi Dameng for the period from 15 July 2015 to 31 December 2017. Details of Guangxi Dameng Ore Agreement are set out as follows:

Date: 15 July 2015

Parties: (1) Guangxi Dameng (as the seller)  
(2) CITIC Dameng Mining (as the purchaser)

Subject: Pursuant to Guangxi Dameng Ore Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase manganese ore from Guangxi Dameng.

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

Under Guangxi Dameng Ore Agreement, the quantity of manganese ore to be purchased from Guangxi Dameng 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 manganese ore from Guangxi Dameng during the term of the agreement. 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.

The annual cap for the sale of manganese ore by Guangxi Dameng to CITIC Dameng Mining under Guangxi Dameng Ore Agreement is calculated by reference to the prevailing market unit price of manganese ore multiplying the estimated quantity of manganese ore to be sold by Guangxi Dameng to CITIC Dameng Mining under Guangxi Dameng Ore Agreement for the three years ending 31 December 2017. The amount will be settled in accordance with the prevailing market practice and to be agreed between the parties.

Term: For the period from 15 July 2015 to 31 December 2017.

## **(ii) GUANGXI HEZHOU AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Guangxi Hezhou Agreement with Guangxi Hezhou. Pursuant to Guangxi Hezhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou for the period from 15 July 2015 to 31 December 2017. Details of Guangxi Hezhou Agreement are set out as follows:

Date: 15 July 2015

Parties: (1) CITIC Dameng Mining (as the seller)  
(2) Guangxi Hezhou (as the purchaser)

Subject: Pursuant to Guangxi Hezhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou.

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

Under Guangxi Hezhou Agreement, the quantity of electrolytic manganese dioxide and natural discharging manganese powder to be sold 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 sell a minimum amount or any pre-defined quantity of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou during the term of the agreement. 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.

The annual cap for the sale of electrolytic manganese dioxide and natural discharging manganese powder by CITIC Dameng Mining to Guangxi Hezhou under Guangxi Hezhou Agreement is calculated by reference to the prevailing market unit price of electrolytic manganese dioxide and natural discharging manganese powder multiplying the estimated quantity of electrolytic manganese dioxide and natural discharging manganese powder to be sold by CITIC Dameng Mining to Guangxi Hezhou under Guangxi Hezhou Agreement for the three years ending 31 December 2017. The amount will be settled in accordance with the prevailing market practice and to be agreed between the parties.

Term: For the period from 15 July 2015 to 31 December 2017.

**(iii) GUANGXI WUZHOU AGREEMENT**

On 15 July 2015, CITIC Dameng Mining entered into Guangxi Wuzhou Agreement with Guangxi Wuzhou. Pursuant to Guangxi Wuzhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou for the period from 15 July 2015 to 31 December 2017. Details of Guangxi Wuzhou Agreement are set out as follows:

Date: 15 July 2015

Parties: (1) CITIC Dameng Mining (as the seller)  
(2) Guangxi Wuzhou (as the purchaser)

Subject: Pursuant to Guangxi Wuzhou Agreement, CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou.

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

Under Guangxi Wuzhou Agreement, the quantity of electrolytic manganese dioxide and natural discharging manganese powder to be sold 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 sell a minimum amount or any pre-defined quantity of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou during the term of the agreement. 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.

The annual cap for the sale of electrolytic manganese dioxide and natural discharging manganese powder by CITIC Dameng Mining to Guangxi Wuzhou under Guangxi Wuzhou Agreement is calculated by reference to the prevailing market unit price of electrolytic manganese dioxide and natural discharging manganese powder multiplying the estimated quantity of electrolytic manganese dioxide and natural discharging manganese powder to be sold by CITIC Dameng Mining to Guangxi Wuzhou under Guangxi Wuzhou Agreement for the three years ending 31 December 2017. The amount will be settled in accordance with the prevailing market practice and to be agreed



between the parties.

Term: For the period from 15 July 2015 to 31 December 2017.

### **HISTORIAL AMOUNTS OF THE TRANSACTIONS BETWEEN THE GROUP AND GUANGXI DAMENG, GUANGXI HEZHOU AND GUANGXI WUZHOU**

Set out below are the historical amounts in respect of the purchase of manganese ore from Guangxi Dameng by the Group and the sale of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou and Guangxi Wuzhou by the Group for the period from 1 January 2013 to 14 July 2015:

	<b>For the year ended 31 December 2013</b>	<b>For the year ended 31 December 2014</b>	<b>For the period from 1 January 2015 to 14 July 2015</b>
Purchase of manganese ore from Guangxi Dameng	Nil	Nil	Nil
Sale of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou	Nil	Nil	Nil
Sale of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou	Nil	Nil	Nil

### **THE PROPOSED NEW GUANGXI DAMENG CAPS**

The Proposed New Guangxi Dameng Caps under Guangxi Dameng Ore Agreement, Guangxi Hezhou Agreement and Guangxi Wuzhou Agreement are as follows:

	<b>Proposed New Guangxi Dameng Caps</b>		
	<b>For the period from 15 July 2015 to 31 December 2015</b>	<b>For the year ending 31 December 2016</b>	<b>For the year ending 31 December 2017</b>
<b>Guangxi Dameng Ore Agreement</b>			
Purchase of manganese ore from Guangxi Dameng	RMB12,540,000 (approximately HK\$15,859,000)	RMB25,080,000 (approximately HK\$31,719,000)	RMB25,080,000 (approximately HK\$31,719,000)

**Guangxi Hezhou Agreement**

Sale of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou	RMB4,425,000 (approximately HK\$5,596,000)	RMB8,850,000 (approximately HK\$11,193,000)	RMB8,850,000 (approximately HK\$11,193,000)
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**Guangxi Wuzhou Agreement**

Sale of electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou	RMB6,770,000 (approximately HK\$8,562,000)	RMB13,540,000 (approximately HK\$17,124,000)	RMB13,540,000 (approximately HK\$17,124,000)
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**REASONS FOR ENTERING INTO THE NEW GUANGXI DAMENG AGREEMENTS**

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

Guangxi Dameng is one of the key suppliers in China for provision of high grade manganese ores, which are essential materials for our silicomanganese production. Guangxi Liuzhou is a major mechanical equipment manufacturers in Guangxi, which produces quality mechanical equipments and at competitive price. Guangxi Hezhou and Guangxi Wuzhou are major battery manufacturers in Guangxi which purchase electrolytic manganese dioxide and natural discharge manganese ores in large quantities and at competitive prices. Therefore, trading with Guangxi Dameng and Guangxi Dameng Subsidiaries are beneficial to the continuing operations and business of the Group.

The Directors (excluding Mr. Li Weijian who is also a director of Guangxi Dameng and its subsidiaries, has abstained from voting on the board resolution approving the New Guangxi Dameng Agreements and the Proposed New Guangxi Dameng Caps) are of the view that: (i) the New Guangxi Dameng Agreements 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 the New Guangxi Dameng Agreements (including the Proposed New Guangxi Dameng Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**INFORMATION ON GUANGXI DAMENG, GUANGXI LIUZHOU, GUANGXI HEZHOU AND GUANGXI WUZHOU**

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 manganese mining and processing, battery production, mechanical engineering accessories manufacturing and export trade, and other business.

Guangxi Liuzhou is a wholly owned subsidiary of Guangxi Dameng and therefore is a connected person of the Company. Guangxi Liuzhou is principally engaged in electrical and mechanical equipment manufacturing business.

Guangxi Hezhou is a subsidiary of Guangxi Dameng which beneficially holds approximately 99.56% equity interest in Guangxi Hezhou and therefore is a connected person of the Company. Guangxi Hezhou is principally engaged in battery production and sale.

Guangxi Wuzhou is a subsidiary of Guangxi Dameng which beneficially holds 85.84% equity interest in Guangxi Wuzhou and therefore is a connected person of the Company. Guangxi Wuzhou is principally engaged in battery production and sale.

## **GENERAL**

As the highest applicable Percentage Ratio calculated with reference to the Proposed New Guangxi Dameng Caps and the Existing Guangxi Dameng Caps (as adjusted by the revised annual cap under the Renewed Liuzhou Supplemental Agreement), in aggregate, is more than 0.1% but less than 5%, the transactions contemplated under the New Guangxi Dameng Agreements are therefore subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Associate(s)”	has the meaning ascribed to it by the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business
“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
“CITIC Group”	中信集團有限公司 (CITIC Group Corporation), a state-owned company established in the PRC in 1979 and the controlling Shareholder of CITIC Limited
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of the Stock Exchange (Stock Code: 00267), formerly known as CITIC Pacific Limited (中信泰富有限公司), which is a controlling Shareholder 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 ascribed to it by the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it by the Listing Rules
“Directors”	directors of the Company
“Existing Guangxi Dameng Caps”	the maximum annual values in respect of the Renewed Guangxi Dameng Agreements and Tenancy Agreement for the two years ended 31 December 2014 and the year ending 31 December 2015, details of which have been disclosed in the announcements of the Company dated 10 December 2012 and 27 June 2013
“Group”	the Company and its subsidiaries
“Guangxi Dameng”	廣西大錳錳業有限公司 (Guangxi Dameng Manganese Industrial Co., Ltd.), a state-owned limited liability company established under the laws of the PRC. Guangxi Dameng is wholly owned by the government of Guangxi Zhuang Autonomous Region, the PRC
“Guangxi Dameng Ore Agreement”	the agreement entered into between CITIC Dameng Mining and Guangxi Dameng dated 15 July 2015, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to purchase manganese ore from Guangxi Dameng for the period from 15 July 2015 to 31 December 2017
“Guangxi Dameng Subsidiaries”	for the purpose of this announcement, means Guangxi Liuzhou, Guangxi Hezhou and Guangxi Wuzhou, which are subsidiaries of Guangxi Dameng
“Guangxi Hezhou”	廣西賀州大錳銀鶴電池工業有限公司 (Guangxi Hezhou Dameng Yinhe Battery Industry Co., Ltd.), a company incorporated in the PRC in which Guangxi Dameng beneficially holds approximately 99.56% of its equity interest. It is a connected person of the Company

“Guangxi Hezhou Agreement”	the agreement entered into between CITIC Dameng Mining and Guangxi Hezhou dated 15 July 2015, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Hezhou for the period from 15 July 2015 to 31 December 2017
“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 a wholly owned subsidiary of Guangxi Dameng. It is a connected person of the Company
“Guangxi Wuzhou”	廣西梧州新華電池股份有限公司 (Guangxi Wuzhou Sunwatt Battery Co., Ltd.), a company incorporated in the PRC in which Guangxi Dameng beneficially holds 85.84% of its equity interest. It is a connected person of the Company
“Guangxi Wuzhou Agreement”	the agreement entered into between CITIC Dameng Mining and Guangxi Wuzhou dated 15 July 2015, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell electrolytic manganese dioxide and natural discharging manganese powder to Guangxi Wuzhou for the period from 15 July 2015 to 31 December 2017
“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
“Jiangyin Xingcheng”	江陰興澄特種鋼鐵有限公司(Jiangyin Xingcheng Special Steel Limited Company) , a company incorporated in the PRC, an indirect wholly owned subsidiary of CITIC Limited which in turn is a subsidiary of CITIC Group. Jiangyin Xingcheng is a connected person of the Company

“Jiangyin Xingcheng Agreement”	the agreement entered into between CITIC Dameng Mining and Jiangyin Xingcheng dated 15 July 2015, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) agreed to sell silicomanganese alloy to Jiangyin Xingcheng for the period from 15 July 2015 to 31 December 2017
“Listing Rule(s)”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Guangxi Dameng Agreements”	the Renewed Guangxi Liuzhou Supplemental Agreement, Guangxi Dameng Ore Agreement, Guangxi Hezhou Agreement and Guangxi Wuzhou Agreement
“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. For the purpose of this announcement, reference to the PRC excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Jiangyin Xingcheng Caps”	the proposed maximum annual value of the transaction under Jiangyin Xingcheng Agreement for each of the three years ending 31 December 2017
“Proposed New Guangxi Dameng Caps”	the proposed maximum annual values of the transactions under Guangxi Dameng Ore Agreement, Guangxi Hezhou Agreement and Guangxi Wuzhou Agreement for each of the three years ending 31 December 2017
“Renewed Guangxi Liuzhou Agreement”	the agreement entered into between CITIC Dameng Mining and Guangxi Liuzhou dated 10 December 2012, details of which have been disclosed in the announcement of the Company dated 10 December 2012
“Renewed Guangxi Liuzhou Supplemental Agreement”	the supplemental agreement entered into between CITIC Dameng Mining and Guangxi Liuzhou dated 15 July 2015, pursuant to which CITIC Dameng Mining (for itself and on behalf of its subsidiaries) and Guangxi Liuzhou agreed to revise of annual cap for the year ending 31 December 2015 under the Renewed Guangxi Liuzhou Agreement
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“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
“substantial Shareholder”	has the meaning ascribed to it by the Listing Rules
“%”	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\$1.2647 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**

**Qiu Yiyong**

Chairman

Hong Kong, 15 July 2015

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

*\*For identification purpose only*