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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)

UNDERWRITING AGREEMENT FOR THE ISSUE OF SHORT-TERM FINANCING NOTES

This is an announcement made in accordance with Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that CDM, an indirect wholly-owned subsidiary of the Company, entered into an Underwriting Agreement with Bank of China and CITIC Bank on 2 November 2012 pursuant to which CDM has engaged Bank of China and CITIC Bank as the lead underwriter and the vice lead underwriter respectively in respect of the proposed issue of the Notes. The Notes will have an aggregate principal amount of not exceeding RMB800,000,000 (equivalent to HK\$986,320,000) (expected to be issued in one or several tranche(s), partially or entirely, and the maturity of each tranche is expected to be not exceeding one year). The interest rate will be determined by, inter alia, the market conditions and the relevant requirements of the relevant regulatory authorities at the time of issue.

The issue of the Notes and the completion of the Underwriting Agreement is subject to, amongst others, the approvals of the relevant government authorities and the Association, and the conditions precedent contained in the Underwriting Agreement being fulfilled or waived. Pursuant to the Underwriting Agreement, CDM shall have the discretion to determine whether to issue the Notes after receiving the approval from the Association. The issue of the Notes may or may not proceed. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcements in respect of the Notes will be made by the Company in accordance with the requirements of the Listing Rules should the Notes be issued.

Introduction

The Board is pleased to announce that CDM, an indirect wholly-owned subsidiary of the Company, entered into an Underwriting Agreement with Bank of China and CITIC Bank on 2 November 2012 pursuant to which CDM has engaged Bank of China and CITIC Bank as the lead underwriter and the vice lead underwriter respectively in respect of the proposed issue of the Notes. The Notes will have an aggregate principal amount of not exceeding RMB800,000,000 (equivalent to HK\$986,320,000) (expected to be issued in one or several tranche(s), partially or entirely, and the maturity of each tranche is expected to be not exceeding one year). The interest rate will be determined by, inter alia, the market conditions and the relevant requirements of the relevant regulatory authorities at the time of issue.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Bank of China is an independent third party and is not a connected person of the Company.

The Underwriting Agreement

Date: 2 November 2012

Parties:

- (i) CDM, as issuer of the Notes
- (ii) Bank of China, as the lead underwriter and bookrunner
- (iii) CITIC Bank, as the vice lead underwriter

Principal Terms of the Underwriting Agreement:

- (i) CDM has engaged Bank of China and CITIC Bank respectively as the lead underwriter and vice lead underwriter in respect of the issue of the Notes with an aggregate principal amount not exceeding RMB800,000,000 (equivalent to HK\$986,320,000), and Bank of China and CITIC Bank have agreed to, subject to the terms of the Underwriting Agreement, to subscribe and/or procure purchasers to subscribe for the Notes. Bank of China has also agreed to assist CDM in relation to the registration, sale and other post-completion administrative matters in connection with the issue of the Notes pursuant to the terms of the Underwriting Agreement.
- (ii) The percentage ratio in respect of underwriting amount undertaken by Bank of China is 70% and that by CITIC Bank is 30%.
- (iii) Upon the Underwriting Agreement being effective, CDM shall have the discretion to determine whether it shall apply to the Association for approval in relation to the issue of the

Notes and whether to issue the Notes after receiving the approval from the Association.

- (iv) If, during the validity period after the registration of the Notes with the Association, CDM waives its right to issue the full amount of the registered Notes or does not issue the Notes within two years validity period after the registration, CDM only has to pay Bank of China and CITIC Bank the consultation fees for the issuance of the Notes in the respective sums of RMB560,000 (equivalent to HK\$690,424) and RMB240,000 (equivalent to HK\$295,896).

Estimated underwriting fees :

- (i) The estimated underwriting fees to be charged by Bank of China from CDM shall not be more than RMB2,240,000 (equivalent to HK\$2,761,696).
- (ii) The estimated underwriting fees to be charged by CITIC Bank from CDM shall not be more than RMB960,000 (equivalent to HK\$1,183,584).

Completion:

The issue of the Notes and the completion of the Underwriting Agreement is subject to, amongst others, the approvals of the relevant government authorities and the Association, and the conditions precedent contained in the Underwriting Agreement being fulfilled or waived.

Use of Proceeds

The Group intends to use the net proceeds received for replenishing its working capital and repayment of bank loans.

Listing Rules Implication for the Underwriting Agreement

CITIC Bank, a non-wholly owned subsidiary of CITIC Group, is an associate of CITIC Group which is a controlling shareholder of the Company. As such, CITIC Bank is a connected person of the Company, and thus, the transaction between CDM and CITIC Bank as contemplated under the Underwriting Agreement constitutes a connected transaction for the Company under the Listing Rules. As the Underwriting Agreement has been entered into between CDM and CITIC Bank on normal commercial terms and the maximum amount of the aggregate of the fees to be received by CITIC Bank from CDM under the Underwriting Agreement will not exceed 0.1 % of the applicable percentage ratios (other than profit ratio) under the Listing Rules, the transaction between CDM and CITIC Bank as contemplated under the Underwriting Agreement is exempted from the reporting, announcement and independent shareholder's approval under Chapter 14A.31(2) of the Listing Rules.

If the aggregate of the fees received by CITIC Bank from CDM under the Underwriting

Agreement exceed 0.1% of the applicable percentage ratios under the Listing Rules and/or CITIC Bank has to subscribe any unsubscribed Notes and/or there is a material change to the terms of the Underwriting Agreement, the Company will take necessary steps to ensure compliance with the Listing Rules.

Information Relating to the Parties

The Company 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.

Bank of China is a national commercial bank in China providing a full range of financial products and services to customers nationwide, with corporate banking, personal banking and treasury capital market operations.

CITIC Bank is a national commercial bank in China providing a full range of financial products and services to customers nationwide, with corporate banking, personal banking and treasury capital market operations.

The issue of the Notes and the completion of the Underwriting Agreement is subject to, amongst others, the approvals of the relevant government authorities and the Association, and the conditions precedent contained in the Underwriting Agreement being fulfilled or waived. Pursuant to the Underwriting Agreement, CDM shall have the discretion to determine whether to issue the Notes after receiving the approval from the Association. The issue of the Notes may or may not proceed. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcements in respect of the Notes will be made by the Company in accordance with the requirement of the Listing Rules should the Notes be issued.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Association”	National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會);
“Bank of China”	Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the lead underwriter and bookrunner pursuant to the Underwriting Agreement;
“Board”	the board of directors of the Company;
“CDM”	CITIC Dameng Mining Industries Co., Limited (中信大錳礦業有限公司), a company incorporated under the laws of the PRC,

	which is an indirect wholly-owned subsidiary of the Company;
“CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, the vice lead underwriter pursuant to the Underwriting Agreement;
“CITIC Group”	中國中信集團有限公司 (CITIC Group Corporation) (formerly known as 中國中信集團公司 (CITIC Group)), a company incorporated under the laws of the PRC, which is a controlling shareholder of the Company;
“Company”	CITIC Dameng Holdings Limited (Stock Code: 1091), a company incorporated in Bermuda whose shares are listed on the Stock Exchange;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the short-term financing notes (短期融資券) proposed to be issued by CDM with an aggregate principal amount not exceeding RMB800,000,000 (equivalent to HK\$986,320,000) pursuant to the Underwriting Agreement;
“PRC”	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Underwriting Agreement”	the underwriting agreement entered into among the Company, Bank of China and CITIC Bank dated 2 November 2012 in respect of the proposed issue of the Notes.

Note: In this announcement, save as otherwise provided, amounts in HK\$ are converted into RMB on the basis of RMB = HK\$1.2329. The conversion rate is for illustration purpose only and should not be taken as a representation that HK\$ could actually be converted into RMB at that rate or at all.

By order of the Board
CITIC DAMENG HOLDINGS LIMITED

Qiu Yiyong

Chairman

Hong Kong, 2 November 2012

As at the date of this announcement, the executive Directors are Mr. Qiu Yiyong, Mr. Li Weijian and Mr. Tian Yuchuan; the non-executive Directors are Mr. Mi Zengxin, Mr. Zeng Chen 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*