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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  
PROFIT WARNING**

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of currently available information, including the unaudited management accounts of the Group for the ten months ended 31 October 2015, it is expected that the Group will record a loss attributable to shareholders in the second half of the year 2015 not less than that in the first half as disclosed in the Company’s 2015 interim report. Accordingly, as compared with the profit attributable to Shareholders of HK\$15,488,000 for the year ended 31 December 2014, the financial performance of the Group for the year ending 31 December 2015 will be a significant deterioration and a sharp turnaround into a loss attributable to shareholders of the Company. Such a sharp turnaround and the major reasons of the loss are mainly attributable to the following factors in the year ending 31 December 2015:

- (1) Significant drop in the selling price of manganese products of the Company in line with commodity market as there was no improvement in the steel sector from the previous year. Continuous price drop significantly eroded the gross profit margin of our manganese products during 2015 and up to the date of this announcement;

- (2) Substantial decrease in external sales of manganese carbonate ores mined in the People's Republic of China due to weakening ore demand;
- (3) Temporary suspension of production of certain manganese processing plants upon periodic major repair and maintenance and therefore expenses previously accounted for as cost of sales have been charged to the profit and loss account directly; and
- (4) Decrease in Government subsidies.

In addition, we are still assessing the amount of provision for impairment to write down certain assets including stocks to their net realizable values as a result of the drop in the market price of manganese ores and manganese products.

The Group continues to strive to maintain its competitiveness in the manganese sector through improvement in its production efficiency and various cost cutting measures. In addition, the Group completed the purchase of 29.81% equity interests in China Polymetallic Mining Limited (Stock Code: 2133) in July 2015. This is our first move into non-manganese mining projects with a view to adding substantial synergic value to it by our strong and extensive expertise in the mining sector.

The information contained in this announcement is only based on the preliminary review by the Company's management and is not based on any figures or information that has been audited or reviewed by the auditors of the Company. Such information is subject to finalization. Shareholders and potential investors are advised to read carefully the 2015 annual results announcement of the Company which will be published before the end of March 2016.

**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, 3 December 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 Jiqu; and the independent non-executive Directors are Mr. Yang Zhi Jie, Mr. Mo Shijian and Mr. Tan Zhuzhong.*

*\*For identification purpose only*