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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)

POSITIVE PROFIT ALERT

This announcement is made by CITIC Dameng Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2017, the Group records a profit attributable to the owners of the parent company for such five months period as compared to a loss attributable to the owners of the parent company for the corresponding period in the year 2016. Based on this information and other information currently available, the Group is expected to record a profit attributable to owners of the parent company for the six months ending 30 June 2017 as compared to loss attributable to owners of the parent company of HK\$137,000,000 for the six months ended 30 June 2016. The reasons for the estimated turnaround were mainly attributable to the following:

- (1) As a result of increase in selling price of manganese products together with the increase in sales volume, it is expected that for the six months ending 30 June 2017 the gross profit ratio and gross profit contribution of the Group’s major products, electrolytic manganese metal and manganese briquette, as compared with corresponding period, will record a substantial increase.
- (2) Our Gabon project resumed production and sales from early 2017 and it is expected that Gabon project will provide operating profit contribution for the six months ending 30 June 2017 as opposed to an operation loss in the first half year of 2016.

Nevertheless, the aforesaid favorable factors are partially offset by the following event:

A loss of non-cash item in the sum of approximately HK\$70,000,000 was incurred, resulting from the dilution in our shareholding in an associate, China Polymetallic Mining Limited (Stock Code: 2133)(“CPM”) from 29.81% to 24.84% following the 20% placing exercise by CPM as detailed in its announcements of 17 May 2017 and 26 May 2017 respectively.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the five months ended 31 May 2017 and information currently available to the Company, and is not based on any figures or information which have been reviewed or audited by the Company’s auditors. The interim financial reporting period for the Group is yet to end on 30 June 2017 and accordingly the actual results of Group for such period may differ from the information contained in this announcement. Shareholders and potential investors of the Company should refer to the Group’s interim results announcement for the six months ending 30 June 2017, which is expected to be published by the end of August 2017, for details of the performance of the Group for such period.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 June 2017

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. Lyu Yanzheng and Mr. Chen Jiqu; and the independent non-executive Directors are Mr. Lin Zhijun, Mr. Mo Shijian and Mr. Tan Zhuzhong.

**For identification purpose only*