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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2018, it is expected that the Group's profit attributable to owners of the parent company for the year ended 31 December 2018 will increase by over 100% as compared to HK\$140.8 million for the year ended 31 December 2017.

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

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company and potential investors that the Company and its subsidiaries (the “**Group**”) expects that its profit attributable to owners of the parent company (“**Profit**”) for the year ended 31 December 2018 will increase by over 100% as compared to the Profit of HK\$140.8 million for the year ended 31 December 2017. This is mainly attributable to the following reasons:

- (i) The average selling price of the Group's major product electrolytic metal manganese (“**EMM**”) increased by more than 15% for the first eleven months ended 30 November 2018 compared to the corresponding period in 2017.

The relevant factors, as also elaborated in Future Development and Outlook in the Company's 2018 Interim Report, includes market supply constraints in the PRC of both EMM and its raw material, manganese ore particularly in the second half of the year, due to environmental investigation and inspection initiated by the central government. The Group with its continuous investment in environmental protection successfully passed such investigation and inspection and therefore has been able to enlarge our market share of EMM with increase in selling price during the period while some other players having been ordered to suspend production until completion of specific rectification requirements;

- (ii) increase in profit contribution from our Gabon mine project, due to amongst others, increase in selling price of its ore products, and cost saving;
- (iii) increase in profit contribution and production capacity from our battery materials products electrolytic manganese dioxide and lithium manganese oxide, as a result of our change in structure of product mix thereto in line with the rapidly growing market demand for rechargeable batteries for use in electric vehicles, power storage and electronic products; and
- (iv) our continuous effort in cost control.

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2018 and other information currently available to the Company which has not been reviewed nor audited by the Company's independent auditor. Shareholders of the Company and potential investors are advised to refer to the details of the Company's results announcement for the year ended 31 December 2018 which will be announced before the end of March 2019.

Shareholders of the Company 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, 4 January 2019

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 Jiqui; and the independent non-executive Directors are Mr. Lin Zhijun, Mr. Tan Zhuzhong and Mr. Wang Chunxin.

**For identification purpose only*