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This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read the whole prospectus including the Appendix hereto, which constitute an integral part of this prospectus, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are one of the largest manganese producers in the world and the largest manganese producer in China, according to the CISRIG Report. We are a vertically integrated manganese producer that produces and sells manganese products at all stages of the production chain that are used in a wide range of industries and across diverse end-use markets. We are operating mining, ore processing and downstream processing operations in China, and are developing mining and ore processing operations in Gabon. We own and operate two manganese mines and manganese processing facilities in China, which include two concentrating plants, one grinding plant and seven downstream processing plants. We are developing one manganese mine in Gabon. In 2009, we mined in total approximately 1.1 Mt manganese ores from our two mines in China. Our main downstream products include EMM, manganese sulfate, EMD, silicomanganese alloy and high carbon ferrochromium. We are the largest EMM producer in China in terms of production capacity as of June 30, 2010 according to the CISRIG Report, and our EMM production capacity is approximately 101,000 tpa as of June 30, 2010. In 2009, we produced 73 Kt of EMM, 19 Kt of manganese sulfate, 8 Kt of EMD, 58 Kt of silicomanganese alloy and 42 Kt high carbon ferrochromium.

We possess abundant ore reserves in China and Gabon. According to the SRK Report, we hold the largest manganese mineral resources and ore reserves in China. Our combined manganese ore reserves in China and Gabon were approximately 97.23 Mt as of June 30, 2010. We have two operating manganese mines in Guangxi, China, namely Daxin Mine and Tiandeng Mine. According to the SRK Report, Daxin Mine is the largest manganese mine in China and Tiandeng Mine is one of the largest manganese oxide ore mines in China in terms of resources and reserves. As of June 30, 2010, our manganese ore reserves at Daxin Mine and Tiandeng Mine were approximately 74.67 Mt and approximately 4.02 Mt respectively and our manganese mineral resources at Daxin Mine and Tiandeng Mine were approximately 77.86 Mt and approximately 7.82 Mt respectively under the JORC Code, on a combined basis accounting for approximately 22% of the total indicated manganese resources in China according to the SRK Report. As of the same date, the ore reserves at Daxin Mine were expected to support approximately 75 years of mine production assuming a production rate of one million tpa of ore. We intend to continue increasing our manganese mining production at our Daxin Mine.

We are currently in the process of developing our manganese mining and ore processing operations in Gabon. CICMHZ, in which we indirectly own a 51% equity interest, holds the exploration and mining rights to Bembélé Manganese Mine in Gabon. We expect to commence mining and ore processing operations at Bembélé Manganese Mine by the end of the first quarter in 2011. As of June 30, 2010, our ore reserves at Bembélé Manganese Mine were approximately 18.54 Mt at an average grade of 31.59%. Our Gabon operations will provide us with additional manganese ore and concentrate to support our existing and planned downstream processing operations in China. We

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may also sell some of the manganese concentrates produced at Bembélé Manganese Mine directly to customers in China under favorable market conditions. With our strong position in the Chinese manganese market, we believe we can maximize the value of overseas manganese reserves at Bembélé Manganese Mine, by transporting the manganese concentrates produced in Gabon for sale in China or for our own downstream processing.

Our manganese mining and ore processing operations supplied the majority of the manganese used in our downstream processing operations during the Track Record Period. Our current manganese processing facilities in China are all located either on-site or near Daxin Mine or Tiandeng Mine, which lead to low transportation costs and allows on-site economic operations. We commenced to conduct basic land-leveling works on the site of Beibuwan Ferroalloy Plant in July 2008, which is located close to Beihai Harbor in Guangxi and will consume upon commencement of production the manganese concentrates produced at and shipped from Bembélé Manganese Mine in Gabon. We believe this will allow us to simultaneously take advantage of the high-grade and low-cost reserve base of Bembélé Manganese Mine and the competitive level of the operating costs for down-stream processing in China.

We derive a majority of our revenue from the sales of manganese products. Our revenue generated from the sales of manganese products accounted for 70.6%, 66.4%, 80.7% and 83.6% of our total revenue, respectively, for the three years ended December 31, 2009 and the six months ended June 30, 2010. EMM and silicomanganese alloy were our principal products during the Track Record Period. For the three years ended December 31, 2009, and the six months ended June 30, 2010, our revenue generated from the sales of EMM accounted for approximately 37.0%, 33.5%, 43.9% and 53.5% of our total revenue, respectively, and our revenue generated from the sales of silicomanganese alloy accounted for approximately 13.8%, 15.8%, 19.2% and 15.3% of our total revenue, respectively. We intend to continue raising our production capacities for certain manganese products, in particular EMM and silicomanganese alloy, by expanding our existing plants and constructing new plants. Our mining, ore processing and downstream processing infrastructures in both China and Gabon are capable of supporting the potential expansion as evaluated by SRK.

In addition to manganese mining, ore processing and downstream processing, we also engage in non-manganese ferroalloy processing and other businesses. Our non-manganese ferroalloy processing operations are conducted at Qinzhou Ferroalloy Plant, which is located near Qinzhou Harbor. Our other businesses principally comprise the trading of various commodities such as manganese ore, EMM, chromium ore and sulfur. For the three years ended December 31, 2009 and the six months ended June 30, 2010, the revenue from our non-manganese ferroalloy processing operations accounted for 15.5%, 15.6%, 15.3% and 14.7% of our total revenue, respectively; and the revenue from our other businesses accounted for 13.9%, 18.0%, 4.1% and 1.7% of our total revenue, respectively.

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The following table sets out the breakdown of our revenue by business segment for the periods indicated:

	Year ended December 31,				Six months ended June 30,										
	2007		2008		2009		2010								
	Sales Volume (tonnes)	Revenue ⁽³⁾ (HK\$'000)	% of Total Revenue	Sales Volume (tonnes)	Revenue ⁽³⁾ (HK\$'000)	% of Total Revenue	Sales Volume (tonnes)	Revenue ⁽³⁾ (HK\$'000)	% of Total Revenue						
Manganese mining and ore processing															
Manganese concentrate	288,094	131,044	7.8	150,587	154,899	5.4	153,151	103,391	5.0	77,181	53,528	5.8	71,743	39,671	3.0
Natural discharging manganese	85,289	143,729	8.5	52,695	192,850	6.8	33,723	119,021	5.6	12,426	49,613	5.4	23,701	55,959	4.3
Manganese downstream processing															
EMM	39,020	623,369	37.0	51,397	958,768	33.5	70,575	915,236	43.9	35,426	447,094	48.4	46,212	688,737	53.5
Manganese sulfate	22,314	58,665	3.5	24,059	140,305	4.9	18,390	65,887	3.2	9,187	35,029	3.8	11,893	40,992	3.2
Silicomanganese alloy	38,690	232,286	13.8	44,738	452,206	15.8	60,672	400,950	19.2	28,806	183,577	19.9	26,611	196,864	15.3
EMD	—	—	—	118	1,156	— ⁽¹⁾	8,687	73,043	3.5	2,386	20,957	2.3	5,191	46,017	3.6
Other alloys ⁽²⁾	—	—	—	—	—	—	770	5,320	0.2	—	—	—	1,134	8,371	0.7
Non-manganese ferroalloy processing															
High carbon ferrochromium	31,687	260,536	15.5	33,605	447,648	15.6	41,674	318,295	15.3	17,502	120,720	13.1	19,446	188,908	14.7
Other business															
Trading	132,964	234,828	13.9	118,170	515,032	18.0	20,745	85,221	4.1	794	12,350	1.3	3,294	21,831	1.7
Total	638,058	1,684,457	100.0	475,369	2,862,864	100.0	408,387	2,086,364	100.0	183,708	922,868	100	209,225	1,287,350	100

Notes:

(1) We commenced the production of EMD at Daxin EMD Plant in October 2008. Its revenue contribution was less than 0.1% of our revenue in 2008.

(2) We commenced the production of high carbon ferromanganese alloy at Tiandeng Ferroalloy Plant in 2009 to increase the utilization of its existing production facilities.

(3) For the average selling prices of our products during the periods indicated, please see the section headed "Financial information — Results of operations" in this prospectus.

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IMPACT OF GLOBAL ECONOMIC DOWNTURN ON OUR GROUP

The recent global economic downturn that unfolded in the second half of 2008 resulted in unprecedented decline in global demand for manganese products, which negatively affected and may continue to affect our business, financial condition and results of operations.

Our revenue decreased to HK\$2,086.4 million in 2009 from HK\$2,862.9 million in 2008. Our gross profit decreased to HK\$429.7 million in 2009 from HK\$749.0 million in 2008, and our net profit decreased to HK\$63.7 million in 2009 from HK\$399.8 million in 2008. Our gross profit margin decreased to 20.6% in 2009 from 26.2% in 2008, and our net profit margin decreased to 3.1% in 2009 from 14.0% in 2008.

During the same periods, our average selling prices per tonne of EMM, manganese sulfate, silicomanganese alloy and EMD decreased by 30.5% to HK\$12,968 from HK\$18,654, by 38.6% to HK\$3,583 from HK\$5,832, by 34.6% to HK\$6,608 from HK\$10,108, and by 14.2% to HK\$8,408 from HK\$9,797, respectively. The negative impact on our revenue from the falling average selling prices in 2009 was partially offset by our expanded sales volumes in 2009, primarily due to our expanded production volumes of EMM, silicomanganese alloy and EMD in 2009. Our sales volumes for EMM increased by 37.3% from 51,397 tonnes in 2008 to 70,575 tonnes in 2009, for silicomanganese alloy increased by 35.6% from 44,738 tonnes in 2008 to 60,672 tonnes in 2009, for EMD increased significantly from 118 tonnes in 2008 to 8,687 tonnes in 2009, and for high carbon ferrochromium increased by 24.0% from 33,605 tonnes in 2008 to 41,674 tonnes in 2009.

We recorded significant write-down of inventory to net realizable value primarily due to the impact of the global economic downturn. The write-down in 2008 amounted to HK\$146.9 million, which represented a significant increase compared with HK\$1.1 million in 2007. Our write-down in 2009 decreased significantly to HK\$35.2 million compared with 2008, primarily because the significant downward pressure on the net realizable values of the inventory derived from the global economic downturn had been released by the end of 2008. For further details, please see the section headed “Financial Information — Liquidity and Capital Resources — Inventory analysis” in this prospectus.

It is difficult to predict the depth of the global economic downturn’s impact on demand for our manganese products. We expect that it will continue to present risks for an extended period of time. For further information, please see the sections headed “Risk factors — Risks relating to our business and our industry — The global economic recession may materially and adversely affect our business, financial condition and results of operations” and “Financial information — Key factors affecting results of operations and financial condition — Impact of global economic downturn” in this prospectus.

OUR COMPETITIVE STRENGTHS

We believe we have the following principal competitive strengths:

- We are one of the largest manganese producers in the world and the largest manganese producer in China with a strong pipeline of expansion and development projects
- Our access to abundant manganese reserves in both China and overseas provides the basis for achieving attractive financial returns
- We enjoy a favorable cost position in our operations

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- We are a vertically integrated producer with our own manganese mines and a diverse portfolio of manganese products
- We have established long term relationships with our geographically-diversified and industry-leading customers
- We are well-positioned to take advantage of potential acquisition opportunities in China and globally
- We benefit from our relationship with CITIC Group and Guangxi Dameng
- We have an experienced and dedicated senior management team

Please refer to “Business — Our Competitive Strengths” in this prospectus for further details.

OUR STRATEGIES

Our strategies to achieve our goals include the following:

- We intend to expand and upgrade our manganese resources and reserves through exploration and enhance our strategic control of manganese resources and reserves through acquisitions
- We will continue to strategically diversify our product portfolio and raise our production capacities
- We will continue to enhance our operational efficiency and profitability
- We intend to continue exploring suitable acquisition opportunities in downstream manganese and ferroalloy products
- We intend to establish strategic relationships with selected major customers and industry-leading partners

Please refer to “Business — Our Strategies” in this prospectus for further details.

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OUR MINERAL RESOURCES AND ORE RESERVES

The following tables, which are based on data derived from the SRK Report, provide information on our mineral resources and ore reserves under the JORC Code as of June 30, 2010. For definitions of the technical terms used in the tables, please refer to the section headed “Technical Glossary” in this prospectus.

Summary of our manganese mineral resources⁽¹⁾

<u>Mine</u>	<u>Ownership Percentage</u>	<u>JORC Resource Category</u>	<u>Tonnage</u> Mt	<u>Average Manganese Grade</u> (%)
Daxin Mine	100%	Measured	7.59	24.24
		Indicated	69.83	21.11
		Subtotal	77.42	21.42
		Inferred	0.43	21.23
		Total	77.86	21.41
Tiandeng Mine	100%	Measured ⁽³⁾	0.88	16.80
		Indicated ⁽³⁾	3.29	16.27
		Subtotal⁽³⁾	4.17	16.38
		Inferred	3.65	14.27
		Total	7.82	15.40
Bembélé Manganese Mine ⁽²⁾	51%	Measured	—	—
		Indicated	18.59	33.17
		Subtotal	18.59	33.17
		Inferred	12.37	32.74
		Total	30.96	33.00

Notes:

- (1) The mineral resources are inclusive of the ore reserves.
- (2) We indirectly hold 51% interest in Bembélé Manganese Mine.
- (3) The measured and indicated resources of Tiandeng Mine include low-grade measured and indicated resources of approximately 0.20 Mt at an average grade of 11.28% and approximately 0.25 Mt at an average grade of 10.77%, respectively.

Summary of our manganese ore reserves

<u>Mine</u>	<u>Ownership Percentage</u>	<u>JORC Reserve Category</u>	<u>Tonnage</u> Mt	<u>Average Manganese Grade</u> (%)
Daxin Mine	100%	Proved	7.37	21.95
		Probable	67.30	18.88
		Total	74.67	19.18
Tiandeng Mine	100%	Proved ⁽²⁾	0.85	15.78
		Probable ⁽²⁾	3.17	15.28
		Total⁽²⁾	4.02	15.38
Bembélé Manganese Mine ⁽¹⁾	51%	Proved	—	—
		Probable	18.54	31.59
		Total	18.54	31.59

Notes:

- (1) We indirectly hold 51% interest in Bembélé Manganese Mine.
- (2) The proved and probable reserves of Tiandeng Mine include low-grade proved and probable reserves of approximately 0.19 Mt at an average grade of 10.60% and approximately 0.24 Mt at an average grade of 10.12%, respectively.

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Please refer to “Business — Mineral Resources and Ore Reserves” in this prospectus for further details.

OUR EXPLORATION AND MINING RIGHTS

We currently own valid mining permits for Daxin Mine and Tiandeng Mine. In addition, CICMHZ, in which we indirectly hold a 51% equity interest, owns a mining permit for Bembélé Manganese Mine.

The following table summarizes the particulars of our mining permits.

<u>Mine</u>	<u>Location</u>	<u>Interest held by Company</u>	<u>Mining permit number</u>	<u>Mining area (square kilometers)</u>	<u>Validity period</u>	<u>Mining method</u>
Daxin Mine	Daxin County, Guangxi	100%	1000000620030	10.6	February 28, 2006 to February 21, 2035	Open-pit and underground
Tiandeng Mine	Tiandeng County, Guangxi	100%	C1000002008122120001473	4.6	December 2, 2008 to December 2, 2024	Open-pit
Bembélé Manganese Mine	Moyen-Ogooue Province, Gabon	51%	G3-323	20	December 5, 2007 to December 4, 2017	Open-pit

With respect to the Bembélé area, CICMHZ was granted an exploration permit on September 18, 2006 for manganese, covering a total area of approximately 2,000 square kilometers. The permit was duly renewed on June 23, 2010. The following table summarizes the particulars of our exploration right with respect to Bembélé area in Gabon.

<u>Mine/area</u>	<u>Location</u>	<u>Interest held by Company</u>	<u>Exploration permit number</u>	<u>Area (square kilometers)</u>	<u>Validity period of exploration rights</u>
Bembélé area	Moyen-Ogooue Province, Gabon	51%	G3-223	2,000	From June 23, 2010 to June 22, 2013

Please refer to “Business — Mineral Resources and Ore Reserves” in this prospectus for further details.

OUR PRC PRODUCTION PROCESSES AND FACILITIES

The manufacturing processes for our manganese products involve mining, ore processing (which in turn include concentrating and grinding) and downstream processing.

Mining constitutes our upstream operations, which we conduct at Daxin Mine and Tiandeng Mine. Ore processing constitutes our midstream operation, in which crude ores are washed, screened and concentrated to produce lumps. Concentrate lumps are then grounded to produce concentrate powder. Our downstream operations consist of hydrometallurgical and pyrometallurgical processing and the production of manganese products such as EMM, manganese sulphate, silicomanganese alloy and EMD. We also employ pyrometallurgical processing to produce non-manganese ferroalloy, such as high carbon ferrochromium.

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Mining operations

The following table sets forth the actual and projected mine capacity and production of Daxin Mine for the periods indicated.

<u>Daxin Mine</u>	Year ended December 31,					Six months ended June 30,
	2007 (actual)	2008 (actual)	2009 (actual)	2010 (forecast)	2011 (forecast)	2010 (actual)
<i>Open pit mining</i>						
Mine capacity ⁽¹⁾ (thousand tonnes)	400	500	700	700	700	700
Mine production (thousand tonnes)	345	406	493	650	650	289
Open-pit stripping ratio	21.0:1	17.5:1	14.3:1	12.8:1	11.3:1	13.3:1
<i>Underground mining</i>						
Mine capacity ⁽¹⁾ (thousand tonnes)	200	300	300	300	300	300
Mine production (thousand tonnes)	246 ⁽²⁾	297	322 ⁽³⁾	300	300	161
Average manganese oxide grade	28.5%	30.0%	32.9%	28.0%	28.2%	31.2%
Average manganese carbonate grade	18.5%	19.2%	20.2%	18.5%	18.2%	18.5%
Total mine capacity ⁽¹⁾ (thousand tonnes)	600	800	1,000	1,000	1,000	1,000
Total mine production (thousand tonnes)	591	703	815	950	950	450

Notes:

- (1) Mining capacity relates to the annual mining capacity at the end of the period.
- (2) Underground mining production in the year ended December 31, 2007 exceeded the annual underground mining capacity because (i) the capacity was calculated on a 300-day basis, and Daxin Mine operated for more than 300 days in 2007 at full capacity, and (ii) we purchased more advanced mining machineries in 2007 and improved the production efficiency at Daxin Mine.
- (3) Underground mining production in the year ended December 31, 2009 exceeded the annual underground mining capacity because the capacity was calculated on a 300-day basis, and the underground mining operation at Daxin Mine operated for more than 300 days in 2009 at full capacity.

The following table sets out the actual and projected mine capacity and production of Tiandeng Mine for the periods indicated.

<u>Tiandeng Mine</u>	Year ended December 31,					Six months ended June 30,
	2007 (actual)	2008 (actual)	2009 (actual)	2010 (forecast)	2011 (forecast)	2010 (actual)
Mine capacity ⁽¹⁾ — Open pit (thousand tonnes)	500	500	500	500	500	500
Mine production — Open pit (thousand tonnes)	462	399	294	120	300	46
Average manganese oxide grade	17.6%	17.6%	17.5%	17.7%	15.9%	17.7%
Open-pit stripping ratio	3.4:1	2.2:1	2.5:1	9.5:1	9.0:1	2.6:1

Note:

- (1) Mining capacity relates to the annual mining capacity at the end of the period.

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The ore reserves at two of the four sub-regions of Tiandeng Mine were close to being depleted as of June 30, 2010. For the three years ended December 31, 2009 and six months ended June 30, 2010, the manganese ores mined from Tiandeng Mine represented approximately 43.9%, 36.2%, 26.5% and 9.3%, respectively, of all manganese ores produced by the Company. We commenced mining operations in March 2010 at part of the Dongmeng sub-region, which compensated to certain extent the depletion of the two sub-regions. We expect to obtain the necessary land use rights and commence full-scale mining operations at the Luli and Dongmeng sub-regions by the end of 2010. For further details regarding the impact of the depleted two sub-regions on the production at Tiandeng Mine, please see the section headed “Business — Our PRC Production Processes and Facilities — Mining operations — Tiandeng Mine” in this prospectus. For further details regarding the impact of the depletion on our revenue and profitability, please see the section headed “Financial information — Results of operations” in this prospectus.

Ore processing operations

Our ore processing operations for manganese products include concentrating and grinding. Our products from ore processing, such as metallurgical manganese concentrate (lumps), natural discharging manganese (powder) and manganese concentrate (powder), can be used in our downstream operations or sold to third party customers. As we expand our downstream processing operations, we expect that our products from ore processing will be increasingly consumed by our own downstream processing operations. For the three years ended December 31, 2009 and the six months ended June 30, 2010, the amount of products from our ore processing operations that were consumed by our own downstream processing operations represented 57.5%, 72.3%, 79.8% and 84.4%, respectively, of our total products from our ore processing operations.

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As of June 30, 2010, the combined processing capacity of our concentration plants was approximately 1.4 million tpa of crude ore. The following table sets out our respective actual and projected manganese concentrate capacity and production at the two concentration plants for the periods indicated.

Annual production (thousand tonnes)	Year ended December 31,					Six months ended June 30,
	2007	2008	2009	2010	2011	2010
	(actual)	(actual)	(actual)	(forecast)	(forecast)	(actual)
Daxin Concentration Plant						
<i>Processing capacity⁽¹⁾</i>						
Crude ore (manganese carbonate)	300	400	600	600	600	600
Crude ore (manganese oxide) ⁽²⁾	300	300	300	300	300	300
Total	<u>600</u>	<u>700</u>	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>
<i>Concentrate production</i>						
Concentrate (from manganese carbonate ore) ⁽³⁾	237	364	536	580	580	320
Concentrate (from manganese oxide ore) ⁽⁴⁾	<u>153</u>	<u>126</u>	<u>128</u>	<u>86</u>	<u>86</u>	<u>61</u>
Total	<u>390</u>	<u>490</u>	<u>664</u>	<u>666</u>	<u>666</u>	<u>381</u>
<i>Average manganese grade of concentrate (%)</i>						
Concentrate (from manganese carbonate ore) ⁽³⁾	21	21.5	22.5	20.8	20.9	20.1
Concentrate (from manganese oxide ore) ⁽⁴⁾	34	31.9	33.4	35.9	34.1	32.2
<i>Metal recovery rate (%)</i>						
Manganese carbonate ore	85.0	83.9	93.3	85.0	83.0	92.5
Manganese oxide ore	72.0	69.0	88.3	73.5	70.0	85.7
Tiandeng Concentration Plant						
Processing capacity (manganese oxide ore) ⁽¹⁾	500	500	500	500	500	500
Manganese concentrate production	222	175	161	58	120	26
Average manganese grade of concentrate %	28.4	27.4	25.8	25.0	25.0	24.6
Metal recovery rate (%)	76.1	68.3	80.7	75.0	75.0	87.4

Notes:

- (1) Processing capacity relates to the annual processing capacity at the end of the period.
- (2) Our processing facilities for manganese oxide ore at Daxin Concentration Plant may be used to process manganese carbonate ore as well.
- (3) Concentrate from manganese carbonate ore includes manganese carbonate concentrate (lumps).
- (4) Concentrate from manganese oxide ore includes metallurgical manganese concentrate (lumps), manganese oxide concentrate (lumps), natural discharging manganese (lumps), and chemical manganese concentrate (lumps).

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As of June 30, 2010, the processing capacity of Daxin Grinding Plant was approximately 680,000 tpa of concentrate. The following table sets out our actual and projected grinding capacity and production for the periods indicated.

<u>Annual production (thousand tonnes)</u>	<u>Year ended December 31,</u>					<u>Six months ended June 30,</u>
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(actual)	(actual)	(actual)	(forecast)	(forecast)	(actual)
Production capacity ⁽¹⁾	500	550	680	680	680	680
Powder produced ⁽²⁾	341	462	604	650	650	355

Notes:

- (1) Processing capacity relates to the annual processing capacity at the end of the period.
- (2) Powder produced includes metallurgical manganese concentrate, chemical manganese concentrate, manganese carbonate concentrate and natural discharging manganese in powder form.

Manganese downstream processing operations

As of June 30, 2010, our combined production capacity for EMM was approximately 101,000 tpa. The following table sets out the actual and projected EMM capacity and production at these three plants for the periods indicated.

<u>Annual production (thousand tonnes)</u>	<u>Year ended December 31,</u>					<u>Six months ended June 30,</u>
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(actual)	(actual)	(actual)	(forecast)	(forecast)	(actual)
Daxin EMM Plant						
EMM capacity ⁽¹⁾	25	65	65	65	65	65
EMM production	26 ⁽²⁾	41	61	65	65	28
Start EMM Plant						
EMM capacity ⁽¹⁾	16	16	16	17	30	16
EMM production	13	13	10	14	20	7
Tiandong EMM Plant						
EMM capacity ⁽¹⁾	—	—	20	20	20	20
EMM production	—	—	2	15	20	7
Tiandeng EMM Plant						
EMM capacity ⁽¹⁾	—	—	—	—	30	—
EMM production	—	—	—	—	17	—
Total						
EMM capacity ⁽¹⁾	41	81	101	102	145	101
EMM production	39	54	73	94	122	42

Notes:

- (1) Production capacity relates to the annual production capacity at the end of the period.
- (2) EMM production at Daxin EMM Plant in the year ended December 31, 2007 exceeded the annual EMM capacity because (i) the capacity was calculated on a 330-day basis, and the plant operated for more than 330 days in 2007 at full capacity, and (ii) we made interim technical adjustments to the production process and increased the actual production beyond the normal capacity temporarily.

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As of June 30, 2010, our production capacity for manganese sulfate was approximately 25,000 tpa. The following table sets out our actual and projected manganese sulfate capacity and production at Daxin Manganese Sulfate Plant for the periods indicated.

<u>Annual production (thousand tonnes)</u>	Year ended December 31,					Six months ended June 30,
	2007 (actual)	2008 (actual)	2009 (actual)	2010 (forecast)	2011 (forecast)	2010 (actual)
Daxin Manganese Sulfate Plant						
Manganese sulfate capacity ⁽¹⁾	25	25	25	25	25	25
Manganese sulfate production	22	25	19	18	22	12

Note:

(1) Production capacity relates to the annual production capacity at the end of the period.

We commenced to produce EMD in October 2008 at Daxin EMD Plant. As of June 30, 2010, our production capacity for EMD was approximately 20,000 tpa. The following table sets out the actual and projected EMD capacity and production at Daxin EMD Plant for the periods indicated.

<u>Annual production (thousand tonnes)</u>	Year ended December 31,				Six months ended June 30,
	2008 (actual)	2009 (actual)	2010 (forecast)	2011 (forecast)	2010 (actual)
Daxin EMD Plant					
EMD capacity ⁽¹⁾	10	10	20	20	20
EMD production	1	8	11	20	5

Note:

(1) Production capacity relates to the annual production capacity at the end of period.

We currently produce silicomanganese alloy at Tiandeng Ferroalloy Plant and Dabao Ferroalloy Plant. As of June 30, 2010, our combined production capacity for silicomanganese alloy was approximately 62,000 tpa. The following table sets out our actual and projected silicomanganese alloy capacity and production at the two plants for the periods indicated.

<u>Annual production (thousand tonnes)</u>	Year ended December 31,					Six months ended June 30,
	2007 (actual)	2008 (actual)	2009 (actual)	2010 (forecast)	2011 (forecast)	2010 (actual)
Tiandeng Ferroalloy Plant						
Silicomanganese alloy capacity ⁽¹⁾	48	48	50	50	50	50
Silicomanganese alloy production	26	37	48	32	48	18
Dabao Ferroalloy Plant						
Silicomanganese alloy capacity ⁽¹⁾	12	12	12	12	12	12
Silicomanganese alloy production	13 ⁽²⁾	9	10	11	12	7
Total						
Silicomanganese alloy capacity ⁽¹⁾	60	60	62	62	62	62
Silicomanganese alloy production	39	46	58	43	60	25

SUMMARY

Notes:

- (1) Production capacity relates to the annual production capacity at the end of the period.
- (2) Silicomanganese alloy production at Dabao Ferroalloy Plant in the year ended December 31, 2007 exceeded the annual silicomanganese alloy capacity because (i) the capacity was calculated on a 300-day basis, and the plant was operated for more than 300 days in 2007 at full capacity, and (ii) we made interim technical adjustments to the production process and increased the actual production beyond the normal capacity temporarily.

We commenced the construction of Chongzuo Base in July 2009 and the trial production in August 2010. We expect to commence commercial production before the end of 2010. As of June 30, 2010, we have spent approximately HK\$104.3 million on the construction of Chongzuo Base. We expect to spend approximately HK\$209.4 million in total on developing Chongzuo Base until it reaches its designed production capacity, which is 30,000 tpa for manganese tetroxide, 600 tpa for lithium manganese oxide and 1,000 tpa for lithium cobalt oxide. The following table sets out our actual and projected capacity and production at Chongzuo Base for the periods indicated.

<u>Annual production (thousand tonnes)</u>	<u>Year ended December 31,</u>	
	<u>2010</u>	<u>2011</u>
	<u>(forecast)</u>	<u>(forecast)</u>
Manganese tetroxide		
Capacity ⁽¹⁾	10	10
Production	2	10
Lithium manganese oxide		
Capacity ⁽¹⁾	0.6	0.6
Production	0.2	0.6
Lithium cobalt oxide		
Capacity ⁽¹⁾	1.0	1.0
Production	0.2	0.6

Note:

- (1) Annual production capacity relates to the annual production capacity at the end of year.

Non-manganese ferroalloy processing operations

As of June 30, 2010, our production capacity for high carbon ferrochromium was approximately 60,000 tpa. The following table sets out our actual and projected high carbon ferrochromium capacity and production at Qinzhou Ferroalloy Plant for the periods indicated.

<u>Annual production (thousand tonnes)</u>	<u>Year ended December 31,</u>					<u>Six months ended</u>
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>June 30,</u>
	<u>(actual)</u>	<u>(actual)</u>	<u>(actual)</u>	<u>(forecast)</u>	<u>(forecast)</u>	<u>2010</u>
						<u>(actual)</u>
High carbon ferrochromium capacity ⁽¹⁾ ...	50	50	50	60	60	60
High carbon ferrochromium production ...	34	33	42	33	50	21

Note:

- (1) Production capacity relates to the annual production capacity at the end of the period.

Please refer to “Business — Our PRC Production Processes and Facilities” in this prospectus for further details.

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OUR GABON PRODUCTION PROCESSES AND FACILITIES

We began developing Bembélé Manganese Mine, Gabon in the second half of 2008. We expect to commence open-pit mining and concentrating productions at Bembélé Manganese Mine by the end of the first quarter in 2011. The manufacturing processes for our mining and concentrating operations in Gabon are similar to the production processes we apply in PRC.

The following table sets out the projected mine capacity and production of Bembélé Manganese Mine for the periods indicated.

Bembélé Manganese Mine	Year ended December 31,	
	2010	2011
	(forecast)	(forecast)
Mine capacity ⁽¹⁾ - open pit (thousand tonnes)	—	1,150
Mine production - open pit (thousand tonnes)	—	530
Average manganese oxide grade (%)	—	31.7
Open-pit stripping ratio	—	1.6:1

Note:

(1) Mining capacity relates to the annual mining capacity at the end of the year.

We are constructing an on-site concentration plant for Bembélé Manganese Mine, namely Bembélé Concentration Plant. We expect it to commence production by the end of the first quarter in 2011 and reach a designed processing capacity of 1,150,000 tpa of ore by the end of 2011. The following table sets out information about the projected construction cost, processing capacity and production of Bembélé Concentration Plant for the periods indicated.

Bembélé Concentration Plant	2010	2011
	(forecast)	(forecast)
Production capacity ⁽¹⁾ (thousand tonnes)	—	758.8
Concentrate production (thousand tonnes)	—	350
Average manganese grade of concentrate (%)	—	43.0
Metal recovery rate (%)	—	89.5

Note:

(1) Production capacity relates to the annual production capacity at the end of the year.

It is expected that the total amount of expenditure for the development and construction of our facilities and operations in Gabon will be approximately HK\$575.7 million, comprising (i) approximately HK\$49.1 million to develop the Bembélé Manganese Mine, (ii) approximately HK\$28.5 million to construct the Bembélé Concentration Plant, (iii) approximately HK\$71.0 million to construct the supporting facilities, and (iv) approximately HK\$427.3 million to build the transportation system, including Ndjole Transfer Station, the railway spur connecting Ndjole Transfer Station with the Trans-Gabon Railway, the Owendo Port and the purchase of locomotives and rolling stock.

As of June 30, 2010, we have expended approximately HK\$134.8 million to develop and construct our facilities and operations in Gabon. In addition, we expect to continue expending approximately HK\$228.6 million in 2010 and approximately HK\$100.0 million in 2011.

SUMMARY

Please refer to “Business — Our Gabon Production Processes and Facilities” in this prospectus for further details.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial statements for the periods indicated and as of the dates indicated. This summary is derived from, and should be read in conjunction with, our consolidated financial statements included in the Accountants’ Report in Appendix I.

Consolidated statements of comprehensive income

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE	1,684,457	2,862,864	2,086,364	922,868	1,287,350
Cost of sales	(1,093,444)	(2,113,904)	(1,656,641)	(771,786)	(1,030,692)
Gross profit	591,013	748,960	429,723	151,082	256,658
Other income and gains	23,895	26,752	23,288	8,677	9,364
Selling and distribution costs	(41,448)	(62,904)	(49,491)	(18,566)	(36,168)
Administrative expenses	(103,639)	(183,827)	(202,877)	(88,967)	(92,701)
Other expenses	(29,132)	(17,917)	(18,123)	(10,697)	(10,616)
Finance costs	(24,623)	(79,972)	(107,195)	(57,698)	(42,531)
PROFIT/(LOSS) BEFORE TAX . . .	416,066	431,092	75,325	(16,169)	84,006
Income tax (expense)/credit	(22,143)	(31,302)	(11,613)	3,803	(13,567)
PROFIT/(LOSS) FOR THE YEAR/ PERIOD	<u>393,923</u>	<u>399,790</u>	<u>63,712</u>	<u>(12,366)</u>	<u>70,439</u>
OTHER COMPREHENSIVE INCOME/(LOSS):					
Exchange differences on translation of foreign operations	40,913	85,341	1,002	(721)	(3,659)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	<u>434,836</u>	<u>485,131</u>	<u>64,714</u>	<u>(13,087)</u>	<u>66,780</u>
Total profit/(loss) attributable to:					
Owners of the parent	219,796	239,227	48,611	2,013	50,693
Non-controlling interests	174,127	160,563	15,101	(14,379)	19,746
	<u>393,923</u>	<u>399,790</u>	<u>63,712</u>	<u>(12,366)</u>	<u>70,439</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent	244,041	288,530	49,541	1,885	51,735
Non-controlling interests	190,795	196,601	15,173	(14,972)	15,045
	<u>434,836</u>	<u>485,131</u>	<u>64,714</u>	<u>(13,087)</u>	<u>66,780</u>

SUMMARY

Consolidated statements of financial position

	December 31,			June 30,
	2007	2008	2009	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	669,941	1,276,614	1,625,315	1,738,052
Prepaid land lease payments	72,451	77,433	83,361	124,609
Intangible assets	123,444	301,708	296,301	297,080
Available-for-sale equity investment	4,377	4,218	4,218	4,265
Deferred tax assets	990	42,704	40,790	53,706
Deposits and prepayment	56,780	81,120	182,177	193,307
Total non-current assets	<u>927,983</u>	<u>1,783,797</u>	<u>2,232,162</u>	<u>2,411,019</u>
CURRENT ASSETS				
Inventories	168,846	358,145	354,487	411,885
Trade and notes receivables	223,751	349,308	433,754	385,828
Prepayments, deposits and other receivables	106,063	203,682	152,568	219,868
Due from related companies	84,221	40,115	49,804	60,509
Due from a minority shareholder of a subsidiary	28,482	27,639	5,595	7,397
Tax recoverable	—	—	749	11,031
Pledged deposits	—	78,318	85,226	60,004
Cash and bank balances	253,066	805,874	453,004	711,387
Total current assets	<u>864,429</u>	<u>1,863,081</u>	<u>1,535,187</u>	<u>1,867,909</u>
CURRENT LIABILITIES				
Trade payables	122,987	128,717	108,873	209,715
Other payables and accruals	133,772	201,765	302,930	254,919
Interest-bearing bank and other borrowings	375,000	1,530,307	787,337	746,525
Due to related companies	71,604	36,916	19,512	3,427
Due to the intermediate holding company	247,720	113,720	303,840	67,680
Due to minority shareholders of subsidiaries	20,647	59,259	80,363	135,394
Due to a shareholder	—	—	60,000	70,545
Tax payable	11,956	5,525	3,404	11,763
Total current liabilities	<u>983,686</u>	<u>2,076,209</u>	<u>1,666,259</u>	<u>1,499,968</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(119,257)</u>	<u>(213,128)</u>	<u>(131,072)</u>	<u>367,941</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>808,726</u>	<u>1,570,669</u>	<u>2,101,090</u>	<u>2,778,960</u>
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	135,417	387,308	923,867	1,669,908
Deferred tax liabilities	7,755	25,171	27,473	8,862
Other long-term liabilities	5,824	2,989	2,377	3,682
Deferred income	—	—	4,937	17,316
Total non-current liabilities	<u>148,996</u>	<u>415,468</u>	<u>958,654</u>	<u>1,699,768</u>
Net assets	<u>659,730</u>	<u>1,155,201</u>	<u>1,142,436</u>	<u>1,079,192</u>
EQUITY				
Equity attributable to owners of the parent				
Issued capital	100	100	100	245
Reserves	269,771	558,301	555,473	634,139
	<u>269,871</u>	<u>558,401</u>	<u>555,573</u>	<u>634,384</u>
Non-controlling interests	389,859	596,800	586,863	444,808
Total equity	<u>659,730</u>	<u>1,155,201</u>	<u>1,142,436</u>	<u>1,079,192</u>

SUMMARY

Selected consolidated cash flow statement data:

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Net cash flows from operating activities . .	202,191	210,763	280,658	64,357	171,111
Net cash flows used in investing activities	(284,881)	(667,240)	(520,294)	(211,801)	(243,785)
Net cash flows from/(used in) financing activities	208,703	1,064,737	(106,637)	221,337	320,927
Increase/(decrease) in cash and cash equivalents	126,013	608,260	(346,273)	73,893	248,253
Cash and cash equivalents at beginning of year/period	115,753	253,066	884,192	884,192	538,230
Effect of foreign exchange rate changes, net	11,300	22,866	311	(796)	(15,092)
Cash and cash equivalents at end of year/ period	<u>253,066</u>	<u>884,192</u>	<u>538,230</u>	<u>957,289</u>	<u>771,391</u>

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2010

The following profit forecast is based on the assumptions set out in the Profit Forecast in Appendix III to this prospectus and also on the assumption that: (i) the Global Offering is completed, and (ii) the over-allotment option for the Global Offering is not exercised.

For the year ending December 31, 2010

Forecast consolidated profit attributable to owners of the parent for the year ending December 31, 2010 (Note 1)	not less than HK\$200.0 million
Unaudited pro forma forecast earnings per Share (Note 2)	not less than HK\$0.11

Notes:

- (1) The bases on which the above profit forecast for the year ending December 31, 2010 has been prepared are summarized in Appendix III to the Prospectus.
- (2) The calculation of the unaudited pro forma forecast earnings per Share is based on the forecast consolidated profit attributable to owners of the parent for the year ending December 31, 2010 and the weighted average number of 1,757,763,699 Shares in issue during the year, as if (i) the Capitalization Issue for the Company's shares owned by Apexhill and Highkeen had been completed on January 1, 2010; (ii) the additional Shares of the Company issued to Guangxi Dameng BVI to acquire 34.5% equity interest in CITIC Dameng Mining had been taken place on September 30, 2010, taking into account of the effect of the Capitalization Issue; and (iii) the Global Offering is completed on November 18, 2010, without taking into account any Shares which may be issued upon exercise of the Over-allotment Option.

The assumptions on which the above profit forecast is based include prices for our manganese products. Manganese prices for the eight months ended August 31, 2010 are based on actual prices contracted by the Group. The average selling price of EMM for the four months ending December 31, 2010 is largely based on the data as of late August 2010.

For the year ended December 31, 2009 and the first half of 2010, sales of EMM accounted for 43.9% and 53.5% of the Group's revenue, respectively, and the gross profit derived from sales of EMM contributed to 48.2% and 63.9% of the Group's gross profit, respectively. It is demonstrated in historical operation data that when the selling prices of EMM increased, the purchase price of direct

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materials in the production of EMM, such as manganese oxide, and liquid ammonia would also increase, and vice-versa. Since direct materials accounted for about 50% of the unit cost of EMM, we expect the variable portion of the unit cost will increase in line with the increase in purchase price of direct materials for EMM production for prudence. We have identified the selling price and unit cost of EMM as the most sensitive areas to the Profit Forecast. As a result, we investigated the potential financial impact of variation in selling price and unit cost of EMM on the Profit Forecast. The percentage of increase in selling price of EMM and that in the unit cost of EMM is estimated as follows based on the historical experience of production:

Increase in selling price of EMM	5%	10%	15%
Increase in unit cost of EMM	<u>2%</u>	<u>4%</u>	<u>5%</u>

The following tables set forth the sensitivity analysis of the forecast consolidated profit attributable to owners of the parent for the four months ending December 31, 2010 with respect to the variation in the average selling price of EMM and the variation in the unit cost of EMM. The sensitivity analysis below assumes that there is no changes in other input variables or other products, including selling prices and unit cost of other products, sales quantities and other operating expenses.

<u>Variation in EMM price/unit cost</u>	<u>Adjusted EMM price/unit cost</u> HK\$/tonne	<u>Effect on profit attributable to owners of the parent Sep to Dec 2010 increase/(decrease)</u> HK\$'000	<u>Revised profit Attributable to owners of the parent full year 2010</u> HK\$'000	<u>Variation in profit attributable to owners of the parent full year 2010 increase/(decrease)</u>
<I> price				
+15%	18,694	52,857	252,899	26%
+10%	17,881	35,365	235,407	18%
+5%	17,068	17,478	217,520	9%
0%	16,255	—	200,042	0%
-5%	15,442	(17,838)	182,204	(9%)
-10%	14,630	(36,426)	163,616	(18%)
-15%	13,817	(55,234)	144,808	(28%)
<II> unit cost				
+5%	12,560	(13,507)	186,535	(7%)
+4%	12,440	(10,732)	189,310	(5%)
+2%	12,201	(5,311)	194,731	(3%)
0%	11,962	—	200,042	0%
-2%	11,723	4,491	204,533	2%
-4%	11,483	8,982	209,024	4%
-5%	11,364	13,278	213,320	7%

OFFERING STATISTICS⁽¹⁾

	<u>Based on an Offer Price of HK\$2.10</u>	<u>Based on an Offer Price of HK\$2.75</u>
Market capitalization of our Shares ⁽²⁾	HK\$6,300.0 million	HK\$8,250.0 million
Prospective price/earnings multiple		
(a) Weighted average ⁽³⁾	18.5 times	24.2 times
(b) Pro forma fully diluted ⁽⁴⁾	31.5 times	41.2 times
Unaudited pro forma adjusted net tangible asset value per Share ⁽⁵⁾	HK\$0.71	HK\$0.87

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Notes:

- (1) All statistics in this table are presented on the assumption that the Over-allotment Option is not exercised.
- (2) The calculation of market capitalization is based on 3,000,000,000 Shares expected to be in issue following completion of the Capitalization Issue and the Global Offering.
- (3) The calculation of prospective price/earnings multiple on a weighted average basis is based on the forecast earnings per Share on a weighted average basis at the respective Offer Prices of HK\$2.10 and HK\$2.75.
- (4) The calculation of prospective price/earnings multiple on a pro forma basis is based on the forecast earnings per Share on a pro forma basis at the respective Offer Price.
- (5) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in the Unaudited Pro Forma Financial Information in Appendix II to this prospectus and on the basis of a total of 3,000,000,000 Shares expected to be in issue following the completion of the Capitalization Issue and the Global Offering. This calculation assumes respective Offer Prices of HK\$2.10 and HK\$2.75.

FUTURE PLANS AND USE OF PROCEEDS

We aim to be the world's leading integrated resource company with a focus on manganese. We intend to implement the following strategies to achieve our objective:

- Developing our manganese resources through exploration and enhancing our strategic control of manganese resources through acquisitions;
- Continuing to diversify our product portfolio and raising our production capacities;
- Continuing to enhance our operational efficiency and profitability;
- Continuing to explore suitable acquisition opportunities in downstream manganese and ferroalloy products; and
- Establishing strategic relationships with selected major customers and industry-leading partners.

Please refer to the section headed "Business — Our Strategies" for further details.

We estimate that the net proceeds to us from the Global Offering will be approximately HK\$1,661.0 million (assuming an Offer Price of HK\$2.425 per Share, being the mid-point of the indicative Offer Price range of HK\$2.10 to HK\$2.75 per Share), after deducting an estimated aggregate amount of underwriting commissions and certain other expenses the Company expects to incur in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. We intend to use the net proceeds to us from the Global Offering as follows:

- approximately 55% of the net proceeds (approximately HK\$913.5 million) will be used to fund development and construction projects in the PRC and Gabon to improve our production capacity, including:
 - (i) an expansion project at Daxin EMD Plant, representing 4.0% of the net proceeds (approximately HK\$66.4 million);
 - (ii) the planned expansion project of underground mining and ore processing operations at Daxin Mine, representing 14.0% of the net proceeds (approximately HK\$232.5 million);

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- (iii) the expansion and construction projects of our EMM production facilities, representing 26.0% of the net proceeds (approximately HK\$431.9 million);
 - (iv) the planned construction project at Chongzuo Base, representing 3.0% of the net proceeds (approximately HK\$49.8 million);
 - (v) the development of Bembélé Manganese Mine and associated facilities, representing 6.0% of the net proceeds (approximately HK\$99.7 million); and
 - (vi) the miscellaneous technological improvement and renovation projects at our production facilities, representing 2.0% of the net proceeds (approximately HK\$33.2 million).
- approximately 20% of the net proceeds (approximately HK\$333.2 million) will be used for the acquisition of mines, mining rights in relation to mines with identified mining resources or related production facilities;
 - approximately 15% of the net proceeds (approximately HK\$249.2 million) will be used to repay the aggregate principal amounts and interest accrued on a portion of our bank borrowings; and
 - approximately 10% of the net proceeds (approximately HK\$166.1 million) will be used for working capital and other general corporate purposes.

We plan to use the majority of the net proceeds to us from the Global Offering to expand and develop our manganese production facilities. Our planned expansion and development of the manganese production facilities are based on, among other things, (i) prospective supply and demand of manganese products in the market as expected by our Directors and forecasted by third party market research consultants; (ii) prevailing and anticipated prices for manganese products; (iii) utilization of existing production facilities; (iv) estimated cost of development and construction; (v) expected pace of project execution; and (vi) availability and cost of sufficient capital resources. Our Directors believe that the planned application of the majority of net proceeds to our planned expansion and development projects is reasonable and in the best interest of our Group.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

Any additional net proceeds that we would receive from any exercise, in full or in part, of the Over-allotment Option, may be applied in the manner and proportions stated above. If the Over-allotment Option is exercised in full, we currently estimate that the net proceeds to us will be approximately HK\$1,924.4 million, approximately HK\$1,653.9 million and approximately HK\$2,194.9 million, assuming an Offer Price of HK\$2.425 per Share (being the midpoint of the Offer Price range set forth in this prospectus), HK\$2.10 per Share (being the low end of the Offer Price range set forth in this prospectus) and HK\$2.75 per Share (being the high end of the Offer Price range set forth in this prospectus), respectively. We currently estimate that the net proceeds to us without the exercise of the Over-allotment Option will be approximately HK\$1,661.0 million, approximately HK\$1,426.0 million and approximately HK\$1,896.4 million, assuming an Offer Price of HK\$2.425 per Share (being the mid-point of the Offer Price range set forth in this prospectus), HK\$2.10 per Share (being the low end of the Offer Price range set forth in this prospectus) and HK\$2.75 per Share (being the high end of the Offer Price range set forth in this prospectus), respectively.

To the extent that the net proceeds are not immediately applied for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit the net proceeds into

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short-term deposits with licensed banks in Hong Kong and/or the PRC and/or financial institutions in Hong Kong.

DIVIDEND POLICY

For the three years ended December 31, 2009 and six months ended June 30, 2010, the dividends declared by our Group to Highkeen, Apexhill and minority shareholders of subsidiaries amounted to HK\$48.3 million, HK\$91.5 million, HK\$77.5 million and HK\$665.1 million in total, respectively. As of the date of this prospectus, all outstanding dividends payable have been fully settled. We funded the payment of the declared dividends with cash in hand.

The amount of dividend declared by our Board in the future will depend upon: (a) our overall results of operation; (b) our financial position; (c) our capital requirements; (d) our shareholders interests; (e) our future prospects; and (f) other factors that the Board deems relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Act, including, inter alia, the approval of our Shareholders.

RISK FACTORS

Our operations involve certain risks, many of which are beyond our control. These risks can be categorized into: (i) risks relating to our business and our industry; (ii) risks relating to conducting business operations in the PRC; (iii) risks relating to conducting operations in Gabon and other foreign countries in which we may operate in the future; and (iv) risks relating to the Global Offering. Additional risks and uncertainties that are not presently known to us, or not expressed or implied below, or that we currently deem to be immaterial, could also have a material adverse effect on our business, financial condition and results of operations. For details, please see the section headed “Risk Factors” in this prospectus.

Risks Relating to Our Business and Our Industry

- The global economic recession may materially and adversely affect our business, financial condition and results of operations.
- Our results of operations are vulnerable to any significant downturn in the steel manufacturing industry, especially in the stainless steel and special steel sectors.
- Our limited operating history may make it difficult for you to evaluate our business and future prospects.
- Our business and results of operations are dependent on the market prices for manganese ore and manganese products, which are volatile and driven by exogenous supply and demand factors, and we may also be exposed to fluctuations in prices for certain non-manganese products in the future.
- We face competition from domestic and foreign competitors.
- Excess production capacity in manganese ore mining and for manganese products may depress global prices for manganese ore and manganese processed products.
- The accuracy of our manganese estimated reserves is based on a number of assumptions that may prove inaccurate, and we may produce less manganese than our current estimates.

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- Our failure to achieve our production estimates could have a material adverse effect on our future cash flow, results of operations and financial condition.
- Our exploration and development of new projects might be unsuccessful, expenditures may not be fully recovered and depleted ore reserves may not be replaced.
- We face risks associated with our mining and processing operations, and our business is currently dependent on Daxin Mine and Tiandeng Mine and in the future will also be dependent upon Bembélé Manganese Mine.
- We may be unable to renew our mining rights for Daxin Mine and Tiandeng Mine, Jingxi Manganese Mine may not be able to renew its mining permit for the area mined by Guangxi Start under a management agreement, and we may be unable to obtain exploration or mining rights for other areas in China.
- We may be unable to pass the annual verification of our mining rights to Daxin Mine and Tiandeng Mine.
- We may be unable to obtain new mining rights certificates for Daxin Mine and Tiandeng Mine with increased mining capacities, or maintain or increase the manganese ore mining production levels at Daxin Mine and Tiandeng Mine.
- We may be unable to renew CICMHZ's exploration and mining permits for our Gabon operations.
- CICMHZ may be unable to obtain additional mining permits for our Gabon operations on favorable terms and conditions or at all.
- We may be unable to obtain financing on favorable terms, or at all, to fund our ongoing operations, existing and future capital expenditure requirements, acquisition and investment plans and other funding requirements, and our ability to raise additional financing could be materially affected by the fluctuations in the capital markets.
- Our existing and future major capital expenditure projects may not be completed within the expected time frame and within our budget, or at all, and may not achieve the intended economic results.
- Our acquisition and investment strategies may not be successful.
- We face risks associated with our joint ventures.
- Our operations are exposed to risks in relation to environmental hazards.
- More restrictive interpretation or more rigorous enforcement of current environmental laws and regulations, or the adoption of new environmental laws and regulations, or unanticipated environmental effects of our operations, could require us to incur new or increased costs and adversely affect our business, financial condition and results of operations.
- Our operations are exposed to risks in relation to the mishandling of dangerous or hazardous articles.

SUMMARY

- Our operations are exposed to risks in relation to production safety and the occurrence of accidents or natural disasters.
- Negative rumors or media coverage about us could materially and adversely affect our reputation, business, financial condition and the price of our Shares.
- Non-compliance with PRC employee social welfare contribution regulations could lead to the imposition of fines or penalties.
- We may not have insurance coverage that is adequate to cover potential liabilities and losses.
- There may be a material adverse impact on us if we are unable to secure qualified personnel for our operations.
- We rely on third-party contractors for part of our operations, and in the case of any failure by such contractors in performing their tasks or by us to maintain long-term and stable working relationships with such contractors, our business, financial condition and results of operations may be adversely affected.
- Our business, financial condition and results of operations may be adversely affected if we are unable to secure an adequate and uninterrupted supply of necessary auxiliary materials or electricity at favorable prices or at all.
- We are dependent upon a few major suppliers.
- Our business, financial condition and results of operations may be adversely affected if Guangxi Dameng group fails or refuses to perform the continuing connected transactions entered into with us.
- We may experience a shortage of reliable and adequate transport capacity for our manganese products and any material increase in transportation costs could have a material adverse effect on our business and results of operations.
- We may encounter unexpected difficulties in expanding into new markets.
- We are subject to risks relating to product concentration, and our expansion into new products may not be successful.
- We are dependent upon a few major customers.
- Anti-dumping measures and regulatory actions initiated by countries to which we export our products may affect our export sales to those countries.
- CRH Group will continue to be our controlling shareholder, whose interests may differ from those of our other Shareholders.
- We use CITIC Group's logo pursuant to the approval from CITIC Group, but the registration of CITIC Group's logo as a trademark in Hong Kong is still pending approval.
- We are a holding company and our ability to pay dividends on our Shares is dependent upon the earnings of, and distributions by, our subsidiaries.

SUMMARY

- Our business may be adversely affected if we fail to maintain sufficient levels of working capital in the future.
- We may experience delays in receiving progress payments and accounts receivable from our customers, which may adversely affect our cash flow and working capital, financial condition and results of operations.
- The defects in our ownership or usage rights in the properties that we currently own or lease, the failure to renew our temporary land use rights when they expire, and the failure to obtain all required certificates or permits before commencing to construct our projects under construction, could adversely affect our rights to use such properties.

Risks Relating to Conducting Operations in the PRC

- The political and economic situation in the PRC may affect our business.
- Changes in PRC laws, regulations and policies, or the enactment and implementation of new PRC laws and regulations, may materially and adversely affect our financial condition and results of operations.
- Fluctuations in foreign exchange rates and changes in foreign exchange regulations may materially and adversely affect our results of operations.
- We are subject to risks associated with the PRC legal system, and interpretation of PRC laws and regulations involves uncertainty.
- There may be difficulties in seeking recognition and enforcement of foreign judgments or arbitral awards in China.
- The discontinuation of any preferential tax treatment currently available to us and the increase in the PRC enterprise income tax could decrease our net income and materially and adversely affect our financial condition and results of operations.
- We may be treated as a resident enterprise for PRC tax purposes following the effectiveness of the New EIT Law on January 1, 2008, which may subject us to PRC income tax for any dividends we receive from our subsidiaries and withholding for any dividends we pay to our non-PRC Shareholders on profits earned after January 1, 2008.
- New labor laws in the PRC may adversely affect our business, financial condition and results of operations.
- PRC laws relating to acquisitions of PRC companies by foreign entities may limit our ability to acquire PRC companies and adversely affect the implementation of our strategy as well as our business and prospects.
- The outbreak of any severe communicable disease in the PRC may materially and adversely affect our results of operations.

SUMMARY

Risks Relating to Conducting Operations in Gabon and Other Foreign Countries in Which We May Operate in the Future

- There are political, economic and other risks relating to our operations in Gabon, and any country in which we may establish operations in the future may have such risks.
- Changes in Gabonese laws, regulations and policies, or the enactment and implementation of new Gabonese laws, regulations and policies, may materially and adversely affect our financial condition and results of operations.
- Interpretation and application of the laws and regulations of Gabon, as well as the laws and regulations of the countries in which our Company may establish operations in the future, can be uncertain and could adversely affect our business, financial condition and results of operations.
- The discontinuation of any preferential tax or custom treatment currently available to CICMHZ and the increase in the applicable tax or custom regime could decrease our future net income and materially and adversely affect our business, financial condition and results of operations.
- Allegations of governmental or business corruption in Gabon could significantly disrupt our ability to conduct our business in Gabon and could materially adversely affect our financial condition and results of operations.
- We face various challenges associated with providing supplies, energy and transport capacity to our operations in Gabon.
- We cannot assure you that we will be able to access and/or use all or part of the land necessary to perform our mining operations in Gabon.
- There may be a material adverse impact on us if we are unable to secure qualified personnel for our operations in Gabon.

Risks Relating to the Global Offering

- Current volatility in the global financial markets could cause significant fluctuations in the price of our Shares.
- There has been no prior public market for our Shares, and our Shares may not trade actively in the market and the transaction price of the Shares may be volatile.
- Sale or perceived sale of substantial amounts of our Shares in the public market after the Global Offering could materially and adversely affect the prevailing market price of our Shares.
- You may experience dilution because of the issuance of Shares pursuant to the awards or options granted under the Share Option Scheme.
- As the Offer Price is higher than the net tangible book value per Share, the book value of any Shares you buy will be diluted immediately.
- There will be a four business-day time gap between the pricing and trading of our Shares offered in the Global Offering.

SUMMARY

- Facts and statistics from government official publications in this prospectus relating to the Chinese and Gabon economies and the manganese industry in China and Gabon may be inaccurate.
- You should read the entire prospectus and should not rely on any information contained in press coverage or other media regarding us and the Global Offering.

You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media, including, in particular, any projections, valuations, other forward-looking information or information about corporate investors.