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**DAMENG**

**CITIC Dameng Holdings Limited**

**中信大锰控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1091)**

**POSITIVE PROFIT ALERT AND  
UPDATE ON BEMBÉLÉ MANGANESE MINE IN GABON**

This announcement is made by CITIC Dameng Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**Positive Profit Alert**

The board of the directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, the Board expects the unaudited profit attributable to equity holders of the Company for the six months ended 30 June 2011 will be significantly higher than the corresponding period of last year. The increase is mainly attributable to:

(i) an increase in the average selling price and sales volume of the Company’s major product, electrolytic manganese metal; and

(ii) the acquisition of an additional 34.5% equity interest in a then 65.5% owned major operating subsidiary, 中信大锰矿业有限责任公司 (CITIC Dameng Mining Industries Company Limited), pursuant to a corporate reorganization which was completed on 27 October 2010. Details of the corporate reorganization are set out under the heading “Reorganization” in the section “CORPORATE STRUCTURE AND HISTORY” in the Company’s prospectus dated 8 November 2010.

In addition, the Board expects that there will be a further substantial increase in profit attributable to equity holders of the Company due to a gain on bargain purchase upon capital contributions to 贵州遵义汇兴铁合金有限责任公司 (Guizhou Zunyi Hui Xing Ferroalloy Company Limited) (“**Hui Xing Company**”). The details of capital contributions have been set out in the Company’s announcements dated 10 April 2011 and 31 May 2011. As a result of the capital contributions, the Group acquired a controlling interest in Hui Xing Company.

Shareholders of the Company and potential investors are advised that the Company is still in the process of preparing and completing the unaudited consolidated financial results of the Group for the six months ended 30 June 2011 (the “**2011 Interim Results**”) and the information contained in this announcement is based on a preliminary assessment of the latest management accounts of the Group and the preliminary valuation of assets and liabilities of Hui Xing Company. The Company’s auditors have not yet completed their review of our latest management accounts and the Company’s valuers have not yet completed their valuation of the assets and liabilities of Hui Xing Company upon our acquisition.

Shareholders of the Company and potential investors are advised to carefully read the Company’s announcement of the 2011 Interim Results which is expected to be published before the end of August 2011 in accordance with the Listing Rules.

### **Update on Bembélé Manganese Mine in Gabon**

The Board is also pleased to announce that trial manganese ore production in Bembélé Manganese Mine has commenced since March 2011 and as of 31 July 2011, approximately 30,500 metric tonnes of manganese ore concentrates have been stockpiled in Owendo Port of Gabon. The Board expects that, subject to availability of appropriate ocean vessels at a reasonable freight rate, these ore concentrates will be loaded from Owendo Port onto an ocean vessel in this month with final destination for a major port in the PRC as a first shipment of sale to our customers in the PRC.

**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**

**Qiu Yiyong**

Chairman

Hong Kong, 1 August 2011

*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. Yin Ke 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*