

*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.*

*This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.*



**DAMENG**

## **CITIC Dameng Holdings Limited**

**中信大錳控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1091)**

### **DISCLOSEABLE AND SHARE TRANSACTIONS**

#### **(1) FURTHER ACQUISITION OF LISTED SECURITIES IN CHINA**

##### **POLYMETALLIC MINING LIMITED**

##### **AND**

#### **(2) SP AGREEMENT**

#### **(1) FURTHER ACQUISITION OF LISTED SECURITIES IN CHINA POLYMETALLIC MINING LIMITED**

Reference is made to the announcement of the Company dated 17 June 2015 in respect of the Previous Acquisition. Terms defined therein shall have the same meanings when used in this announcement unless the otherwise provided herein.

The Board is pleased to announce that the Company (through CDI, a wholly-owned subsidiary of the Company) further acquired both on the open market and off market the Additional Acquired Shares in a series of transactions conducted between 18 June 2015 to 26 June 2015 for an aggregate consideration (exclusive of transaction costs) of HK\$74,669,919 (equivalent to an average price of approximately HK\$0.692 per Additional Acquired Share (exclusive of transaction costs)).

#### **(2) SP AGREEMENT**

The Board is also pleased to announce that on 26 June 2015 the Seller and CDI has entered into the SP Agreement and subject to and in accordance with the terms and conditions of the SP Agreement, (i) the Seller has conditionally agreed to sell and CDI has conditionally agreed to purchase the Sale Shares; and in return (ii) the CDI has conditionally agreed to procure the Company to issue and allot the Consideration Shares

to the Seller (and/or its nominees).

Consideration Shares will be issued under the General Mandate. Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Further Acquisition and the transaction contemplated under the SP Agreement on an aggregate basis are more than 5% but all less than 25%, the Further Acquisition together with the transaction contemplated under the SP Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

The Consideration under the SP Agreement is to be settled by the Consideration Shares and therefore the transaction contemplated under the SP Agreement also constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

Accordingly, the Further Acquisition and the transaction contemplated under the SP Agreement are subject to the reporting and announcement requirements only but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**Completion of the SP Agreement is subject to the satisfaction of the conditions precedent under the SP Agreement. As the SP Agreement may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **(1) FURTHER ACQUISITION OF LISTED SECURITIES IN CHINA POLYMETALLIC MINING LIMITED**

Reference is made to the announcement of the Company dated 17 June 2015 in respect of the Previous Acquisition. Terms defined therein shall have the same meanings when used in this announcement unless the otherwise provided herein.

The Board is pleased to announce that the Company (through CDI, a wholly-owned subsidiary of the Company) further acquired both on the open market and off market the Additional Acquired Shares in a series of transactions conducted between 18 June 2015 to 26 June 2015 for an aggregate consideration (exclusive of transaction costs) of HK\$74,669,919 (equivalent to an average price of approximately HK\$0.692 per Additional Acquired Share (exclusive of transaction costs)).

The purchase price paid by the Company represented the then or close to the then market price of CPM Share and the consideration of the Further Acquisition was financed by the proceeds raised from the share placement of the Company which was completed on 23 June 2015.

### **INFORMATION ON CPM**

CPM is a limited company incorporated under the laws of the Cayman Islands. Its shares have been listed on the Main Board of the Stock Exchange (Stock Code: 2133) since 14 December 2011.

CPM is one of the largest lead and zinc pure mining company in Yunnan Province, the PRC in terms of resources with abundant and high-grade silver reserves. CPM owns and operates a large-scale, high grade lead-zinc-silver polymetallic Shizishan Mine and some other significant polymetallic resources.

The following information is extracted from the 2012, 2013 and 2014 annual reports of CPM:

	<b>For the year ended 31 December 2012</b>	<b>For the year ended 31 December 2013</b>	<b>For the year ended 31 December 2014</b>
	<b><i>RMB '000</i> (Audited)</b>	<b><i>RMB '000</i> (Audited)</b>	<b><i>RMB '000</i> (Audited)</b>
Total assets	1,884,776	2,190,563	2,985,865
Total equity	1,564,405	1,742,677	1,739,356
Profit before taxation	263,098	215,535	21,196
Profit after taxation	178,862	139,895	11,755

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CPM is a third party independent of the Company and its connected persons.

#### **INFORMATION OF THE GROUP, CDI AND THIRD PARTY VENDORS**

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.

CDI is a limited company incorporated in the British Virgin Islands and carries on the business of investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Third Party Vendors and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### **REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITION**

Having considered (i) the performance of CPM in recent years; (ii) the net asset value of CPM; and (iii) the mineral resources and reserves of CPM based on the available public information, the Company considers that the further acquisition of CPM Shares is an attractive investment, which would provide satisfactory returns to the investment.

As the Further Acquisition was made at or close to the market price, the Directors (including the independent non-executive Directors) are of the view that the Further Acquisition was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **(2) The SP AGREEMENT**

### **DATE**

26 June 2015

### **PARTIES**

- (a) Challenger Mining, as the Seller; and
- (b) CDI, as the buyer

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate shareholders are third parties independent of the Company and the connected persons (as defined under the Listing Rules) of the Company.

### **ASSETS TO BE ACQUIRED**

The Sale Shares represents approximately 7.575% of the issued share capital of CPM which amounts to a value of HK\$135,590,000 representing 150,655,556 shares of CPM at a price of HK\$0.90 per share. The price of HK\$0.90 per Sale Share represents a discount of approximately 15.9% to the net book value of approximately HK\$1.07 per share of CPM as at 31 December 2014, based on the audited accounts of CPM for the year then ended.

For the purpose of information only, the price of HK\$0.90 per Sale Share represents:

- (a) a premium of approximately 28.6% over the closing price of HK\$0.70 per share of CPM as quoted on the Stock Exchange on 25 June 2015, being the Last Trading Day;
- (b) a premium of approximately 23.6% over the average closing price per share of CPM as quoted on the Stock Exchange for the last 5 consecutive full trading days prior to the Last Trading Day, being HK\$0.728 per share; and
- (c) a premium of approximately 28.2% over the average closing price per share of CPM as quoted on the Stock Exchange for the last 10 consecutive full trading days prior to the Last Trading Day, being approximately HK\$0.702 per Share.

### **CONSIDERATION**

The Consideration with a total amount of HK\$135,590,000 (excluding transaction cost) shall be satisfied in full by the allotment and issue of the Consideration Shares by the Company to the Seller on the Completion Date at HK\$1.30 per Consideration Share to the Seller.

The Consideration Shares represent (i) approximately 3.135% of the existing issued share capital of the Company and (ii) approximately 3.039% of the Company's issued share capital as enlarged by the issue of the Consideration Shares. The Consideration Shares will be allotted and issued under the General Mandate. The Consideration Shares when allotted and issued shall be credited as fully paid and rank pari passu with all other Shares in issue in the share capital of the Company.

Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares.

The Consideration was arrived on an arm's length commercial basis between CDI and the Seller by reference to the operating results, the financial performance and the net asset value per share of CPM as detailed above.

The issue price of HK\$1.30 per Consideration Share represents:

- (a) a premium of approximately 4.0% over the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on 25 June 2015, being the Last Trading Day;
- (b) a discount of approximately 8.2% to the average closing price per Share as quoted on the Stock Exchange for the last 5 consecutive full trading days prior to the Last Trading Day, being HK\$1.416 per Share; and
- (c) a discount of approximately 10.1% over the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive full trading days prior to the Last Trading Day, being approximately HK\$1.446 per Share.

## **CONDITIONS PRECEDENT**

Completion of the SP Agreement is conditional upon the satisfaction of the following conditions:

- (a) all necessary consents and approvals in relation to the sale of Sale Shares having been obtained by the Seller;
- (b) all necessary consents and approvals in relation to the purchase of the Sale Shares and the issue and allotment of the Consideration Shares (including the relevant approval from the shareholders (or independent shareholders, as applicable) of CDI and, in accordance with all applicable requirements under the Listing Rules and the Hong Kong Code on Takeovers and Mergers and all other requirements imposed by the Hong Kong Stock Exchange and the Securities and Futures Commission of the Company) having been obtained;
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all the Consideration Shares on the Stock Exchange;
- (d) the publication of this Announcement; and
- (e) the warranties given by each of the Seller and CDI under the SP Agreement remaining true and accurate in all material respects and not misleading in any material respect.

## **COMPLETION**

Completion shall take place on the Completion Date.

Immediately before the Further Acquisition and the Completion, the Group was beneficially interested in 334,163,865 CPM Shares, representing approximately 16.80% of the entire issued share capital of CPM.

Following the Further Acquisition and the Completion, the Group will become beneficially interested in an aggregate of 592,775,421 CPM Shares, representing approximately 29.81% of the entire issued share capital of CPM.

## GENERAL MANDATE TO ISSUE THE CONSIDERATION SHARES

The maximum number of Shares which may be allotted and issued under the General Mandate is 665,455,000 Shares. Up to the date of this announcement, the General Mandate has not been used since its grant. The issue of the Consideration Shares shall be under the General Mandate and is not subject to Shareholders' approval.

## CHANGE IN SHAREHOLDING STRUCTURE

Assuming there is no change in the share capital of the Company from the date of this announcement up to Completion other than the allotment and issue of the Consideration Shares upon Completion, to the best knowledge and belief of the Directors and based on the information set out in the disclosure of interests notices filed with the Stock Exchange, the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion, is as follow:

	As at the date of this announcement		Immediately after the Completion	
	Shares	%	Shares	%
Highkeen Resources Limited ( <i>Note 1</i> )	1,179,000,000	35.43	1,179,000,000	34.36
Guinan Dameng International Resources Limited ( <i>Note 2</i> )	776,250,000	23.33	776,250,000	22.62
Apexhill Investments Limited ( <i>Note 3</i> )	311,026,000	9.35	311,026,000	9.06
<b>Public Shareholders</b>				
Challenger Mining	Nil	Nil	104,300,000	3.04
The other public Shareholders	<u>1,060,999,000</u>	<u>31.89</u>	<u>1,060,999,000</u>	<u>30.92</u>
	<u>3,327,275,000</u>	<u>100.00</u>	<u>3,431,575,000</u>	<u>100.00</u>
	=====	=====	=====	=====

Notes:

- (1) Highkeen Resources Limited is wholly owned by Group Smart Resources Limited, which is in turn wholly owned by Starbest Venture Limited (“**Starbest Venture**”). Starbest Venture is wholly owned by CITIC Resources Holdings Limited (Stock Code: 1205) (“**CITIC Resources**”), which is in turn owned as

to 49.5% by Keentech Group Limited (“**Keentech**”). Keentech is wholly owned by CITIC Projects Management (HK) Limited (“**CITIC Projects**”). CITIC Projects is wholly owned by CITIC Corporation Limited (formerly known as CITIC Limited) (“**CITIC Corporation**”). CITIC Corporation is wholly owned by CITIC Limited (formerly known as CITIC Pacific Limited) (Stock Code: 267), which is owned as to 29.9% by CITIC Glory Limited and as to 38% by CITIC Polaris Limited. CITIC Glory Limited and CITIC Polaris Limited are wholly owned by CITIC Group Corporation. CITIC Group Corporation is a company established in the PRC.

- (2) Guinan Dameng International Resources Limited is wholly owned by Huanan Dameng Investments Limited, which is in turn wholly owned by Guangxi Dameng Manganese Industrial Co., Ltd.
- (3) Apexhill Investments Limited is wholly owned by CITIC United Asia Investments Limited, which is in turn wholly owned by CITIC Projects.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save for the share placement of the Company as disclosed in the announcements of the Company dated 15 June 2015 and 23 June 2015, the Company has not raised fund by any issue of equity security during the 12 months immediately before the date of this announcement.

## **INFORMATION OF THE SELLER**

The Seller is a limited company incorporated in Jersey which carries on the business of investment holding.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SP AGREEMENT**

In addition to the reasons for and benefits of the Further Acquisition set out above, the issue price of Consideration Shares represents a premium of 13.5% over our Company’s net book value per share as at 31 December 2014. On the contrary, the Sale Shares are valued at a discount of approximately 15.9% to CPM’s net book value per share as at 31 December 2014. Moreover, the payment method by way of issue of Shares can enlarge the equity base of the Company and save the Company’s cash resources, thereby strengthening the Company’s balance sheet. The Directors consider the terms of the SP Agreement including the Consideration and payment method, as well as the price of the Sale Shares and the issue price of the Consideration Shares is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Further Acquisition and the transaction contemplated under the SP Agreement on an aggregate basis are more than 5% but all less than 25%, the Further Acquisition together with the transaction contemplated under the SP Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

The Consideration under the SP Agreement is to be settled by the Consideration Shares and therefore the transaction contemplated under the SP Agreement also constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

Accordingly, the Further Acquisition and the transaction contemplated under the SP

Agreement are subject to the reporting and announcement requirements only but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**Completion of the SP Agreement is subject to the satisfaction of the conditions precedent under the SP Agreement. As the SP Agreement may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Additional Acquired Share(s)”	a total of 107,956,000 CPM Shares further acquired by the Company (through CDI, a wholly-owned subsidiary of the Company), representing approximately 5.428% of the issued share capital of CPM
“Board”	the board of Directors
“CDI”	CITIC Dameng Investments Limited (中信大鋳投資有限公司), a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Challenger Mining” or “Seller”	Challenger Mining 8 Limited, a company incorporated in Jersey with limited liability
“Company”	CITIC Dameng Holdings Limited (中信大鋳控股有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1091)
“Completion”	the completion contemplated under the SP Agreement
“Completion Date”	five (5) business days after the date on which all conditions under the SP Agreement have been fulfilled (or such later date as the parties may agree in writing) and in any event, not later than 90 days after date of the SP Agreement
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Consideration”	the consideration to be paid by CDI under the SP Agreement
“Consideration Shares”	104,300,000 new Shares to be allotted and issued upon Completion to the Seller at HK\$1.30 per Share as the Consideration



“CPM”	China Polymetallic Mining Limited (中國多金屬礦業有限公司) is a limited company incorporated under the laws of the Cayman Islands whose shares have been listed on the Main Board of the Stock Exchange (Stock Code: 2133) since 14 December 2011
“CPM Share(s)”	ordinary share(s) of HK\$0.00001 each in the issued share capital of CPM
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Further Acquisition”	the series of acquisitions of the Additional Acquired Shares by the Group conducted between 18 June 2015 to 26 June 2015
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 24 June 2015, <i>among other things</i> , to allot, issue and deal with up to 20% of the issued share capital of the Company as at that date
“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
“Last Trading Day”	25 June 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	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
“Previous Acquisition”	the acquisition of 334,163,865 CPM Shares acquired by the Company (through CDI, a wholly-owned subsidiary of the Company), representing approximately 16.80% of the issued share capital of CPM, details of which have been disclosed in the announcement of the Company dated 17 June 2015
“Sale Shares”	150,655,556 issued shares of CPM, representing approximately 7.575% of the issued capital of CPM as of the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of

	the Company
“Shareholder(s)”	holder of the issued share(s) of the Company
“SP Agreement”	the sale and purchase agreement dated 26 June 2015 entered into between Challenger Mining as the seller and CDI as the buyer in respect of the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Party Vendors”	vendors of the Additional Acquired Shares, being third parties independent of the Company and its connected persons
“%”	per cent

By order of the Board  
**CITIC DAMENG HOLDINGS LIMITED**  
**Qiu Yiyong**  
Chairman

Hong Kong, 26 June 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 Jiqiu; and the independent non-executive Directors are Mr. Yang Zhi Jie, Mr. Mo Shijian and Mr. Tan Zhuzhong.*

*\*For identification purpose only*