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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE FINANCE LEASE ARRANGEMENT

FINANCE LEASE ARRANGEMENT

The Board is pleased to announce that, on 30 November 2015, CDM, an indirect wholly owned subsidiary of the Company, entered into (i) the Equipment Transfer Agreement, and (ii) the Finance Lease Agreement with FC Financing, pursuant to which FC Financing has agreed to purchase the Equipment from CDM at a consideration of RMB142,000,000 (equivalent to approximately HK\$172,289,000) and lease the Equipment back to CDM at an aggregate consideration of RMB149,950,000 (equivalent to approximately HK\$181,934,000) for a period of 12 months.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Finance Lease Arrangement are more than 5% but all less than 25%, the transactions under the Finance Lease Arrangement constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from shareholder's approval under Chapter 14 of the Listing Rules.

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The principal terms of the Equipment Transfer Agreement and the Finance Lease Agreement are set out below:

Date: 30 November 2015

Parties

1. CDM as the vendor under the Equipment Transfer Agreement and the lessee under the Finance Lease Agreement; and
2. FC Financing as the purchaser under the Equipment Transfer Agreement and the lessor under the Finance Lease Agreement.

Sale and Leaseback

Pursuant to the Equipment Transfer Agreement, FC Financing will purchase the Equipment from CDM free from any title defects and encumbrances at a consideration of RMB142,000,000 (equivalent to approximately HK\$172,289,000) (“**Purchase Price**”), which will be paid to CDM within 3 days after the execution of the Equipment Transfer Agreement and the Finance Lease Agreement (“**Lease Commencement Date**”).

Pursuant to the Finance Lease Agreement, FC Financing will lease back the Equipment to CDM for a period of 12 months (the “**Lease Period**”) with effect from the Lease Commencement Date for an aggregate lease consideration of approximately RMB149,950,000 (equivalent to approximately HK\$181,934,000), comprising the principal being the Purchase Price and the interest of RMB7,950,000 (equivalent to approximately HK\$9,646,000) (the “**Lease Consideration**”), and to be paid in 6 instalments in cash during the Lease Period.

The terms of the Finance Lease Agreement, including the Lease Consideration, were determined after arm’s length negotiation between the parties and by reference to, among other things, the value of the Equipment, the purchase cost of the Equipment and similar prevailing leasing arrangements.

The Equipment

The equipment consist of certain machinery and equipment for the operation of EMD plants located at Daxin County, Chongzuo City, Guangxi Province, the PRC and owned by CDM.

Ownership of the Equipment during the Lease Period

As at 31 October 2015, the net book value of the Equipment was RMB154,878,000 (equivalent to approximately HK\$187,913,000).

The legal ownership of the Equipment will be transferred to FC Financing despite the possession of and registration of the Equipment remain under the name of CDM during the Lease Period.

At the end of the Lease Period and subject to fulfillment of all of its obligations under the Finance Lease Agreement, CDM will be entitled to purchase the Equipment on an “as-is” basis at a nominal consideration of RMB1 (equivalent to approximately HK\$1.21).

REASONS FOR THE FINANCE LEASE ARRANGEMENT

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

The Finance Lease Arrangement has been agreed under normal commercial terms and after arm's length negotiations between the parties.

The Directors are of the view that entering into the Equipment Transfer Agreement and Finance Lease Agreement will provide the Group with additional working capital to support its business and operational activities and the terms and conditions of the Equipment Transfer Agreement and Finance Lease Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON CDM

CDM is a company established in the PRC and an indirect wholly owned subsidiary of the Company. It is principally engaged in manganese mining and downstream manganese operations.

INFORMATION ON FC FINANCING

FC Financing is a company established in the PRC and is principally engaged in finance lease business.

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, FC Financing and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of Directors of the Company
“CDM”	中信大錳礦業有限責任公司 (CITIC Dameng Mining Industry Co. Limited), an indirect wholly-owned subsidiary of the Company
“Company”	CITIC Dameng Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1091)
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“EMD”	Electrolytic Manganese Dioxide
“FC Financing”	富成融資租賃有限公司 (Fu Cheng Lease Financing Limited Company)
“Finance Lease Arrangement”	the finance lease arrangement in relation to the finance lease of the Equipment under the Equipment Transfer Agreement and the Finance Lease Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“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\$1.2133 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 November 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 Jiqui; and the independent non-executive Directors are Mr. Yang Zhi Jie, Mr. Mo Shijian and Mr. Tan Zhuzhong.

**For identification purpose only*