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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)

VOLUNTARY ANNOUNCEMENT A LITIGATION INVOLVING A SUBSIDIARY IN THE PEOPLE'S REPUBLIC OF CHINA

This is a voluntary announcement of the Company.

The Company noted that an indirect wholly owned subsidiary of the Company, 中信大錳礦業有限責任公司天等分公司 (CITIC Dameng Mining Industries Co., Limited Tiandeng branch) (“**CDM Tiandeng branch**”) and 中信大錳礦業有限責任公司 (CITIC Dameng Mining Industries Co., Limited) (“**CDM**”) have been named as the 1st and 2nd defendants in a writ of summons (民事起訴狀) filed with the Intermediate People's Court of the Guangxi Zhuang Autonomous Region, the People's Republic of China (中華人民共和國廣西壯族自治區中級人民法院) (the “**Legal Proceedings**”).

The plaintiff of the Legal Proceedings (the “**Plaintiff**”) allegedly requested for:

- (1) Termination of the 30,000 tonnes EMM Reduction Furnace Construction and Operation Contract (《3萬噸EMM還原爐工程建設以及營運合同》) inherited by the Plaintiff and CDM respectively;
- (2) CDM Tiandeng branch and CDM do jointly liable for the losses (including direct construction loss, environmental assessment costs, retained workers' expenses and the financing cost during the suspended production period, the loss of expected profit under the contract) together with the legal costs of the Legal Proceedings.

The Company considers that the Plaintiff's claims do not have any legal basis. The Company has sought advice from the legal advisers and will vigorously defend the Legal Proceedings. The Company will, at the appropriate time, make further announcement on the progress of the Legal Proceedings in accordance with the Listing Rules (if necessary).

Based on currently available information, the board of directors of the Company considers that the Legal Proceedings do not have material adverse impact on the normal business and operation of the Group.

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, 11 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*