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DAMENG

CITIC Dameng Holdings Limited

中信大錳控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1091)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION LIMITED PARTNERSHIP AGREEMENT IN RELATION TO THE ESTABLISHMENT OF THE LIMITED PARTNERSHIP

ESTABLISHMENT OF THE LIMITED PARTNERSHIP

The Board is pleased to announce that on 15 June 2018, Guangxi Investment, an indirect wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with Cinda Asset and Cinda International in respect of, among other matters, the establishment of the Limited Partnership in the PRC and the subscription of interest therein. Pursuant to the Limited Partnership Agreement, the total capital of the Limited Partnership is RMB501,000,000 (equivalent to HKD616,230,000), among which RMB175,000,000 (equivalent to HKD215,250,000) is to be contributed by Guangxi Investment as a Limited Partner.

THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are summarized below:

Date	15 June 2018
Name of the Limited Partnership	寧波大錳投資管理合夥企業（有限合夥）
Partners	(1) Cinda Asset, as the Limited Partner (2) Guangxi Investment, as the Limited Partner (3) Cinda International, as the General Partner

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Cinda Asset and Cinda International and their ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Management Partner	Cinda International
Purpose of the Limited Partnership	For merger and acquisition as well as integration of upstream and downstream companies in manganese industry, including manganese resources, manganese products, and ferroalloy manufacturing, the forms of merger and acquisition include, but are not limited to, share acquisitions, debt acquisitions, physical assets acquisitions, etc.
Term of operation of the Limited Partnership	The term of operation of the Limited Partnership shall commence on the date of the Limited Partnership Agreement and shall continue for 10 years.
Committed Capital contribution	<p>The total capital of the Limited Partnership under the Limited Partnership Agreement is RMB501,000,000 (equivalent to HKD616,230,000).</p> <p>(1) Cinda International, as the General Partner, has committed to contribute RMB1,000,000 (equivalent to HKD1,230,000) in cash.</p> <p>(2) Each of Cinda Asset and Guangxi Investment, as the Limited Partners, has committed to contribute the total sums of RMB325,000,000 (equivalent to HKD399,750,000) and RMB175,000,000 (equivalent to HKD215,250,000) respectively in cash.</p> <p>The Group will finance its share of capital contributions to the Limited Partnership through its internal resources and/or bank loans.</p>
Implementation of partnership affairs	The General Partner serving as the management partner will implement the partnership affairs.
Annual management fee	The Limited Partnership shall pay the General Partner an annual management fee equivalent to 0.5% of the capital contribution that Cinda Asset contributed to the Limited Partnership.
Share of profit and loss	<p>Except that the distribution of profit of each specific project of the Limited Partnership is to be determined between the relevant Partners, the profit of the Limited Partnership is to be distributed in accordance with the respective committed capital contributions by the Partners.</p> <p>The liability of the Limited Partners is limited to the respective capital commitments by each Limited Partner to the Limited Partnership, while the General Partner has unlimited liability.</p>

Dissolution and winding-up of the Limited Partnership

Subject to the Limited Partnership Agreement, the Limited Partnership will be dissolved and wound up in the following events:

- (1) the term of the Limited Partnership expires and the Partners decide not to operate any longer;
- (2) all Partners decide to dissolve the Limited Partnership;
- (3) the number of Partners fails to reach the quorum for more than 30 days;
- (4) the objective of the Limited Partnership as stated in the Limited Partnership Agreement has been realized or is unable to realize;
- (5) the business license of the Limited Partnership is revoked, or is ordered to close up or to be revoked; or
- (6) any other reasons as provided under the relevant PRC laws and administrative regulations.

INFORMATION ABOUT THE GROUP, GUANGXI INVESTMENT, CINDA ASSET AND CINDA INTERNATIONAL

THE GROUP

The Group 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.

GUANGXI INVESTMENT

Guangxi Investment is a company with limited liability incorporated in the PRC and is an indirectly wholly owned subsidiary of the Group and is principally engaged in sales of manganese related products, trading of metals and investment holding.

CINDA ASSET

Cinda Asset is a company with limited liability incorporated in the PRC and is principally engaged in distressed asset solutions and management.

CINDA INTERNATIONAL

Cinda International is a company with limited liability incorporated in the PRC and is an indirect subsidiary of Cinda Asset and is principally engaged in assets management business.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE LIMITED PARTNERSHIP AGREEMENT AND ESTABLISHMENT OF THE LIMITED PARTNERSHIP

The Board is of the view that by leveraging on Cinda International and Cinda Asset's advantageous resources and/or experience in investment management, the Limited Partnership can bring more business opportunities and better investment return to the Group in merger and acquisition as well

as integration of upstream and downstream companies in manganese industry, including manganese resources, manganese products, and ferroalloy manufacturing.

The Board (including the independent non-executive Directors) is of the view that the terms of the Limited Partnership Agreement were negotiated on an arm's length basis among the Partners and are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Limited Partnership Agreement are more than 5% but less than 25%, the entering into the Limited Partnership and the transactions contemplated thereunder constitutes a disclosable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules but is exempt from shareholders' approval.

DEFINITIONS

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

“Board”	the board of Directors;
“Cinda Asset”	中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.), a limited liability company incorporated in the PRC;
“Cinda International”	信達國際(上海)投資諮詢有限公司 (Cinda International (Shanghai) Investment Consulting Co., Ltd.), a limited liability company incorporated in the PRC;
“Company”	CITIC Dameng Holdings Limited (中信大錳控股有限公司) (Stock Code: 1091), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“General Partner”	the general partner of the Limited Partnership, being Cinda International;
“Group”	the Company and its subsidiaries;
“Guangxi Investment”	中信大錳(廣西)礦業投資有限責任公司, a limited liability company incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;

“Limited Partnership”	寧波大錕投資管理合夥企業（有限合夥），a limited partnership established and registered under the laws of the PRC pursuant to the Limited Partnership Agreement;
“Limited Partner(s)”	the limited partners of the Limited Partnership, being Cinda Asset and Guangxi Investment;
“Limited Partnership Agreement”	means the limited partnership agreement entered into by Cinda Asset, Cinda International and Guangxi Investment on 15 June 2018 in respect of the establishment of the Limited Partnership in the PRC and the subscription of interest therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Partner(s)”	the partner(s) of the Limited Partnership, including the General Partner and the Limited Partners;
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

For the purpose of this announcement, the exchange rate of RMB1.00 to HK\$1.23 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and do not constitute representations that any amount in HK\$ or RMB have been, could have been or may be converted at such rate.

By order of the Board

CITIC DAMENG HOLDINGS LIMITED

Yin Bo

Chairman

Hong Kong, 15 June 2018

As at the date of this announcement, the executive Directors are Mr. Yin Bo and Mr. Li Weijian; the non-executive Directors are Mr. Suo Zhengang, Mr. Chen Jiqu and Mr. Lyu Yanzheng; and the independent non-executive Directors are Mr. Lin Zhijun, Mr. Mo Shijian and Mr. Tan Zhuzhong.

**For identification purpose only*