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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)

(1) MAJOR TRANSACTION IN RELATION TO THE CAPITAL INCREASE AGREEMENT

(2) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF CORPORATE GUARANTEE

(1) THE CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that on 22 December 2015, CDM entered into the Capital Increase Agreement with Guangxi Jinneng and Dushan Jinneng pursuant to which CDM and Guangxi Jinneng have agreed to make the capital contributions of RMB172,922,600 (approximately HK\$211,069,000) and RMB351,085,300 (approximately HK\$428,535,000) respectively to the registered capital of Dushan Jinneng.

As at the date of this announcement, Dushan Jinneng is held as to approximately 33% by CDM and approximately 67% by Guangxi Jinneng. After completion of the Capital Contribution, the registered capital of Dushan Jinneng will be increased from RMB234,650,000 (approximately HK\$286,414,000) to RMB758,657,900 (approximately HK\$926,018,000) and the respective percentage shareholdings of CDM and Guangxi Jinneng in Dushan Jinneng will remain unchanged.

Listing Rules Implications

The Previous Capital Contribution does not by itself constitute a notifiable transaction. But the Capital Increase Agreement and the Corporate Guarantee were entered into within 12 months after the Previous Capital Contribution, the transactions contemplated under the Capital Increase Agreement and the Corporate Guarantee shall be aggregated with the Previous Capital Contribution, under Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the Previous Capital Increase Agreement, Capital Increase Agreement and the Corporate Guarantee, in aggregate, are more than 25% but all less than

100%, such transactions together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

(2) PROVISION OF CORPORATE GUARANTEE

On 18 November 2015, CITIC Bank agreed, subject to conditions, to grant the Project Financing Loan in the amount of RMB800,000,000 (equivalent to approximately HK\$976,480,000) to Dushan Jinmeng for the purpose of financing the construction of the Project.

The Project Financing Loan is secured by, inter alia, (i) a legal charge over two pieces of industrial use land (with an aggregate area of approximately 667,000 squares meters) owned by Dushan Jinmeng where the Project is situated; (ii) a legal charge over the work in progress and upon completion of construction the buildings, plant and machinery of the Project; (iii) a charge over ten pieces of commercial use land (with an aggregate area of approximately 560,000 square meters) owned by 獨山縣麻尾工業區投資開發有限公司 (Dushan County Mawei Industrial Park Investment Limited), which is not a connected person of the Group; and (iv) a corporate guarantee by each of Guangxi Jinmeng and CDM in favour of CITIC Bank in respect of the Project Financing Loan in proportion to their respective equity interest held in Dushan Jinmeng on a several basis.

Listing Rules Implications

CITIC Group is a substantial shareholder of the Company. As CITIC Bank is a subsidiary of CITIC Group, it is therefore a connected person of the Company under Rule 14A.11 of the Listing Rules. As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Corporate Guarantee is more than 5% but less than 25%, the Corporate Guarantee constitutes a discloseable and connected transaction of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholder's approval.

GENERAL

The SGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Capital Increase Agreement and the Corporate Guarantee and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Capital Increase Agreement and the Corporate Guarantee and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) the notice of the SGM and a form of proxy are expected to be despatched to the Shareholders on or before 12 January 2016.

The Capital Increase Agreement and the Corporate Guarantee is conditional upon the fulfillment of certain conditions precedent. As the Capital Increase Agreement and the Corporate Guarantee may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PREVIOUS CAPITAL INCREASE AGREEMENT

On 12 November 2014, CDM entered into the Previous Capital Increase Agreement with Guangxi Jinneng and Dushan Jinneng pursuant to which CDM has made the capital contribution of RMB77,434,500 (approximately HK\$94,517,000) in cash to the registered capital of Dushan Jinneng.

The Directors (including the independent non-executive Directors) consider the transactions contemplated in the Previous Capital Increase Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Before the completion of the Previous Capital Increase Agreement, Dushan Jinneng was wholly owned by Guangxi Jinneng. After the completion of the Previous Capital Increase Agreement and up to the date of this announcement, Dushan Jinneng is held as to approximately 67.0% by Guangxi Jinneng and approximately 33.0% by CDM.

THE CAPITAL INCREASE AGREEMENT

On 22 December 2015, CDM entered into the Capital Increase Agreement with Guangxi Jinneng and Dushan Jinneng pursuant to which CDM and Guangxi Jinneng have agreed to make the capital contributions of RMB172,922,600 (approximately HK\$211,069,000) and RMB351,085,300 (approximately HK\$428,535,000) respectively to the registered capital of Dushan Jinneng.

Details of the Capital Increase Agreement are set out as follows:

Date: 22 December 2015

Parties:

- (1) CDM
- (2) Guangxi Jinneng
- (3) Dushan Jinneng

The Directors confirm that, to the best of their knowledge, information and belief and having made all reasonable enquiries, since the date of the Previous Capital Increase Agreement, each of Guangxi Jinneng and Dushan Jinneng and their ultimate beneficial owners is not a connected person of the Group.

Capital Increase

Pursuant to the Capital Increase Agreement, CDM and Guangxi Jinneng have agreed to make capital contributions in the respective sums of RMB172,922,600 (approximately HK\$211,069,000) and RMB351,085,300 (approximately HK\$428,535,000) to Dushan Jinneng subject to terms and conditions.

The Capital Contribution will be in cash and funded by the internal resources of CDM.

The capital contributions by CDM and Guangxi Jinneng pursuant to the Capital Increase Agreement will be made in proportion to their respective equity interest held in Dushan Jinneng immediately before the capital increase and based on arm's length negotiations between CDM and the Guangxi Jinneng on normal commercial terms and the total amount of the capital contribution have been determined with reference to the expected future fund requirements of the Project.

Conditions Precedent

The Capital Contribution is subject to and conditional upon, among others, the followings:

- (1) The respective representations and the warranties provided by Guangxi Jinneng and Dushan Jinneng under the Capital Increase Agreement remain true, accurate, complete and not misleading and there remains no material adverse change to Dushan Jinneng since the date of the Capital Increase Agreement. Also, Guangxi Jinneng and Dushan Jinneng have performed their respective duties and obligations and have completed their respective commitments under the Capital Increase Agreement;
- (2) CDM has obtained the approval from its internal authority and Stock Exchange in respect of the Capital Increase Agreement (if necessary);
- (3) CDM has obtained all other necessary documents under the Capital Increase Agreement;
- (4) Guangxi Jinneng has completed its capital contribution for subscription of its additional equity interest in Dushan Jinneng by way of capitalisation of its shareholder loan to Dushan Jinneng, on or before 31 December 2015;
- (5) Guangxi Jinneng warrants that it will provide its proportional share of guarantee to secure bank financing of Dushan Jinneng for its 67.0% equity interest in Dushan Jinneng.

None of the Conditions Precedent is waiveable.

Completion

If the Conditions Precedent are not fully satisfied on or before 31 December 2015 or any other date to be determined by CDM, CDM may but is not obliged to:

- (1) Request Guangxi Jinneng and Dushan Jinneng to continue to perform the Capital Increase Agreement without prejudice to the rights of CDM under the Capital Increase Agreement; or
- (2) Terminate the Capital Increase Agreement.

INFORMATION ABOUT GUANGXI JINMENG AND DUSHAN JINMENG

Guangxi Jinneng, a company established under the laws of the PRC, is principally engaged in manganese ferroalloy production and manganese mining in Guizhou, the PRC. It maintains

close business relationship with major steel plants in the PRC. The Group is a supplier of manganese ores to Guangxi Jinmeng.

Guangxi Jinmeng is owned as to 62.5%, 31.25%, 3.18% and 3.07% by 廣西思達通礦業有限公司 (Guangxi Sidatong Mining Limited), 北京因達思科技發展有限公司 (Beijing Yindasi Technology Development Limited), Mr. Guo Zhiyou (郭智有) (the husband of Ms. Peng Li (彭莉)) and Mr. Lei Yibin (雷貽斌). 廣西思達通礦業有限公司 (Guangxi Sidatong Mining Limited) is owned as to approximately 62.11%, 32.27% and 6.21% by Ms. Peng Li (彭莉) (the wife of Mr. Guo Zhiyou (郭智有)), Ms. Tang Qing (唐青) and Mr. Zhang Bin (張賓). 北京因達思科技發展有限公司 (Beijing Yindasi Technology Development Limited) is owned as to 90% by Mr. Guo Zhiyou (郭智有) and 10% by Mr. Yang Tongsheng (楊同生).

Based on the management accounts of Dushan Jinmeng which are prepared under the Hong Kong Financial Reporting Standards, certain financial information of Dushan Jinmeng are extracted as follows:

	As at 31 December 2013	As at 31 December 2014
Total assets	RMB356,559,000 (approximately HK\$435,216,000)	RMB570,467,000 (approximately HK\$696,312,000)
Net asset/ (liabilities)	(RMB51,946,000) (approximately (HK\$63,405,000))	RMB168,848,000 (approximately HK\$206,096,000)
	For the year ended 31 December 2013	For the year ended 31 December 2014
Revenue	RMB134,236,000 (approximately HK\$163,848,000)	RMB36,674,000 (approximately HK\$44,764,000)
Net loss before tax	RMB16,059,000 (approximately HK\$19,602,000)	RMB12,276,000 (approximately HK\$14,984,000)
Net loss after tax	RMB16,059,000 (approximately HK\$19,602,000)	RMB12,276,000 (approximately HK\$14,984,000)

REASONS FOR THE CAPITAL CONTRIBUTION

Dushan Jinmeng is currently building the Project comprising a manganese ferroalloy downstream processing plant with an estimated production capacity of 500,000 tons/ year and a self use power generating plant in Dushan County, Guizhou, the PRC. The Project is located at Mawei Industrial Park, Dushan, Qiannan Prefecture, which is on the list of Demonstration Parks for Private Enterprises (Small and Medium Enterprise) (民營經濟 (中小企業) 示範培育園區) Implementation Plan for ‘511’ Demonstration Zone Incubation Programme (Qian Jin Xin Ban (2012) 28)(《“511”示範園區培育計劃實施方案》(黔經信

辦（2012）28 號）) issued by The Economic and Information Commission of Guizhou Province. In addition, the Project is also one of the 20 “Four Integrated” projects of Guizhou Province in the List of ‘Four Integrated’ Projects of Guizhou Province (Qian Jin Xin Yuan Cai Liao (2014) Circular No.56) (黔經信原材料（2014）56 號文件《關於同意將目標公司 50 萬噸新型錳材料和配套 2 × 1 5 0 M W 熱電聯產項目納入貴州省“四個一體化”重點建設項目名單的批復》). Therefore, the development of the Project is strongly supported by the local government.

Besides, it is expected that Dushan Jinmeng can take full advantages of the abundant coal resources in Guizhou, manganese ore resources of both of the Group and outside the Group in a neighbouring autonomous region, Guangxi, and well-established logistics facilities in Dushan County, for it to build an industrial park integrating all the advantages of both Guizhou and Guangxi. The Project on completion will become one of the largest integrated power to manganese ferroalloy downstream processing plant with self supplied power plant in the PRC, particularly in the southern region of the PRC. Given its relative close proximity to the surrounding steel plants in the southern region of the PRC, it is anticipated that Dushan Jinmeng will be one of the key manganese ferroalloy raw material suppliers to the steel plants in the southern market of the PRC.

After the completion of the Previous Capital Contribution by CDM, the Company continued to closely monitor the development of the Project and the market condition of manganese ferroalloy. Although the Directors anticipate that the demand of manganese ferroalloy in the PRC will not change substantially in the near future, there will be tightening control on the ferroalloy downstream production plants for environmental rules and regulations compliance and therefore those small scale, outdated and unregulated ferroalloy production plants will be gradually phased out by larger plants like our Project.

In view of the above, the Directors believe that manganese ferroalloy sector will encounter further restructuring and given the advantage of the Project in its geological location together with the increased scale of production and more importantly, the self-supplied power generator which can provide sufficient and reliable supply of electricity at a lower cost. As power cost is one of the major cost elements in production of ferroalloy, the unit production cost of Dushan Jinmeng, as compared to other ferroalloy processing plants in the PRC, will have significant competitive advantage which can hardly be copied by competitors.

The Directors (including the independent non-executive Directors) consider the terms of the Capital Increase Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Previous Capital Contribution does not by itself constitute a notifiable transaction. But the Capital Increase Agreement and the Corporate Guarantee were entered into within 12 months after the Previous Capital Contribution, the transactions contemplated under the Capital Increase Agreement and the Corporate Guarantee shall be aggregated with the Previous Capital Contribution, under Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the Previous Capital Increase Agreement, Capital Increase Agreement and the Corporate Guarantee, in aggregate, are more than 25% but less than 100%,

such transactions together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

PROVISION OF CORPORATE GUARANTEE

On 18 November 2015, CITIC Bank agreed, subject to conditions, to grant the Project Financing Loan in the amount of RMB800,000,000 (equivalent to approximately HK\$976,480,000) to Dushan Jinmeng for the purpose of financing the construction of the Project.

The Project Financing Loan is secured by, inter alia, (i) a legal charge over two pieces of industrial use land (with an aggregate area of approximately 667,000 squares meters) owned by Dushan Jinmeng where the Project is situated; (ii) a legal charge over the work in progress and upon completion of construction the buildings, plant and machinery of the Project; (iii) a charge over ten pieces of commercial use land (with an aggregate area of approximately 560,000 square meters) owned by 獨山縣麻尾工業區投資開發有限公司 (Dushan County Mawei Industrial Park Investment Limited), which is not a connected person of the Group; and (iv) a corporate guarantee by each of Guangxi Jinmeng and CDM in favour of CITIC Bank in respect of the Project Financing Loan in proportion to their respective equity interest held in Dushan Jinmeng on a several basis.

The major terms of the Corporate Guarantee are summarised below:

Date:	22 December 2015
Parties:	(1) Dushan Jinmeng as the borrower (2) CDM as the guarantor (3) CITIC Bank as the lender
Guaranteed obligations:	33% of the repayment obligations of Dushan Jinmeng under the Facility Agreement in respect of the Project Financing Loan, which equals to RMB264,000,000 (equivalent to approximately HK\$322,238,000) together with interest, cost and expenses accrued thereon.
Period:	Same as the Facility Agreement (i.e. 7 years commencing from the date of the drawdown of the Project Financing Loan).
Condition Precedent:	The Corporate Guarantee is subject to Independent Shareholders' approval.

Reasons for Entering into the Corporate Guarantee

The Corporate Guarantee is provided as a security inter alias to enable Dushan Jinmeng to obtain the Project Financing Loan for the construction of the Project. The Project Financing Loan can minimise the capital contribution requirement into Dushan Jinmeng by CDM, being

a shareholder of Dushan Jinneng. The Project Financing Loan therefore relieves CDM from the pressure of immediate cash outflow as investment into Dushan to the extent of CDM's proportional share of guarantee amount.

It is common commercial practice for banks in the PRC to require guarantee from the ultimate owner of a borrower for project financing loan. As CDM holds approximately 33.0% equity interest in Dushan Jinneng, CDM is required to provide corporate guarantee in favour of CITIC Bank for the Project Financing Loan in proportion to its equity interest held in Dushan Jinneng.

In view of a similar guarantee and indemnity have been provided by the other shareholder, Guangxi Jinneng to CITIC Bank in proportion to its equity interest held in Dushan Jinneng, the Directors (including the independent non-executive Directors) consider that the terms of the provision of the Corporate Guarantee is on normal commercial terms, fair and reasonable, and in the interests of the Company and Shareholders as a whole.

Information About CITIC Bank

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 being its principal business activities.

Listing Rules Implications

CITIC Group is a substantial shareholder of the Company. As CITIC Bank is a subsidiary of CITIC Group, it is therefore a connected person of the Company under Rule 14A.11 of the Listing Rules.

As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Corporate Guarantee is more than 5% but less than 25%, the Corporate Guarantee constitutes a discloseable and connected transaction of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholder's approval.

Information About the Group

The Group is a vertically integrated manganese producer that produces and sells manganese products. It carries on manganese mining, ore processing and downstream processing operations (including manganese ferroalloy) in the PRC and manganese mining and ore operations in Gabon.

GENERAL

To the best of Directors' knowledge information and belief and having made all reasonable enquiries, (i) there is no Director who has material interest in the Capital Increase Agreement and is required to be abstained from voting in the board meeting for approving the transaction contemplated under the Capital Increase Agreement ; and (ii) Mr. Suo Zhengang, who is also a director of certain other subsidiaries of CITIC Group, is deemed to have a material interest in the Corporate Guarantee and therefore he has abstained from voting in the board meeting for approving the transaction contemplated under the Corporate Guarantee.

To the best of the Directors' knowledge information and belief and having made all reasonable enquiries, (i) there is no Shareholder who has material interest in the Capital Increase Agreement and is required to abstain from voting at the SGM for approving the transaction contemplated under the Capital Increase Agreement; and (ii) Apexhill and Highkeen are deemed to have material interests in the Corporate Guarantee and therefore they will be abstained from voting on the resolution at the SGM for approving the transaction contemplated under the Corporate Guarantee.

The SGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Capital Increase Agreement and the Corporate Guarantee and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Capital Increase Agreement and the Corporate Guarantee and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) the notice of the SGM and a form of proxy are expected to be despatched to the Shareholders on or before 12 January 2016.

The Capital Increase Agreement and the Corporate Guarantee is conditional upon the fulfillment of certain conditions precedent. As the Capital Increase Agreement and the Corporate Guarantee may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Apexhill”	Apexhill Investments Limited, a company incorporated in the British Virgin Islands, which is an indirect non-wholly owned subsidiary of CITIC Group and holds 311,026,000 Shares, representing approximately 9.07% of the issued Shares
“associate(s)”, “connected person(s)”, “substantial shareholder”	each has the meaning ascribed to it under the Listing Rules
“Capital Contribution”	the capital contribution in the amount of RMB172,922,600 (equivalent to HK\$211,069,000) to the registered capital of Dushan Jinmeng by CDM under the Capital Increase Agreement
“Capital Increase Agreement”	the Capital Increase Agreement dated 22 December 2015 entered into among Guangxi Jinmeng, Dushan Jinmeng and CDM
“CDM”	CITIC Dameng Mining Industry Co. Limited (中信大錳礦業有限公司), an indirect wholly-owned subsidiary of the Company

“CITIC Bank”	China CITIC Bank Corporation Limited (中國中信銀行股份有限公司) (Stock Code: 998), 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
“CITIC Group”	CITIC Group Corporation, a state-owned company established in the PRC in 1979 and the controlling shareholder of the Company
“Company”	CITIC Dameng Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1091)
“Conditions Precedent”	the conditions precedent for completion of the Capital Increase Agreement
“Corporate Guarantee”	the corporate guarantee to be provided by CDM in favour of CITIC Bank pursuant to the Corporate Guarantee Agreement
“Corporate Guarantee Agreement”	the corporate guarantee agreement dated 22 December 2015 Agreement” entered into by CDM in favour of CITIC Bank in relation to its guarantee of 33.0% repayment obligation of Dushan Jinneng under the Facility Agreement (i.e. RMB264,000,000 (equivalent to HK\$322,238,000))
“CPM”	China Polymetallic Mining Limited (中國多金屬礦業有限公司), a limited company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2133)
“Directors”	the directors of the Company
“Dushan Jinneng”	Dushan Jinneng Manganese Limited Company (獨山金孟錳業有限公司), a company incorporated under the laws of the PRC
“Facility Agreement”	the loan facility agreement dated 18 November 2015 entered into between Dushan Jinneng and CITIC Bank in relation to the Project Financing Loan
“Group”	the Company and its subsidiaries
“Guangxi Jinneng”	Guangxi Jinneng Manganese Limited Company (廣西金孟錳業有限公司), a company established under the laws of the PRC, which holds approximately 67.0% equity interest in Dushan Jinneng as at the date of this announcement
“Highkeen”	Highkeen Resources Limited, a company incorporated in the British Virgin Islands, an indirect non-wholly owned subsidiary

	of CITIC Group, which holds 1,179,000,000 Shares, representing approximately 34.39% of the issued Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors, namely Mr. Yang Zhi Jie, Mr. Mo Shijian and Mr. Tan Zhuzhong, to consider and advise the Independent Shareholders in relation to the provision of Corporate Guarantee
“Independent Shareholder(s)”	Shareholder(s) other than Apexhill and Highkeen and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Messis Capital”	Messis Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Corporate Guarantee and the transactions contemplated thereunder
“PRC”	the People’s Republic of China
“Previous Capital Contribution”	the capital contribution in the amount of RMB77,434,500 (approximately HK\$94,517,000) to the registered capital of Dushan Jinneng by CDM pursuant to the Previous Capital Increase Agreement
“Previous Capital Increase Agreement”	the capital increase agreement dated 12 November 2014 entered into between CDM, Guangxi Jinneng and Dushan Jinneng
“Project”	the manganese ferroalloy downstream processing plant with an estimated production capacity of 500,000 tons/year and a self use power generator plant being under construction in Dushan county, Guizhou province, the PRC owned by Dushan Jinneng
“Project Financing Loan”	a RMB800,000,000 (equivalent to approximately HK\$976,480,000) project financing facility provided to Dushan Jinneng by CITIC Bank under the Facility Agreement
“RMB”	renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened and held for (i) the Shareholders to consider and, if thought fit, to approve, among other matters, the Capital Increase Agreement and the transactions contemplated thereunder and (ii) Independent Shareholders to consider and, if thought fit, to

approve, among other matters, the Corporate Guarantee and the transactions contemplated thereunder

“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

Note: 1. The English names of the PRC entities mentioned hereinabove are translated from their Chinese names. If there are any inconsistencies, the Chinese names shall prevail.

2. Unless otherwise specified and for illustration purpose only, the figures in RMB are converted into HK\$ at the rate of RMB1.00=HK\$1.2206 throughout this announcement for indication purposes only. Such conversion should not be construed as a representation that the relevant currency could actually be converted into HK\$ at that rate or at all.

By order of the Board

CITIC DAMENG HOLDINGS LIMITED

Yin Bo

Chairman

Hong Kong, 22 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*