You should carefully consider all of the information in this prospectus, including but not limited to the risks and uncertainties described below, before making an investment in the Offer Shares. Our business, financial condition or results of operation could be materially and adversely affected by any of these risks. The trading price of the Offer Shares may decline due to any of these risks, and you may lose all or part of your investment.

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.

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.

The global economy, and in particular global industrial productions, is the primary driver of demand for minerals and metals. Global industrial production has been trending downward since the second half of 2008, resulting in significant and widespread contraction in demand for minerals and metals, including an unprecedented decline in global demand for manganese products. These macroeconomic developments negatively affected and may continue to affect our business, financial condition and results of operations. For example, our revenue decreased to HK$2,086.4 million in 2009 from HK$2,862.9 million in 2008. During the same periods, the 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. 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. While it is difficult to predict the depth of the global economic downturn's impact on demand for manganese products, we expect that it will continue to present risks for an extended period of time. If the economic downturn continues, our business, financial condition and results of operations may be materially and adversely affected.

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 business and prospects are heavily dependent on the demand for manganese products by steel manufacturers in China and abroad. The iron and steel industry is highly sensitive to general economic conditions and fluctuations in the prevailing prices of steel. Economic slowdowns in China or in other countries where our customers are located could curtail demand for steel, and consequently, EMM and other manganese products we sell to steel producers. The global economic downturn that unfolded in the second half of 2008 have precipitated slowdowns in a wide range of industries, including real estate, automobile manufacturing and iron and steel industries, which in turn have resulted in weaker demands for manganese products and decreases in the prices of manganese products in the domestic and international markets. Any significant and sustained downturn in iron and steel manufacturing industry, especially in the stainless steel and special steel sectors in China and other countries where our customers are located may adversely affect our business, results of operations and financial condition.

Our limited operating history may make it difficult for you to evaluate our business and future prospects.

Our Company was incorporated in Bermuda on July 18, 2005 and our principal operating subsidiary, CITIC Dameng Mining, was established as a sino-foreign equity joint venture in the PRC on August 19, 2005. We have a limited operating history from which you can evaluate our business and future prospects. Our revenue experienced significant growth in a relatively short period of time, increasing from HK$1,684.5 million in 2007 to HK$2,086.4 million in 2009. Our revenue may not be able to continue to grow at similar rates, if at all. Our gross profit margin was 35.1%, 26.2%, 20.6% and 19.9% for the three years ended December 31, 2009 and six months ended June 30, 2010, respectively. Our net profit margin was 23.4%, 14.0%, 3.1% and 5.5% for the three years ended December 31, 2009 and six months ended June 30, 2010, respectively. Although we plan to continue implementing strategies to enhance our operational efficiency and profitability, there is no assurance that our gross profit margin and net profit margin will not continue to fall or will recover, if at all. Each of the risks described in this "Risk Factors" section, as well as other factors, may affect our future results of operations and profitability. You should consider our future prospects in light of the risks and challenges encountered by a company with a limited operating history.

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.

Our business is sensitive to movements in the market prices for manganese ore and manganese products. We derive most of our revenue from the sale of manganese products, and we expect these products to continue to account for a large percentage of our revenue in the near term. For the three years ended December 31, 2009 and the six months ended June 30, 2010, revenue generated from the sale of manganese ore and manganese products in the aggregate accounted for 70.6%, 66.4%, 80.7% and 83.6% of our total revenue, respectively.

The prices of manganese ore and manganese products have historically been subject to significant fluctuations in response to various market forces and factors, such as global mine production, general global and PRC economic conditions and industrial demand, and costs of production by manganese ore and manganese product producers. During the Track Record Period, there had been significant fluctuation in the prices of manganese ore and manganese products, including EMM, one of our principal products in terms of revenue. Movements in the price of EMM had been driven largely by demand for special steel, stainless steel, copper and aluminum alloys, the primary end-users of EMM. The recent global economic downturn, which unfolded in the second half of 2008, adversely affected the prices of manganese products in late 2008 and early 2009. A significant and sustained adverse movement in the market prices of manganese ore and manganese products may materially and adversely affect our financial condition and results of operations. For the three years ended December 31, 2009 and six months ended June 30, 2010, our average selling price per tonne for EMM was HK$15,976, HK$18,654, HK$12,968 and HK$14,903, respectively. Please refer to the section headed "Industry Overview — Market Outlook" in this prospectus for more information on the prices of manganese ore and manganese products in recent years.

Additionally, we produce high carbon ferrochromium. As such, our business is also sensitive to market prices of non-manganese ferroalloys. Any significant and sustained adverse movement in the price of non-manganese ferroalloys would negatively affect our business, financial condition and results of operations. For the three years ended December 31, 2009 and six months ended June 30, 2010, our average selling price per tonne for high carbon ferrochromium was HK$8,222, HK$13,321, HK$7,638 and HK$9,714, respectively.

We face competition from domestic and foreign competitors.

We face competition from both domestic and international manganese producers. According to the AME Report, the key international manganese ore producers include BHP Billiton, Eramet, Vale, Eurasian Natural Resources, Assmang (a joint venture between African Rainbow and Assore), Anglo American and OM Holdings. We also face competition from a number of small and medium-sized manganese producers in China. Some of our international competitors may have competitive advantages over us, including greater financial, technical and raw material resources, greater economies of scale, broader name recognition and more established relationships in certain markets. Competitive pressure may force us to lower our prices, lead to a decrease in our sales and ultimately may have a material adverse impact on our business, financial condition and results of operations.

Excess production capacity in manganese ore mining and for manganese products may depress global prices for manganese ore and manganese processed products.

According to the AME Report, in recent history the manganese industry has experienced some over-supply and excess capacity resulting from rapid growth. AME predicts that in 2010 and 2011 there will be new sources of manganese ore supply, with a number of large-scale manganese ore projects scheduled to come into production in the near term, including large-scale projects in South Africa and Australia. AME considers the manganese market to be currently close to a balanced position, and expects the aforementioned new sources of manganese ore supply to enter the market in an orderly way to meet existing market demand. However, there can be no assurance that future global or PRC demand for manganese ore will be stable, and the global or PRC manganese ore industry may experience over-capacity in the future, which may have a material adverse affect on our business, financial condition and results of operations.

In recent years there has been excess production capacity for certain manganese processed products in the PRC, including EMM and silicomanganese alloy. For example, according to the CISRIG Report, in 2009, EMM production capacity in China was approximately 2.1 Mt, while there was only approximately 1.3 Mt of EMM produced in that year. According to the AME Report, the EMM production capacity in China, despite the government's efforts to rationalize the EMM industry, is expected to remain high in the near future. There can be no assurance that global or PRC demand for manganese ore or manganese processed products will grow in tandem with production capacity growth, and if it does not, global or PRC prices for manganese ore or manganese processed products may decrease, which would have a material adverse impact on our business, financial condition and results of operations.

The accuracy of our manganese estimated reserves and resources are based on a number of assumptions that may prove inaccurate, and we may produce less manganese than our current estimates.

Our estimated reserves and resources in the PRC and in Gabon are based on a number of assumptions conforming to the JORC Code. However, we cannot assure you that our resources and/or reserves will be recovered in the quantities, quality or yields presented in this prospectus. Ore reserve and mineral resource estimates are inherently prone to variability. They involve subjective judgments and determinations based on various factors such as knowledge, experience, industry practice and available geological, technical, contracted and economic information. Assumptions that are valid at the time of estimation may change significantly when new information becomes available or new factors arise, and interpretations and deductions on which reserves and resources estimates are based may prove to be inaccurate. Changes in the forecast prices of manganese, exchange rates, production costs or recovery rates may result in the reserves ceasing to be economically viable. This may ultimately result in the reserves to be restated. Should we encounter mineralization different from that predicted by pest drilling, sampling and similar examination mineral resource and/or reserve estimates may have to be adjusted downward. Such changes in resources and/or reserves could also impact our development and mining plans, depreciation and amortization rates, asset carrying values, deferred stripping calculations and provisions for rehabilitation cost which in turn could affect the value of your investments. The inclusion of reserve and resource estimates should not be regarded as a representation that all these amounts can be economically exploited and nothing contained herein (including, without limitation, the estimates of mine lives) should be interpreted as assurance of the economic lives of our reserves and resources or the profitability of our future operations. For more information on our ore reserves, including the qualifications to the SRK Report, please refer to the Independent Technical Review Report in Appendix V to this prospectus.

Our failure to achieve our production estimates could have a material adverse effect on our future cash flow, results of operations and financial condition.

Estimates of future production for our mining, ore processing and downstream processing operations are subject to change. We cannot give any assurance that we will achieve our production estimates. Our failure to achieve our production estimates could have a material and adverse effect on our future cash flow, results of operations and financial condition.

The production estimates are based on, among other things, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores, utilization of production facilities, costs of production and conditions of the industry and general economy. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this prospectus, and as set out below:

- actual ore mined varying from estimates in grade, tonnage, and metallurgical and other characteristics;
- encountering of unusual or unexpected geological conditions;
- mining dilution;
- lower than estimated recovery rate;
- industrial accidents;
- equipment failures;
- natural phenomena such as weather conditions, floods, blizzards, droughts, rock slides and earthquakes;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including but not limited to explosives, fuels, sulfuric acid and equipment parts; and
- other restrictions imposed by government authorities.

Such occurrences could result in damage to mineral properties or processing facilities, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities. These factors may cause an operation that has been profitable in the past to become unprofitable. New operations frequently experience unexpected problems during the initial development phase. Delays often can occur in the commencement of production. Estimates of production from mines or processing facilities not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility studies prepared by our personnel and/or outside consultants), but it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated.

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 seek to expand our reserve base by conducting explorations through third party exploration professionals. Manganese exploration is unpredictable and speculative in nature. The success of any manganese exploration program depends on various factors, including whether orebodies can be located, whether the location of orebodies are economically viable to mine, whether appropriate metallurgical processes can be developed and appropriate mining and processing facilities can be economically constructed, and whether necessary governmental permits, licenses and consents can be obtained. We cannot assure you that any future exploration activities will extend the life of our existing mining operations or replace the depleted ore reserves.

If we are unable to replace or expand the reserves of our existing mines or identify new mines through exploration, we may not be able to increase our present manganese production level in the future. This may result in a need to increase our procurement of raw materials from external sources for the continuing production of manganese products and other products. Such external sources of raw materials may not be available at commercially acceptable prices, or at all. As a result, we may experience higher production costs or even production interruption, which in turn could adversely affect our results of operation.

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.

Our mining and processing operations are subject to a number of operating risks and hazards, some are beyond our control, which could delay the production and delivery of manganese products or increase the cost of mining and processing operations. These operating risks include those relating to government moratorium on production, unexpected maintenance or technical problems, periodic interruptions due to inclement or hazardous weather conditions and natural disasters, industrial accidents, power or fuel supply interruptions, fires and unusual or unexpected variations in mineralization, geological or mining conditions. Such risks may result in damage or loss to our mining and processing operations, which may materially and adversely affect our financial condition and results of operations. For example, the government of Jingxi County ordered suspension of all mining activities in Jingxi County in September 2008, including the mining activities at Jingxi Manganese Mine. The mining production managed by Guangxi Start on behalf of Jingxi Manganese Mine had to be suspended accordingly. During the suspension, Guangxi Start had to obtain supply of manganese raw materials for Start EMM Plant from third party suppliers. Other than the government-ordered suspension since September 2008 of the mining production managed by Guangxi Start on behalf of Jingxi Manganese Mine, we did not experience any material unexpected maintenance, technical problems or periodic interruptions in our operations during the Track

Record Period that delayed the production or delivery of our products, or increased our costs and expenses of our operations.

Furthermore, our business is dependent on Daxin Mine and Tiandeng Mine as our primary source of manganese ore supply for our processing operations. The future success of our business is also impacted by our ability to source adequate manganese ore supplies from Bembélé Manganese Mine, which we intend to transport back to our China facilities for processing. If there is any disruption to the continued operations of Daxin Mine and Tiandeng Mine or supporting infrastructure, or if there is any disruption to Bembélé Manganese Mine or supporting infrastructure in the future once this mine becomes operational and is integrated into our business, or if any of the events mentioned above occurs, our business, financial condition and results of operations may be materially and adversely affected.

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.

Pursuant to the JV Contract relating to the establishment of CITIC Dameng Mining, Guangxi Dameng contributed and transferred to CITIC Dameng Mining, with the approval of the Guangxi SASAC, the mining rights to Daxin Mine and Tiandeng Mine. The mining rights to Daxin Mine and Tiandeng Mine, which were originally allocated to Guangxi Dameng by MLR without any charge or fee, were appraised on March 31, 2005 to have a value of RMB111,352,900. The appraised value of the mining rights to Daxin Mine and Tiandeng Mine were RMB95,588,900 and RMB15,764,000, respectively, which was based on the appraised service period of 30 years and 14 years, respectively. Under the applicable PRC laws and regulations, enterprises that were previously allocated mining rights for no consideration are required to pay for these mining rights if such mining rights are transferred to a third party. According to the payment schedule that MLR agreed to, the total amount to be paid for the mining rights to Daxin Mine and Tiandeng Mine by Guangxi Dameng to MLR was RMB111,352,900 which should be paid in six installments from 2006 to 2011 for each of Daxin Mine and Tiandeng Mine. As of the Latest Practicable Date, the amount for Daxin Mine has been fully paid and five installments for Tiandeng Mine had been paid to MLR in accordance with the payment schedules amounting to approximately RMB13.0 million in aggregate. The remaining balance payable to MLR by Guangxi Dameng for the mining rights to Tiandeng Mine was RMB2,780,986, which will be paid by February 2011. Our PRC legal advisers have advised us that the arrangement for Guangxi Dameng to be allocated the mining rights for no consideration and to pay MLR for such mining rights after transferring the rights to us is in compliance with the relevant laws and regulations. As such, this arrangement will not affect our renewal of such mining rights. Our PRC legal advisers have also advised us that if Guangxi Dameng defaults in any of its outstanding installments to be paid to MLR, there is no assurance that MLR will not take any action, including requesting us to pay the outstanding installments or revoking the mining rights permits, that may adversely affect the validity of our mining rights to Daxin Mine and Tiandeng Mine. However, in accordance with the JV Contract, Guangxi Dameng shall be liable to us for any loss incurred by us as a result of its default on payment of the outstanding installments, if any.

We are in the process of preparing the application materials to MLR to obtain new mining certificates for Daxin Mine and Tiandeng Mine and increase the mining capacities specified thereof. After we have obtained the new mining certificates for Daxin Mine and Tiandeng Mine with increased mining capacities, we may continue to apply for renewal of the mining permits for Daxin

Mine and Tiandeng Mine upon expiration. Our PRC legal advisers have advised us that there will be no legal impediment for us to renew the mining permits upon expiration, as long as (i) we have paid up all payable resource taxes, mining rights use fees and mineral resources compensation fees; (ii) we have submitted all renewal application materials required by the authorities; and (iii) we have satisfied the legal and regulatory requirements applicable at that time. However, there can be no assurance that we will be able to renew our mining rights on favorable terms, or at all, once such rights expire. Since our business is dependent on our Daxin Mine and Tiandeng Mine, if we are unable to renew such rights, our business, financial condition and results of operations will be materially and adversely affected.

Guangxi Start entered into a management agreement in 2001 with Jingxi Manganese Mine, which holds a 8.24% equity interest in Guangxi Start, to manage the mining productions at a sub-district of a mine near Xuntun, Guangxi, or the Jingxi sub-district, on behalf of Jingxi Manganese Mine. Under the management agreement, Jingxi Manganese Mine entrusted to Guangxi Start the management of the mining productions at the Jingxi sub-district until 2031. Our PRC legal advisers have advised us that Jingxi Manganese Mine held valid mining permit for the relevant mining area when the parties entered into the agreement. Jingxi Manganese Mine's mining permit for the relevant area expired in March 2009 and it is in the process of applying for renewal of its mining permit. However, there is no assurance that Jingxi Manganese Mine will be able to renew its mining permit. If Jingxi Manganese Mine could not renew its mining permit, Guangxi Start will not be able to conduct mining operations at the Jingxi sub-district. The unamortized capital expenditure incurred by Guangxi Start in the process of performing the management agreement, which was in the amount of approximately HK$1.5 million as of June 30, 2010, will also be lost.

We may be unable to pass the annual verification of our mining rights to Daxin Mine and Tiandeng Mine.

Our mining rights to Daxin Mine and Tiandeng Mine are subject to verification on an annual basis by the Department of Land and Resources of Guangxi. In the annual verification, the relevant authorities will consider whether our mining activities in the past year were in compliance with the relevant laws and regulations. If we are unable to meet the relevant requirements or found in material breach of any laws or regulations, and as a result unable to pass the annual verification, we will be penalized according to the relevant laws and regulations or given a deadline to rectify the situation, tailing which our mining rights could be revoked. While we have passed the annual verifications in the past and have not been penalized before, we cannot assure you that we will be able to pass the annual verification of our mining rights in the future. Should these rights be suspended or revoked or we fail to pass the annual verification, our operation and financial performance will be materially and adversely affected.

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.

Our mining rights certificates for Daxin Mine and Tiandeng Mine specify an annual manganese ore mining capacity of approximately 0.3 Mt and approximately 0.25 Mt, respectively. In 2009, the manganese ore production volumes at Daxin Mine and Tiandeng Mine were approximately 0.81 Mt and approximately 0.29 Mt, respectively. We are in the process of preparing the application materials to MLR to increase the capacities specified on our mining rights certificates. Our PRC legal advisors have advised us that the mining rights to Daxin Mine and Tiandeng Mine are valid despite that our mining activities at such mines exceeded the capacities set forth in the mining rights certificates, because (i) according to our PRC legal advisers, there is no specific law or regulation requiring us to obtain a new mining rights certificate or imposing any penalty for the failure to obtain a new mining rights certificate if our ore production volume exceeds the capacity set forth in a mining rights certificate, as long as our production complies with the applicable safety production laws and regulations; (ii) we obtained the compliance certificate from the Safety Production Supervision Bureau of Guangxi in July 2010, confirming that we have installed and operated the necessary safety production facilities appropriate for our actual mining and processing capacities and production scale, and have complied with all other aspects of the applicable safety production laws and regulations since our establishment; and (iii) our mining rights to Daxin Mine and Tiandeng Mine, including production volumes, are subject to verification on an annual basis by the Department of Land and Resources of Guangxi. We submitted the required verification materials and documents, including, among other things, our annual ore production volumes, to the relevant authorities. We have passed such annual verifications and no challenge was raised by relevant authorities with regard to our manganese ore production volumes at Daxin Mine and Tiandeng Mine.

However, we cannot assure you that we will be able to obtain new mining rights certificates with increased annual manganese ore mining capacities for Daxin Mine and Tiandeng mine, or the relevant government authorities will not sanction us for exceeding the mining capacities listed on our mining rights certificates. If we cannot operate Daxin Mine and Tiandeng Mine at the current or planned production levels, it will materially and adversely affect our business, financial condition and results of operations.

We may be unable to renew CICMHZ's exploration and mining permits for our Gabon operations.

CICMHZ owns (i) an exploration permit relating to the Bembélé area for manganese, which will expire on June 23, 2013, and (ii) a manganese mining permit for Bembélé Manganese Mine, which will expire on December 5, 2017. Our Gabon legal advisers have advised us that provided (i) CICMHZ has fully performed the works program provided in the mining convention if a mining convention had been entered into at the time of the application for a renewal; (ii) CICMHZ has spent the minimum budget provided in the Gabon Mining Code and the exploration permit, as the case may be; and (iii) CICMHZ has fully performed all legal, regulatory and contractual obligations under the Gabon Mining Code, its exploration permits or mining permit, as the case may be, and applicable laws and regulations during the preceding period and the necessary legal procedures required under the Gabon Mining Code and applicable laws and regulations for a renewal, there should not be any legal impediment preventing CICMHZ from renewing these exploration or mining permits.

However, CICMHZ may face difficulties in meeting these requirements to renew its exploration and mining permits, and there can be no assurance that CICMHZ will be able to renew its exploration and mining permits on favorable terms, or at all, once such permits expire. For example, our Gabon legal advisers have advised us that CICMHZ may not have fully met all of its works program and budget requirements under the Gabon Mining Code and its exploration permits. Failure to comply with budget requirements may result in the Ministry in charge of Mines refusing to renew CICMHZ's exploration permits. Failure to meet budget requirements may also result in the reduction of the surface area allocated under the exploration permits, the suspension of CICMHZ's operations or the cancellation of CICMHZ's exploration permits. Since our Gabon operations are dependent on the exploration and mining rights granted to CICMHZ in its exploration and mining permits, if any of the foregoing risks were to occur, our business, financial condition and results of operations may be materially and adversely affected.

CICMHZ may be unable to obtain additional mining permits for our Gabon operations on favorable terms and conditions or at all.

Under the Gabon Mining Code, mineral resources in Gabon are the property of the State of Gabon. Mining enterprises, including CICMHZ, wishing to perform exploration or mining operations must obtain a mining title, the name and nature of which depends on the nature of operations. Under the Gabon Mining Code, mining enterprises are entitled to conduct exploration operations on an exclusive basis within the areas defined in their exploration permits and for the minerals contained in such permits. Further, mining enterprises holding exploration permits are entitled to file an application for and be awarded a mining permit or a concession to mine, on an exclusive basis, commercially valuable minerals which are discovered within this area.

CICMHZ holds an exploration permit for manganese relating to the Bembélé area which originally had a surface area of approximately 2,000 square kilometers, but presently covers approximately 1,980 square kilometers following CICMHZ's having received a mining permit for manganese relating to the Bembélé Manganese Mine, which covers 20 square kilometers in the same Bembélé area. This permit entitles CICMHZ to conduct exploration operations in the area under the exploration permit on an exclusive basis. Our Gabon legal advisers have advised us that if we discover commercially valuable deposits of these minerals in the area covered by the applicable permit, there should not be any legal impediment preventing us from obtaining mining permits or concessions for manganese and for lead, zinc and silver in regard to the land covered by our exploration right areas, provided that (i) we have fully performed our obligations provided in the mining convention, if a mining convention had been entered into at the time of the application for the mining permit, (ii) we have fully performed all legal, regulatory and contractual obligations during the preceding period, (iii) the mining convention has been duly amended in accordance with the Gabon Mining Code, if applicable, and (iv) we have completed the necessary legal procedures as required under the Gabon Mining Code and applicable laws and regulations.

However, we may in the future face difficulties in meeting these requirements to renew our exploration and mining permits. A failure to obtain such mining rights, on terms favorable to us or at all, may materially and adversely our business, prospects, financial condition and results of operations.

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.

The exploration, mining and processing of mineral resources is very capital intensive. To fund our current and future operations, capital expenditure requirements, acquisition and investment plans and other funding requirements, we need sufficient internal sources of liquidity or access to additional financing from external sources. We currently fund our capital expenditures with short-term and long-term bank loans, cash flow from our operating activities and capital contributions from our Shareholders. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including, for example, (i) obtaining the PRC Government approvals, where necessary, to raise financing in the domestic or international markets; (ii) obtaining the PRC Government approvals to remit to China the proceeds from any financings raised in international markets; (iii) our future financial condition, results of operations and cash flows; (iv) the condition of the global and domestic financial markets; and (v) changes in the monetary policy of the PRC Government with respect to bank interest rates and lending practices and conditions.

The disruptions, uncertainty or volatility in the capital and credit markets resulting from the global financial crisis may limit our ability to obtain financing to meet our funding requirements. If adequate funding is not available to us on favorable terms, in time, or at all, it may materially and adversely affect our ability to fund our existing operations, or develop or expand our business. Additionally, if we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. If we decide to raise additional funds through the issuance of our Shares or other securities, the interests of our Shareholders may be substantially diluted.

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.

We intend to invest in projects at our existing operations to increase our production efficiency, as well as to expand and develop our manganese mining and processing capabilities. We are also currently in the process of making significant capital expenditures in connection with the expansion of our operations into Gabon. We typically conduct feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by our feasibility studies.

Such projects could be delayed or adversely affected by a variety of factors, including the failure to obtain the necessary regulatory approvals or sufficient funding, construction difficulties, technical difficulties and manpower or other resource constraints. In particular, the disruptions, uncertainty or volatility in the capital and credit markets resulted from the global financial crisis may limit our ability to obtain financing to meet our funding requirements and we may postpone certain construction projects if our Directors determine that doing so would be in the interest of our Group after taking into consideration the then market conditions, our financial performance and other relevant factors. Costs of these projects may also exceed our planned investment budget. Even if we are able to complete the projects without any delay and within our budget, as a consequence of changes in market circumstances or other factors, we may not achieve the intended economic benefits of these projects. As a consequence of any delay in completing our capital expenditure projects, cost overruns, changes in market circumstances or other factors, the intended economic benefits from these capital expenditure projects may not materialize, and our financial condition and results of operations may be materially and adversely affected.

Our acquisition and investment strategies may not be successful.

An integral part of our business strategy is to grow our business through investment in, or acquisition of, additional assets or business operations relating to manganese mining and processing, which may include entering into joint ventures or forming strategic alliances that we believe will expand or complement our existing business. However, there can be no assurance that we will be able to identify attractive acquisition targets, negotiate acquisitions on favorable terms, obtain necessary government approvals, if applicable, accurately estimate the resources and reserves of these acquisition targets or obtain the necessary funding to complete such acquisitions on commercially acceptable terms or at all. Moreover, we cannot assure you that any business acquired by us will be integrated successfully into our operations or that we will be able to operate it profitably. Further, acquisitions may require the utilization of debt, equity or other capital resources, and such use may represent a diversion of financial resources from other operations. In addition, the key personnel of the acquired company may decline to work for us. These challenges associated with acquisitions may disrupt our continuing business and divert resources and management's attention from our other business concerns. If we are unable to carry out our acquisition strategy successfully, our business, financial condition and results of operations may be materially and adversely affected.

We face risks associated with our joint ventures.

Some of our existing businesses are carried out through joint ventures, including our investment in CICMHZ. In addition, as part of our acquisition and investment strategies, we may enter into additional joint ventures in the future. Such existing or future joint venture arrangements involve a number of risks, including:

- disputes with joint venture partners in connection with the performance of each party's obligations under the joint venture agreements;
- disputes as to the scope of each party's responsibilities under these agreements;
- financial difficulties encountered by a joint venture partner affecting its ability to perform its obligations under the joint venture agreements or other contracts with us; and
- conflicts between the policies or objectives adopted by the joint venture partners and those adopted by us.

Any of these risks and other factors may lead to disputes with our joint venture partners and cause disruptions in the operations of the joint ventures and, as a result, our financial condition and results of operations may be materially and adversely affected.

Our operations are exposed to risks in relation to environmental hazards.

Environmental hazards may occur in connection with our operations as a result of human errors, force majeure or otherwise. The occurrence of any environmental hazards may delay production, increase production costs, cause personal injuries or property damages, result in liability to us or damage our reputation. Such incidents may also result in a breach of the conditions of our mining or exploration permits, or other consents, approvals or authorizations, with consequent exposure to enforcement proceedings or even possible revocation of our mining or exploration permits. Consistent with the industry practice in the PRC, we are not insured against environmental liabilities. In preparation of the Global Offering, we appointed SRK as our independent technical consultant to, among other things, assess our facilities' compliance with applicable environmental laws and regulations and the environmental impact assessment, or EIA, approval conditions of our facilities. According to the SRK Report, the current operations of our facilities are generally managed in compliance with applicable environmental requirements and international practice guidelines. However, SRK noted certain potential issues with regards to our mines and plants which either do not meet Chinese or Gabon environmental requirements and/or do not conform to recognized international industry practices. During their review, SRK made recommendations concerning how to address these issues. Among the issues identified by SRK, the fact that our hydrocarbon storage and handling of fuels and oils did not have secondary containment was the only issue that was not in full compliance with the requirements under PRC laws, and all the other issues were identified on the basis of international best practices. We completed the construction of the secondary containment for fuels and oils as recommended by SRK in October 2010. We are in the process of implementing other recommendations based on international best practices suggested by SRK. However, we cannot assure you that we will not be subject to environmental non-compliance penalties in the future.

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.

We are subject to PRC national, provincial and local environmental protection laws and regulations on matters such as air emissions, discharge of waste water and pollutants, land reclamation, waste disposal and mining control. We are also subject to extensive environmental protection laws and regulations in Gabon. We have experienced and expect to experience increased costs of production arising from compliance with environmental protection laws and regulations, including those incurred in installing pollution control equipment. Our costs of compliance with environmental protection laws and regulations may increase significantly if the PRC or the Gabonese governments adopt more restrictive interpretations of existing laws and regulations, begin enforcing existing laws and regulations more rigorously or adopt new and stricter laws and regulations. We cannot assure you that compliance with environmental protection laws or regulations adopted or amended in the future or measures to be taken to tackle unanticipated environmental effects from our operations will not materially increase our operating and other expenses.

Moreover, we cannot assure you that we will be able to comply with all environmental protection laws and regulations that are adopted or amended in the future. Failure to comply with, or any change or difference in the interpretation or enforcement policy of, such laws and regulations, or the occurrence of any unanticipated environmental effects from our operations, could subject us to punitive governmental measures, including forced suspension or closure of operations or revocation of our mining permits, which may have a material adverse effect on our financial condition and results of operations.

Our operations are exposed to risks in relation to the mishandling of dangerous or hazardous articles.

Our exploration, mining and manganese production and processing operations involve the handling and storage of explosive, toxic and other dangerous or hazardous articles. All of our relevant branches and subsidiaries in the PRC that handle or store dangerous or hazardous articles have obtained the required permits in accordance with the applicable PRC laws and regulations, and we have implemented a set of guidelines and rules regarding the handling of such dangerous or hazardous articles. During the Track Record Period, we did not experience any mishandling of dangerous or hazardous articles. More stringent laws, regulations and policies may be implemented by the relevant PRC and Gabon authorities, and there can be no assurance that we will be able to comply with any existing or future laws, regulations and policies in relation to the handling of dangerous or hazardous articles economically or at all. In addition, there can be no assurance that accidents arising from the mishandling of dangerous or hazardous articles will not occur in the future. Should we fail to comply with any relevant laws, regulations or policies or should any accident occur as a result of the mishandling of dangerous or hazardous articles, our business, reputation, financial condition and results of operations may be materially and adversely affected, and we may be subject to penalties and civil and criminal liabilities.

Our operations are exposed to risks in relation to production safety and the occurrence of accidents or natural disasters.

As a manganese mining company, we are subject to extensive laws, rules and regulations imposed by the PRC and Gabonese governments regarding production safety. We have experienced and expect to experience increased costs of production arising from compliance with production safety laws and regulations. The PRC and the Gabonese governments continue to strengthen the enforcement of safety regulations in relation to the mining industry. There can be no assurance that more stringent laws, regulations or policies regarding production safety will not be implemented or that the existing laws, regulations and policies will not be more stringently enforced. We may not be able to comply with all future laws, regulations and policies in relation to production safety economically or at all. Should we fail to comply with any production safety laws or regulations in the future, we would be required to rectify the production safety problems within a limited period, failing which suspension of operations would be required. In addition to rectification or operation suspension, fines may also be imposed according to PRC and Gabonese laws relating to production safety.

There were 30 minor injuries, 2 major injuries and no fatalities related to our operations during the three years ended December 31, 2009 and six months ended June 30, 2010. The causes of the minor injuries include, among other things, burning, electrification, machine malfunction and traffic accidents. The major injuries were caused by a machine malfunction and a maintenance accident, respectively, in 2008 and two employees in total were injured. We have fully compensated all injured workers as required by the applicable PRC laws and regulations. Our PRC legal advisers have advised us that we are also under ongoing responsibilities for the injured workers, including maintaining the injured workers' salaries and providing subsidies to workers disabled because of the injuries. We have duly performed and intend to continue performing our ongoing responsibilities for the injured workers. These incidents have not had and our Directors believe they would not have any material adverse impact on our financial results and operations.

There can be no assurance that similar or other incidents will not occur in the future or that more serious corrective measures or penalties will not be imposed by the regulatory authorities. The occurrence of accidents may disrupt or result in a suspension of our operations, increase production costs, result in liability to us and harm our corporate image and reputation. Such incidents may also result in a breach of the conditions of our mining and exploration rights, or any other consents, approvals or authorizations, with consequent exposure to enforcement procedures or even possible revocation of our mining rights.

Negative rumors or media coverage about us could materially and adversely affect our reputation, business, financial condition and the price of our Shares.

Negative media coverage regarding our operations or other corporate affairs, whether or not accurate, may have a material adverse effect on our reputation, business and financial condition. We cannot assure you that there will not be any negative rumors or media coverage related to us in the future.

Non-compliance with PRC employee social welfare contribution regulations could lead to the imposition of fines or penalties.

In accordance with relevant PRC labor laws and regulations, we are required to contribute to a number of employee social welfare schemes in respect of our employees, including employees hired on a temporary basis. Such schemes include pension insurance, medical insurance, unemployment insurance, birth insurance, job-related injury insurance and housing provident fund contributions. We did not provide any social welfare insurance to some employees of Guangxi Start during the Track Record Period. Our PRC legal advisers have advised us that we are subject to a maximum fine of 0.2% per day of the total delinquent payments of social welfare insurances. The management may also be fined RMB1,000 to RMB10,000 for failure to make the required contributions. We have made provisions in the sum of approximately HK$2.5 million in November 2008 for the delinquent payments and possible penalty. For further details, please refer to the section headed "Business — Employees" in this prospectus. Although we have not received any orders to rectify the non-compliance, we cannot assure you that we will not be subject to such an order in the future. We will continue to monitor the adequacy of our provisions, and will make additional provisions if necessary.

We are not aware of any employee complaints regarding payment of the social welfare insurances and have not received any relevant legal documentation from a labor disputes arbitration committee or the People's Court relating to disputes about payment of these insurances. However, we cannot assure you that there are no such claims or that such claims will not be brought against us in the future, and that we will not be required to pay such insurances or any related damages in the future.

We may not have insurance coverage that is adequate to cover potential liabilities and losses.

We face various risks in connection with our businesses and may lack adequate insurance coverage or may have no relevant insurance coverage. In addition, in line with the industry practice in the PRC, we do not maintain business interruption insurance or third-party liability insurance against claims for property damage, personal injury, environmental liabilities, save for the statutory third party liability insurance for our motor vehicles. Such practice is in compliance with applicable PRC laws and regulations. If we incur substantial losses or liabilities and our insurance coverage is unavailable or inadequate to cover such losses or liabilities, our financial condition and results of operations may be materially and adversely affected.

There may be a material adverse impact on us if we are unable to secure qualified personnel for our operations.

Our continued success and ability to expand our operations depend, to a large extent, on the continued service of our key management, technical staff and research and development staff, in particular Mr. Li Weijian, our Executive Director. We rely on their expertise in developing our business strategies and operations, and in identifying business opportunities. If a significant number of our senior management, technical staff or research and development staff cease to serve us in the future or fail to perform their duties as expected, we may not be able to replace them easily, or at all, and our financial condition and results of operations may be materially and adversely affected.

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.

In line with prevailing industry practice, we outsource our underground mining works at Daxin Mine to three third party contractors. We also outsource to Independent Third Party contractors some exploration work and other tasks at Bembélé Manganese Mine. Our operations are affected by the performance of these contractors. Failure to maintain a cooperative relationship with these contractors or to renew the outsourcing service contracts on similar terms, or at all, when they expire may affect our mining activities and thus, materially and adversely affect our financial condition and results of operations. If we are unable to engage additional contractors to carry out the outsourced work in a timely manner on favorable terms, or at all, our financial condition and results of operations may be materially and adversely affected.

We monitor the work of our third-party contractors. However, we may not be able to control the quality, safety and environmental standards of the work done through these contractors to the same extent as when the work is performed by our own employees. Any failure by these contractors to meet our quality, safety and environmental standards may have a material adverse effect on our business, financial condition and results of operations.

Under the outsourcing service contracts for our PRC operations, all losses caused by, or incurred pursuant to, such outsourced activities shall be borne by the contractors, as long as such losses are not caused by any fault on the part of us. Our PRC legal advisers have advised us that, under the applicable PRC law, we are not responsible for any loss, including but not limited to any injury or casualty suffered by any third party or employee of our contractors, caused by or incurred pursuant to the outsourced activities unless we are at fault regarding our order, instruction or selection of the contractors.

If any claim in respect of the outsourced activities is made by third parties against us directly, we may have to incur costs and devote resources to defend ourselves against such claims. Any such claims could damage our reputation and lead to loss of customers and revenue.

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.

Major auxiliary materials used in our production include, without limitation, gasoline, diesel, coal, coke, lubricating oil, explosives, sulfuric acid, ammonia and selenium dioxide. Our supplies of these materials could be subject to frequent price adjustments. In particular, gasoline, diesel, coal and coke are critical energy sources for our operations. Any macroeconomic control measures implemented by the PRC Government which causes the price of gasoline, diesel, coal or coke to increase will impact our cost of production, which in turn could adversely affect our results of operations.

We consume a substantial amount of electricity in our mining and processing operations. As our production capabilities increase and our business grows, our requirements for electricity will also grow. Any disruption in electricity supply could lead to production shutdowns and the obsolescence of work in progress, as well as increased costs related to recommencement of operations.

There can be no assurance that supplies of auxiliary materials and electricity will not be interrupted or that their prices will not increase in the future. In the event that our existing suppliers cease to supply us with these items at commercially acceptable prices or at all, our business, financial condition and results of operations would be adversely affected.

We are dependent upon a few major suppliers.

We are dependent upon a few major suppliers, which during the Track Record Period have supplied us with electricity, manganese ore, chromium ore, sulfuric acid and EMM, among other supplies. Purchases from our top five suppliers in aggregate accounted for approximately 50.3% 52.4%, 45.7% and 26.6% of our total purchases for the three years ended December 31, 2009 and the six months ended June 30, 2010. For the three years ended December 31, 2009 and the six months ended June 30, 2010, purchases from our largest supplier, being Guangxi Electricity Grid Chongzuo Bureau (廣西電網公司崇左供電局) in 2007, Process Minerals International Pty Ltd. in 2008, Guangxi Electricity Grid Chongzuo Bureau in 2009 and the six months ended June 30, 2010, accounted for approximately 18.8%, 20.0%, 28.5% and 12.9% of our total purchases, respectively. Please refer to the section headed "Business — Suppliers" in this prospectus for further details. There can be no assurance that we will be able to retain our major suppliers or that they will maintain their current level of business with us. As such, we cannot assure you that there will be no interruption in the supply of needed materials to our operations. If our major suppliers do not continue to provide supplies necessary for our operations at acceptable prices or at all and we are unable to obtain, in substitution, suitable supplies of a comparable size, price and quality from other suppliers, our business, financial condition and results of operations may be materially and adversely affected.

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.

Historically, we purchased raw materials, manganese products, tools and equipments from, sold manganese products and raw materials to and provided processing services to Guangxi Dameng and/or its subsidiaries, or the "Guangxi Dameng group." In early 2008, we entered into the Guangxi Dameng Framework Agreements with Guangxi Dameng group, pursuant to which the Group will continue with these sales to, purchases from and provision of processing services to, Guangxi Dameng group from time to time on normal commercial terms and subject to prevailing market prices, for the period of three years commencing from January 1, 2008 and ending on December 31, 2010 or, in connection with some transactions, for the period of 32 months commencing from May 1, 2008 and ending on December 31, 2010. Please refer to the section headed "Connected Transactions" in this prospectus for further details. In addition, we will enter into an Integrated Services Framework Agreement and a Master Sale and Provision of Services Agreement with Guangxi Dameng group, according to which we will procure certain services from as well as sell certain mining products and materials to Guangxi Dameng group on normal commercial terms and subject to prevailing market prices for the three years ending December 31, 2010.

It is expected that Guangxi Dameng will continue to be our substantial shareholder upon Listing, and therefore the above transactions between the Group on one part and Guangxi Dameng group on the other part will constitute connected transactions for us under the Listing Rules. Please refer to the section headed "Connected Transactions" in this prospectus for further details.

There can be no assurance that Guangxi Dameng group will perform the above continuing connected transactions entered into with us pursuant to the terms and conditions of the relevant agreements. As such, we cannot assure you that there will be no interruption in sales to or purchases from Guangxi Dameng group. If Guangxi Dameng group does not continue to perform the above continuing connected transactions at acceptable prices or at all and we are unable to locate suitable third party suppliers or customers which would enter into transactions comparable to the above continuing connected transactions, our business, financial condition and results of operations may be materially and adversely affected.

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.

With regard to our operations in the PRC, we use national railway systems, roadway transportation and cargo ships to transport our manganese products to our customers. We have not experienced any national railway shortages or roadway transportation or shipping disruptions that had a material adverse effect on our operations or financial condition. However, as the PRC continues to develop economically, there will continue to be increasing demand for the country's transport capacity. We cannot assure you that we will not experience any material delay in transporting our manganese products as a result of insufficient railway, road and sea transport capacity. Furthermore, natural disasters may cause interruption to the transportation system which could in turn affect the transportation of our manganese products.

In addition, the future success of our operations in Gabon is impacted by our ability to secure sufficient transportation capacity necessary at each stage of the production process. Gabon is a country with limited transportation capacity, infrastructure and facilities. We must transport materials, equipment, tools, spare parts and supplies to perform our mining operations in Gabon. We must further transport our manganese production from Bembélé Manganese Mine to an exportation point in Gabon. Finally, we may have to transport the manganese ore from this exportation point to our processing facilities in China.

If we are unable to secure the required transportation capacity at terms and conditions acceptable to us or at all, our business, financial condition and results of operations could be materially and adversely affected.

We may encounter unexpected difficulties in expanding into new markets.

To increase our competitiveness, we may in the future expand our operations into other countries and other regions of the PRC. We are presently carrying out our international expansion plans in Gabon through CICMHZ, which may carry many associated risks, including risks related to our being relatively new in such markets. Expansion may also stretch our capital, personnel, and management resources that are otherwise available for our current business. In addition, there may be many established players in these markets who already enjoy significant market shares, and it may be difficult for us to win market shares from them. Foreign companies face certain challenges in entering foreign markets, including unfamiliarity with local work and business cultures, lack of local relationships, unfamiliarity with local regulations and inability to obtain relevant government permits for operations. There can be no assurance that our expansion plans in Gabon, or into other countries or other regions of the PRC in the future, will be successful.

We export our products to less developed countries and regions that are subject to changing economic and political conditions beyond our control, involves certain risks. As a result of our current and future overseas sales, we are exposed to various risks associated with conducting business in foreign countries and territories, including, among other factors, trade restrictions and economic sanctions, foreign currency controls and fluctuations, tax increases or adverse tax policies, economic slowdowns or downturns as well as changes in foreign government regulations, policies or preferential treatments. The occurrence of any of the foregoing events could affect the implementation of our overseas expansion strategy, our profitability and results of operations.

We are subject to risks relating to product concentration, and our expansion into new products may not be successful.

We derive the majority of our revenue from the sales of two products, namely EMM and silicomanganese alloy. For the three years ended December 31, 2009 and six months ended June 30, 2010, revenue generated from the sales of EMM accounted for 37.0%, 33.5%, 43.9% and 53.5% of our total revenue, respectively, and revenue generated from the sales of silicomanganese alloy accounted for 13.8%, 15.8%, 19.2% and 15.3% of our total revenue, respectively. We expect EMM and silicomanganese alloy to continue to account for a large percentage of our revenue in the near term. Continued and increasing market acceptance of these products is therefore critical to our future success. If demand for these products decreases significantly, or if the prices of these products decline significantly, our business, financial condition and results of operations may be materially and adversely affected. In line with our strategy to increase our production of downstream processed products, we expanded our manganese product portfolio to include manganese tetroxide, lithium manganese oxide and lithium cobalt (III) oxide.

There can be no assurance that any products we develop and introduce will achieve market acceptance. Any such failure to achieve market acceptance could jeopardize our ability to recover from our significant investments, which in turn may materially and adversely affect our business, financial condition, results of operations and prospects.

We are dependent upon a few major customers.

We are dependent on our top five customers, which in aggregate accounted for 39.5%, 45.7%, 50.2% and 43.6%, of our total revenue for the three years ended December 31, 2009 and the six months ended June 30, 2010, respectively. In addition, 32%, 57%, 8% and 41% of our trade and notes receivables were due from our five largest customers as of December 31, 2007, 2008 and 2009 and the six months ended June 30, 2010, respectively. Please refer to the section headed "Business — Our Customers" in this prospectus for further details. We typically do not enter into long-term contracts with our key customers and they may switch suppliers of manganese products without incurring significant costs. There can be no assurance that we will be able to retain these customers or that they will maintain their current level of business with us. If there is a reduction or cessation of orders from these customers for whatever reasons and we are unable to obtain, in substitution, suitable orders of a comparable size, our business, financial condition and results of operations may be materially and adversely affected.

Anti-dumping measures and regulatory actions initiated by countries to which we export our products may affect our export sales to those countries.

We export some of our products, including a significant portion of the EMM we produce. For the three years ended December 31, 2009 and the six months ended June 30, 2010, our export sales accounted for approximately 36.2%, 31.1%, 11.7% and 14.2% of our total revenue, respectively. During the Track Record Period, our products have not been subject to anti-dumping proceedings in the United States, Japan, Netherlands and other countries and regions where we export our products. We cannot assure you that the countries or regions to which we export our products will not initiate anti-dumping measures or other regulatory actions against Chinese manganese producers, including us. If they do, our financial condition and results of operations may be materially and adversely affected by these measures.

CRH Group will continue to be our controlling shareholder, whose interests may differ from those of our other Shareholders.

Immediately after completion of the Global Offering (assuming that the Over-allotment Option or any options granted or to be granted under the Share Option Scheme is not exercised), the CRH Group will beneficially own in aggregate approximately 39.3% of the issued share capital of our Company, and will continue to be the controlling shareholder of our Company pursuant to the Listing Rules. In addition, following the completion of the Global Offering our Company will have three common directors with CITIC Resources, namely Mr. Mi Zengxin, Mr. Qiu Yiyong and Mr. Tian Yuchuan.

Accordingly, CRH Group, being the single largest shareholder in our Company, will for the foreseeable future through its voting power at Shareholder's meetings and through the persons they appoint to our Board, be able to exercise their influence over our operations and business strategy, such as matters related to composition of our board of directors, selection of our senior management, amount and timing of dividends and other distributions, our overall strategic and investment decisions, issuance of securities and adjustment to our capital structure, amendment to our memorandum of association and Bye-laws, and other corporate actions requiring approval of our shareholders, including merger, consolidation or sale of our assets, or any other change of control event that may benefit our other shareholders generally.

The interests of the CRH Group may not be the same as, and may even conflict with, those of our public shareholders. Please refer to "Relationship with CITIC Group and Guangxi Dameng" and "Connected Transactions" for details. The interests of the CRH Group may conflict with our interests and the interests of our public shareholders, and the CRH Group may take actions, including exercising their influence over us as controlling shareholders, that favor itself and its subsidiaries and associated companies instead of the interests of us or our public shareholders. If this occurs, it may have an adverse effect on our operations and profitability and/or the interests of our public 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 use CITIC Group's logo pursuant to the approval from CITIC Group. As of the Latest Practicable Date, CITIC Group is in the process of registering its logo in Hong Kong. However, there is no assurance that CITIC Group will not receive any objection to the pending trademark applications in Hong Kong. In addition, there is no assurance that our use of the logo in this prospectus pursuant to CITIC Group's approval will not infringe the intellectual property rights of any other third party or in breach of the laws of Hong Kong. If CITIC Group rescinds its approval, our business, financial condition and results of operations may be materially and adversely affected. Any liability claim in relation to our use of CITIC Group's logo, made or threatened to be made against us in the future, regardless of its merits, may result in costly litigation and put strain on our administrative and financial resources.

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.

We are a holding company incorporated under the laws of Bermuda. Most of our assets are held by, and most of our earnings and cash flow are attributable to, our operating subsidiaries in the PRC. If the earnings from our operating subsidiaries decline, our earnings and cash flow will be materially and adversely affected.

Under PRC law and the articles of association of our PRC subsidiaries, our PRC subsidiaries may only pay dividends (i) after 10% of the net profit of the company in question has been set aside as a statutory reserve fund (a requirement that is imposed until such reserve fund is equal to 50% of the company's relevant registered capital); and (ii) based on the profits determined under PRC GAAP.

Under Gabonese law and the articles of association of CICMHZ, CICMHZ may only pay dividends after (i) 10% of the net profit of CICMHZ has been set aside as a statutory reserve fund (a requirement that is imposed until such reserve fund is equal to 20% of CICMHZ's relevant registered capital); (ii) all or part of the net profit of CICMHZ, remaining after deduction of the 10% statutory reserve fund, have been carried forward to the following tax year, as decided and determined by CICMHZ; and (iii) all or part of the net profit of CICMHZ, remaining after deduction of the 10% statutory reserve fund hereabove, have been set aside as additional reserve fund, as decided and determined by CICMHZ.

In addition, our ability to pay dividends will depend on our ability to generate sufficient accumulated net profits. We will only pay dividends out of our accumulated realized profits (so long as such profits have not been previously utilized through a distribution or capitalization) after deduction of our accumulated realized losses (so long as such losses have not been previously written off in a reduction or reorganization of capital). These restrictions on dividend payments also apply to our subsidiaries and, consequently, we cannot assure you that dividends will be paid to us by our subsidiaries. Other factors such as cash flow conditions and restrictions contained in debt instruments will also affect our subsidiaries' ability to make distributions to us.

We cannot assure you that we will declare dividends at all in the future. Future dividends, if any, will be declared at the discretion of the Board and in certain circumstances will be subject to shareholders' approval at general meeting, and will depend upon our future results of operations, capital requirements, general financial condition, legal and contractual restrictions and other factors the Board may deem relevant.

Our business may be adversely affected if we fail to maintain sufficient levels of working capital in the future.

We had net current assets of HK$367.9 million as of June 30, 2010, and we had net current liabilities of HK$119.3 million, HK$213.1 million and HK$131.1 million as of December 31, 2007, 2008 and 2009, respectively. We recorded net current liabilities as of December 31, 2007, 2008 and 2009 primarily due to (i) the fact that a majority of our bank borrowings were in the form of short-term bank loans and used to finance working capital and capital expenditures; (ii) amounts due to CRH, CITIC United Asia and its wholly-owned subsidiary in connection with cash contribution of CITIC Dameng Investments to the registered capital of CITIC Dameng Mining, which amounted to HK$379.8 million as of December 31, 2009; and (iii) our other payables and accruals due to our purchases of property, plant and equipment. We may fund capital expenditures with short-term bank loans and have net current liabilities in the future. Our future liquidity, payment of trade and other payables and repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash inflows from our operating activities and adequate external financing. Our ability to generate adequate cash inflows from operating activities may be affected by decreasing sales or downward movements in prices for manganese ore or manganese products. Also, we may not be able to renew or refinance our existing short-term bank loans or secure additional external financing. The occurrence of any of the foregoing may cause us not to have sufficient cash flow to fund our operating costs and, in that event, our business may be materially and adversely affected.

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.

We have in the past received, and may continue to receive, progress payments from our customers, particularly our largest customers, on a delayed basis. We generally grant to established customers credit terms of up to 30 to 90 days, depending on the size of the order and the past payment records of the customer. For overseas sales of our products, we accept letters of credit with terms of not more than two months.

Delays for progress payments and final payments may result in a large amount of accounts receivable and may affect our cash flow. For each of the three years ended December 31, 2009 and the six months ended June 30, 2010, our trade and notes receivables turnover days were 40.4 days, 36.5 days, 68.5 days and 57.3 days, respectively. As of June 30, 2010, our trade and notes receivables amounted to HK$385.8 million, which equals 30.0% of our total revenue during the six months ended June 30, 2010. In the event that we encounter delays or defaults in the payments of our accounts receivable or progress payments by customers, we may be required to obtain additional working capital to maintain our day-to-day operations. We cannot assure you that the accounts receivable or progress payments will be remitted to us by our customers on a timely basis or that delays or defaults in payment will not materially and adversely affect our 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.

As of the Latest Practicable Date, we have not obtained land use rights certificates in respect of 3 parcels of lands with a total site area of approximately 603,175 square meters, out of 48 parcels of land that we possess with an aggregate site area of approximately 5,798,687 square meters. We have not obtained building ownership certificates in respect of 36 buildings with a total gross floor area of approximately 43,259 square meters, out of 385 buildings that we possess with aggregate gross floor area of approximately 251,467 square meters in the PRC. In respect of the seven leased buildings with a total gross floors area of 1,334 square meters, our landlords have not provided us with evidence of their relevant titles certificates.

We may not be able to freely transfer, mortgage or dispose of the properties over which we have not obtained the ownership certificate. If any dispute or claim relating to these properties occurs, there can be no assurance that we would not be subject to any claims (including lawsuits) for compensation in respect of any illegal and/or unauthorized use of land owned by third parties. We may be imposed penalties for occupying and using land without proper ownership or usage rights, including being ordered to return the occupied land and relocate our production and business operations. If there are any buildings or facilities on the land, the relevant government authority may either seize or dismantle such buildings or facilities. As a result of these title problems, we may need to relocate our production and business operations, which may cause interruptions to our business. We may face similar penalties or sanctions with respect to the projects under construction for which we have not obtained all required certificates or permits. We are in the process of rectifying the above defects by applying for the outstanding certificates or permits. However, we may not be able to obtain such certificates, in which case our rights as owner or occupier of these properties may be adversely affected.

We have obtained temporary land use rights for 16 parcels of collectively-owned land that we lease from certain collective economic entities in Guangxi, PRC. According to Article 57 of the PRC Land Law, the terms of temporary land use rights generally shall not be more than two years. We will apply to renew such temporary land use rights when their current terms expire. However, there is no assurance that we will be able to renew such temporary land use rights before or upon the expiration of their current terms. If we could not renew any of such temporary land use rights in a timely manner or at all, we will not be able to continue conducting operations on these parcels of land and will have to relocate such operations to other locations. If we are not able to locate replacement locations at similar terms of our current lease agreements or at all, our financial condition and results of operations will be adversely affected.

RISKS RELATING TO CONDUCTING OPERATIONS IN THE PRC

The political and economic situation in the PRC may affect our business.

Most of our mines, facilities and other assets are located in the PRC. Accordingly, our results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. We cannot assure you that the Chinese economy will continue to grow in the future, or that this growth will include industrial sectors and geographic areas that are important to our business. We cannot predict whether changes in the economic, political and social conditions of the PRC will adversely affect the future business, financial condition or results of operations of enterprises with businesses in the PRC, including us.

In addition, demand for our products may be affected by a variety of factors, some of which may be beyond our control, including:

- political instability or changes in social conditions of the PRC;
- changes in laws and regulations or the interpretation of laws and regulations;
- measures which may be introduced to control inflation or deflation;
- changes in the rate or method of taxation;
- the imposition of additional restrictions on currency conversion and remittances abroad;
- reductions in tariff protection and other import restrictions; and
- increases in usage fees and other applicable charges and payments associated with mineral resources.

Any significant changes in relation to any of these factors may materially and adversely affect our business, financial condition and results of operations.

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.

We, like other manganese producers located in China, are subject to extensive national, provincial and local government regulations, policies and controls, which govern many aspects of China's manganese industry. In particular, the Entry Conditions on EMM Industry (電解金屬錳行業准入條件), which was issued by NDRC in 2006 and amended in February 2008, imposes stringent requirements on the producers of EMM in the PRC regarding production capacity, energy consumption and environmental protection standards. Producers that do not meet these stringent requirements will be closed. Our Daxin EMM Plant was one of the first EMM producers in the PRC that were accredited by NDRC under the Entry Conditions on EMM Industry. Our Start EMM Plant obtained the accreditation in June 2009.

As a result of the extensive laws and regulations governing the manganese industry, we may face significant constraints on our ability to implement our business strategies, develop or expand our business operations or maximize our profitability, and any changes to these regulations or to their interpretation or enforcement may increase our operating costs and thus adversely affect our results of operations. Further, there is no assurance that we will be able to comply with any new PRC laws, regulations, policies, standards and requirements applicable to the manganese mining industry economically or at all, which may result in the suspension of our operations and thus materially and adversely affect our business and results of operations.

We are subject to value-added tax (VAT) and resources tax. The manganese products and non-manganese ferroalloys produced and sold by us are subject to VAT at rates ranging from 13% to 17%. Furthermore, the Ministry of Finance and the State Administration of Taxation of the PRC issued a notice on December 12, 2005 to increase the resource tax rates of manganese ore. Pursuant to the new notice, which has been effective since January 1, 2006, resource tax for our mine has increased from RMB2 to RMB6 per tonne of ore. The Directors consider that such increase does not have any significant impact on our financials. In addition, the Ministry of Finance and the State Administration of Taxation of the PRC issued a notice on June 1, 2010 to reform the calculation method of resources tax imposed on oil and gas extracted from Xinjiang Autonomous Region. The tax payable was previously calculated based on the volume of extracted oil or gas, and the notice requires the tax payable to be calculated based on the revenue derived from the sales of such extracted oil or gas. It remains uncertain whether the PRC Government will expand such reformation and apply the new calculation method to manganese industry. Any material increase in resource-related taxes or any policy reforms promulgated by the PRC Government in relation to manganese may have an adverse impact on our financial condition and results of operations. There is no assurance that the PRC government will not further raise the rates of VAT, resources tax or other taxes. Any increase in the rates of VAT, resources tax or other taxes may have an adverse impact on our results of operations.

According to the Implemental Measure of Import and Export Tariff for Year 2008 (2008年關稅實施方案) issued by the Tariff Regulations Committee of the State Council (國務院關稅稅則委員會) on December 14, 2007, the applicable tariff rate for the exports of EMM, silicomanganese alloy and ferrochromium has been increased from 15% to 20% effective on January 1, 2008.

We did not export any ferrochromium during the Track Record Period. With regard to EMM, we have been able to increase our prices to pass on to our overseas customers the increased export tariff. There has been no material adverse impact on our results of operations as a result of the increased export tariff rate. However, we can not assure you that any future increase in tariff rate for the exports of our products will not have material adverse impact on our results of operations.

Pursuant to the Category of Goods Administered under Export Licenses in 2008 (2008年出口許可證管理貨物目錄), promulgated by MOFCOM and the Ministry of Customs on December 29, 2007, exports of manganese-related products are subject to export license regulations from January 1, 2008. The issuance of export licenses for manganese-related products is based on "one license for each batch" ("一批一證"), which means that each export license can only be used once at the customs within the term of its validity, which is usually six months. We believe that we meet the criteria as set forth in these regulations and we will not have difficulty in obtaining export licenses for manganese products. However, such tightened control of exports of manganese products may increase our administrative costs and limit our manganese exports. We cannot assure you that this will not have a material adverse effect on our business, financial condition and results of operations.

There can be no assurance that the relevant government agencies will not change any of the foregoing laws or regulations or impose additional or more stringent laws or regulations. Compliance with such laws or regulations may require us to incur significant expenditures or other obligations or liabilities, and to locate new sources of financing. For further details of the regulatory environment of the industry in the PRC, please refer to the section headed "Regulatory Environment" in this prospectus.

Fluctuations in foreign exchange rates and changes in foreign exchange regulations may materially and adversely affect our results of operations.

We conduct operations primarily in the PRC and sell our products to customers both in the PRC and in other countries. For the three years ended December 31, 2009 and the six months ended June 30, 2010, our export sales accounted for approximately 36.2%, 31.1%, 11.7% and 14.2% of our total revenue, respectively. Our exposure to exchange rate fluctuations results primarily from the proceeds of these sales denominated in foreign currencies.

Our monetary assets, loans and transactions are principally denominated in Renminbi, Hong Kong dollars and U.S. dollars. Our exposure to exchange rate fluctuations also results from the exposure of Hong Kong dollars and U.S. dollars against Renminbi. We did not enter into any foreign exchange contracts or derivatives transactions to hedge against foreign exchange fluctuations. Any fluctuation in exchange rates may materially and adversely affect our revenue derived from overseas sales, our ability to pay dividends, and our financial condition and results of operations.

In addition, conversion of Renminbi is regulated by the PRC Government. Current foreign exchange regulations have significantly reduced the PRC Government's foreign exchange control on routine transactions under current accounts, including trade and service related to foreign exchange transactions and payment of dividends. Under the existing foreign exchange regulations in the PRC, following completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, there can be no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue indefinitely.

The value of the Renminbi may fluctuate due to a number of factors. Since July 21, 2005, the Renminbi has been pegged to a basket of currencies rather than the U.S. dollar. This change in policy has resulted in the recent appreciation of Renminbi against the U.S. dollar and the Hong Kong dollar. It has also increased the uncertainty of the value of Renminbi. Since our revenue and substantially all of our operating expenses are denominated in Renminbi, the termination of the linked exchange rate between the Renminbi and the U.S. dollar has increased the uncertainty of our income and profits. Any unfavorable change in the PRC Government's currency policies or any adverse change in conditions of the currency market may adversely affect the growth of the Chinese economy, increase our operating expenses as well as the competitiveness of various industries in China, including our industry, which could in turn materially and adversely affect our financial condition, our results of operations and the value of dividends, if any, payable on our Shares in foreign currencies.

We are subject to risks associated with the PRC legal system, and interpretation of PRC laws and regulations involves uncertainty.

As our business is mainly conducted in the PRC, our operations are governed principally by PRC laws and regulations. However, the interpretation of PRC laws and regulations involves uncertainty because these laws and regulations have not been fully developed, there is a limited volume of published cases, prior court decisions are non-binding, the PRC judiciary is relatively inexperienced in enforcing the laws and regulations that currently exist, and the interpretation of existing laws and regulations may be subject to policy changes reflecting domestic, political or social changes. Additionally, depending on the way an application or case is presented to a government agent and on the government agent itself, we may receive less favorable interpretations of laws and regulations than our competitors. Furthermore, enforcement of existing laws and regulations may be uncertain, sporadic and subject to a certain degree of discretion by the authorities.

Consequently, it may be difficult to obtain swift and equitable enforcement. In addition, any litigation in the PRC may be protracted and result in substantial cost to us and diversion of both our resources and management attention. As the PRC legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have a material adverse effect on our business, financial condition, results of operations and future prospects.

There may be difficulties in seeking recognition and enforcement of foreign judgments or arbitral awards in China.

Most of our assets are located in China and most of our senior management members and Directors reside in China. However, China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most jurisdictions. On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned, or "the Arrangement", pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute do not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against our assets, senior management members or Directors in China in order to seek recognition and enforcement of foreign judgments in China.

China is one of the signatories to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, or the "New York Convention", which accordingly allows for the enforcement of arbitral awards given by the arbitration bodies of other New York Convention signatories. Following the resumption of sovereignty over Hong Kong by China on July 1, 1997, the New York Convention is no longer applicable for the enforcement of arbitral awards of Hong Kong in other parts of China. As a result, a Memorandum of Understanding was signed on June 21, 1999 to permit reciprocal enforcement of arbitral awards between Hong Kong and China. Such Memorandum of Understanding was approved by the Supreme People's Court of China and the Hong Kong Legislative Council and became effective on February 1, 2000. It may be difficult to seek recognition and enforcement of arbitral awards in China if the arbitral awards were given by arbitration bodies that are not signatories to the New York Convention and do not have similar arrangements under the Memorandum of Understanding between Hong Kong and 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.

The corporate income tax rate generally applicable in China was 33% of taxable income on and before December 31, 2007 and 25% commencing on January 1, 2008. During the Track Record

Period, some of our subsidiaries, such as CITIC Dameng Mining and Guangxi Start, enjoyed preferential tax treatments, in the form of reduced tax rates and tax holidays, provided by the PRC government or its local authorities or bureaus. Primarily as a result of this preferential tax treatment, our effective income tax rates for the three years ended December 31, 2009 and the six months ended June 30, 2010 were 5.3%, 7.3%, 15.4% and 16.2%, respectively. Please refer to the section headed "Financial Information — Description of Selected Income Statement Line Items — Taxation" for further details. However, enterprises which are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires. The reduction or elimination of the preferential tax treatments we currently enjoy or the imposition of additional taxes on us or our subsidiaries in China may significantly increase our income tax expense and materially reduce our net income.

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.

Under the New EIT Law, enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises," and will generally be subject to the uniform 25% enterprise income tax rate for their global income. Under the Implementation Rules of the New EIT Law, "de facto management body" is defined as the body that has material and overall management and control over the business, personnel, accounts and properties of the enterprise. Substantially all of our management is currently located in the PRC. Accordingly, we may be considered a resident enterprise and may therefore be subject to the enterprise income tax of 25% of our global income.

In addition, the New EIT Law provides that "dividend income between qualified resident enterprises" is exempted income. However, given the short history of this law, it is not clear what is considered "qualified resident enterprise" under the New EIT Law. If we are considered a "resident enterprise", we will be required to pay income tax for any dividends we receive from CITIC Dameng Mining and our other PRC subsidiaries, and as a result, the amount of dividends we can pay to our Shareholders could be reduced. See "Financial Information — Description of Selected Income Statement Line Items Taxation" in this prospectus for more information.

Under the Implementation Rules of the New EIT Law, except for the application of any relevant income tax treaty that the PRC has entered into, withholding for any dividends paid to non-resident enterprises by resident enterprises on profits earned after January 1, 2008 are subject to PRC income tax at the rate of 10%, while profits earned before January 1, 2008 are not subject to PRC income tax. Accordingly, our Group is subject to withholding taxes at the rate of 10% on dividends distributed by its subsidiaries established in PRC with respect to earnings generated from January 1, 2008. For further details regarding the impact on the Group's effective income tax rate, please see Note 12 of the Accountants' Report in Appendix I to this prospectus. Because we may be treated as a resident enterprise, any dividends we pay to our non-PRC Shareholders on profits earned after January 1, 2008 may be subject to PRC income tax, which may materially and adversely affect your investment. Subject to applicable tax agreements or treaties between the PRC and other tax jurisdictions, non-resident are ordinarily subject to a maximum 10% (or lower treaty rate) withholding tax with respect to dividend income from resident enterprises.

New labor laws in the PRC may adversely affect our business, financial condition and results of operations.

On June 29, 2007, the PRC Government promulgated the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), or the New Labor Law, which became effective on January 1, 2008. The New Labor Law imposes greater liabilities on employers and significantly affects the cost of an employer's decision to reduce its workforce. Further, it requires certain terminations of employment to be based upon seniority and not merit. Our PRC legal advisers have advised us that in accordance with the New Labor Law, all existing employment contracts with our employees as of January 1, 2008 should continue to be performed until their expiration, and we should not be subject to any penalty as long as the employment contracts that we enter into with our employees after January 1, 2008 comply with the New Labor Law. All employment contracts that we entered into after January 1, 2008 have complied with the New Labor Law. If we decide to significantly change or decrease our workforce in the PRC, the New Labor Law could adversely affect our ability to enact such changes in a manner that is commercially acceptable under the circumstances or in a timely and cost effective manner, which could have a material adverse effect on 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 Provisions on the Acquisition of Domestic Enterprises by Foreign Investors (2006 Revision) (關於外國投資者併購境內企業的規定), or the M&A Provisions, issued by six PRC ministries including the Ministry of Commerce, effective from September 8, 2006 and revised on June 22, 2009, provide the rules with which foreign investors must comply should they seek to purchase by agreement the equities of the shareholders of a domestic non-foreign-funded enterprise or subscribe to the increased capital of a domestic non-foreign-funded enterprise, and thus change the domestic non-foreign-funded enterprise into a foreign funded enterprise to conduct asset merger and acquisition.

Our PRC legal advisers have advised us that there are uncertainties as to how the M&A Provisions will be interpreted or implemented. If we decide to acquire a PRC company, we cannot assure you that we or the owners of such PRC company can successfully complete all necessary approval requirements under the M&A Provisions. This may restrict our ability to implement our acquisition strategy and adversely affect our business and prospects.

The outbreak of any severe communicable disease in the PRC may materially and adversely affect our results of operations.

China reported a number of cases of severe acute respiratory syndrome, or SARS, in 2003. Since its outbreak in 2004, there have been reports on occurrences of avian flu in various parts of China, including several confirmed human cases and deaths. Any future outbreaks of SARS, the avian flu or any other severe communicable disease or epidemic, or any other adverse public health development in the PRC, if uncontrolled, could have a material adverse effect on overall business sentiment, domestic consumption and GDP growth in the PRC. As a large proportion of our revenue is currently derived from our PRC operations, any slowdown in the growth of domestic consumption or slowdown in the GDP growth of the PRC may materially and adversely affect our financial condition, results of operations and future growth. In addition, if our employees are affected by severe communicable disease, we may be required to close our facilities or institute other measures to prevent the spread of the disease, which may materially and adversely affect or disrupt our production, resulting in a material adverse effect on our results of operations. The spread of any severe communicable disease in the PRC may also affect the operations of our customers and suppliers, which may have a material adverse effect on our financial condition and results of operations.

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.

We are currently undertaking exploration and development activities in Gabon. Exploration, mining and development activities in Gabon, as well as in other foreign countries in which we may establish operations in the future, may require protracted negotiations with host governments and third parties. The prospects of the success of our operations in Gabon are dependent on the continuing validity and existence of CICMHZ's various contracts with, and CICMHZ's exploration and mining permits awarded by, the government of Gabon. The suspension, termination or modification of any such contracts or mining and exploration permits in Gabon may materially and adversely affect our business, financial condition and results of operations.

In addition, while Gabon has been politically stable in recent years, our operations there, as well as any operations we may establish in other foreign countries in the future, may be subject to economic and political considerations such as the risks of war, actions by terrorist or insurgent groups, community disturbances, expropriation, nationalization, renegotiation, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) or the interpretation thereof, requirements that insurance and other products and services be purchased from local companies, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls, and foreign governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Any of these or similar factors could have a material adverse effect on our business, results of operations or financial condition. If a dispute arises in connection with our operations in Gabon or in other foreign countries in which we may establish operations in the future, we may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons to jurisdictions other than the country in which the operations relating to the dispute are located.

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

We are subject to extensive laws, regulations, policies and controls which govern many aspects of Gabon's mining industry, including among others, business qualifications, granting and renewal of mining and exploration rights, and customs, tax and exchange control regimes. In particular, the Gabon Mining Code and a decree dated December 17, 2002, which implements the Gabon Mining Code, provide requirements, rules and procedures pertaining to mining, health, safety and environmental standards. As a result of the extensive laws, regulations and policies governing Gabon's mining industry, we may face significant constraints on our ability to implement our business strategies, develop or expand our business operations or maximize our profitability. Any changes to these laws, regulations and policies or to their interpretation or enforcement may increase our operating costs and thus adversely affect our results of operations. Further, there is no assurance that we will be able to comply with any existing or new Gabonese laws, regulations, policies, standards and requirements applicable to the mining industry economically or at all, which could subject us to fines and penalties, entail our mining operations to be suspended or our exploration or mining rights to be terminated, which would materially and adversely affect our business, financial conditions and results of operations.

Under the law of Gabon, all rights in mineral resources contained in the soil or sub-soil belong to the State of Gabon. As and when mineral resources are extracted, ownership passes to the permit holder, in this instance, CICMHZ. The Gabon Mining Code includes provisions setting forth the general principles concerning State participation in a mining company's exploration or mining operations, in whole or in part and either directly or through a public sector company. Generally, the Gabon Mining Code states that the conditions of State participation are to be set forth in a mining convention between the parties. In view of the fact that only one mining convention has been completed between the State of Gabon and another party, and that mining convention has not been made public, it cannot be determined what terms of participation the State may require, until CICMHZ begins negotiations for a mining convention.

The State of Gabon retains control of mineral resources in that it promulgates the laws and regulatory regime for mines to which permit holders must adhere. We cannot assure you that the government of Gabon, or any country in which we may establish operations in the future, will not change its laws, or its interpretation of existing laws, in a way that materially and adversely affects our business, financial condition, results of operations and future prospects. For more information on the applicable laws and regulations in Gabon, please refer to the section headed "Regulatory Environment" in this prospectus.

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.

Gabon has less developed legal systems than more established economies, which may result in risks such as: (i) ineffective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions and (v) relative inexperience of the judiciary and courts in such matters. Enforcement of laws in Gabon depends on and may be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to our Company. There can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness and enforcement of such arrangements in Gabon. Additionally, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain and may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed. We may encounter similar risks in other countries in which our Company may establish operations in the future. There can be no assurance that we will be able to secure effective relief through the legal system of Gabon, or any such countries which we may establish operations in the future, regarding legal matters of material importance to us, and a failure to secure such relieve may have a material adverse effect on our business, financial condition, results of operations and future prospects.

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

CICMHZ enjoys preferential tax and customs exemptions during the exploration period, which runs from the award of an exploration permit to the earlier of the expiration of this exploration permit or the award of related mining rights. Pursuant to the Gabon Mining Code, CICMHZ has been exempted from corporate tax, including minimum corporate tax, dividend tax, land and local taxes and business tax and has been able to import non-consumable and consumable goods necessary for performing exploration operations free of customs duties for exploration operations performed under the exploration permit relating to the Bembélé area. CICMHZ can not enjoy such preferential tax and customs treatments during the mining period, which runs for those operations performed under a mining permit, such as the mining permit pertaining to the Bembélé Manganese Mine. To this end, exploration activities and mining activities shall be accounted separately.

Based on the Gabon Mining Code, such tax and customs exemptions shall be valid as long as a mining convention is in force. However, in practice, the State of Gabon enforces most of such tax and customs exemptions even in the absence of a mining convention and this practice has not been challenged yet. In line with common practice in Gabon, CICMHZ has not entered into a mining convention in relation to its exploration permits.

During the mining period, the effective tax rates of each of the taxes applicable to a mining enterprise are the general rates applicable to all enterprises as set forth in Gabon's general tax code, however, the mining enterprise and the State can negotiate awarded rates in the mining convention. Please refer to the section headed "Regulatory Environment — Gabon Regulatory Environment — Tax Regime" in this prospectus for further details. CICMHZ entered into the mining convention with the State of Gabon on October 21, 2010. Pursuant to the mining convention, the rates of various taxes applicable to CICMHZ are set at, among others, (i) 35% for *impôt sur les sociétés* (corporate tax), (ii) 3% for export duty, (iii) 0% for *taxe sur la valeur ajoutée* (value added tax) with respect to exported products, (iv) miscellaneous preferential rates as approved by the customs for the imported assets and equipments used for CICMHZ's mining activities, (v) XAF80,000 (HK$1,328) each square kilometer per annum for *redevance superficiaire* (surface royalty), and (vi) 5% for *redevance minière* (proportional mining royalty).

The reduction, suspension or elimination of the preferential tax and customs treatments we currently enjoy, or the imposition of additional taxes on CICMHZ may reduce our future net income, which may 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 business, financial condition and results of operations.

As there have been allegations of governmental and business corruption in Gabon and countries in the adjacent region in the past, we and our directors, officers and employees may in the future be the subject of press speculation, government investigations and other accusations of corrupt practices or illegal activities, including improper payments to individuals of influence. Findings against us, our directors, officers or employees, or their involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines, against us, our directors, officers or employees. Any government investigations or other allegations against us, our directors, officers or employees, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage our reputation and our ability to do business in Gabon, and could materially adversely affect our financial condition and results of operations. Furthermore, alleged or actual involvement in corrupt practices or other illegal activities, by our joint venture partners in CICMHZ or others with whom we conduct business, could also significantly damage our reputation and business and materially adversely affect our business, financial condition and results of operations.

We face various challenges associated with providing supplies, energy and transport capacity to our operations in Gabon.

The future success of our mining operations in Gabon is impacted by our ability to secure materials, equipment, tools, spare parts, supplies, energy, and transport capacity at favorable terms and conditions. Gabon is located in the center of the Gulf of Guinea, with relatively limited access to international markets. Since the commencement of our development activities in Gabon, we have purchased most of our materials, equipment, tools, spare parts and supplies from Gabon suppliers under short-term contracts. As the cost of some supplies are much higher in Gabon as compared to the prices of such supplies in China, we plan to import supplies into Gabon from China where it is economically feasible to do so. Accordingly, having reliable transport capacity to transport these necessary supplies from China is important to the performance and profitability of our operations in Gabon. Having reliable transport capacity to transport manganese ore from Gabon to our PRC operations for processing is also important for the future performance of our Gabon operations. We have not experienced any material difficulties in securing materials, equipment, tools, spare parts, supplies and energy for our development activities in Gabon during the Track Record Period, and we believe the cargo transportation route between Gabon and the PRC is established and there is sufficient transportation capacity available to transport the supplies and manganese ore relating to our Gabon operations. In the event that we are unable to secure the materials, equipment, tools, spare parts, supplies, energy and transport capacity necessary to perform our mining operations and transport manganese ore at all or at terms and conditions acceptable to us, our business, financial condition and results of operations could be adversely affected.

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.

Based on the Gabon Mining Code, the holder of exploration and mining permits shall be entitled to access and/or use all land necessary to implement mining operations in Gabon. However, the access to or use of all or part of the land necessary to perform mining operations in Gabon may require further authorizations or declarations, negotiation with the government or third parties for further rights to access or use the land, or the implementation of expropriation procedures. This may include, among other matters, the performance of mining operations within a radius of one hundred meters from habitations, public facilities, cemeteries, sepulchres, sacred locations or religious buildings where indigenous populations have legal or customary rights or title, within lands already covered by forestry exploitation permits and within privately-owned lands. We cannot assure you that we will obtain the authorizations, implement the expropriation procedures and reach an agreement with the landowner, business, indigenous populations or forestry exploitation permit holders. If we are unable to do so, our financial condition and results of operations could be materially and adversely affected.

There may be a material adverse impact on us if we are unable to secure qualified personnel for our operations in Gabon.

The future of our business is impacted by our ability to source the necessary qualified personnel for the performance of mining operations in Gabon. Pursuant to the Labor Code of Gabon, we must hire Gabonese personnel by preference to foreign personnel for the same terms and conditions. However, Gabonese supply of qualified personnel for mining operations is relatively limited. If we are unable to source Gabonese personnel, we may hire foreign employees, provided we obtain the necessary labor and immigration approvals and permits, including, among others, the approval of their employment contracts, working permits, entry permits and/or residence permits. If we are unable to obtain such approvals and permits, our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO THE GLOBAL OFFERING

Current volatility in the global financial markets could cause significant fluctuations in the price of our Shares.

Financial markets around the world have been experiencing heightened volatility and turmoil since late 2007. Upon listing, the price and trading volume of our Shares will likely be subject to similar market fluctuations which may be unrelated to our operating performance or prospects. Factors that may significantly impact the volatility of our share price include, among other things:

- developments in our business sector or in the financial sector generally, including the effect of direct governmental action in the financial markets;
- the operating and securities price performance of companies that investors consider to be comparable to us; and
- changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates as well as stock and commodity valuations and volatility.

As a result of these market fluctuations, the price of our Shares may decline significantly, and you may lose a significant value on your investments.

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.

Prior to the Global Offering, there has been no public market for our Shares. The initial Offer Price range to the public for our Shares was the result of negotiations between us and the Joint Bookrunners on behalf of the Underwriters, and the Offer Price may differ significantly from the market price of our Shares following the Global Offering. We have applied to list, and deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of our Shares will not decline following the Global Offering. In addition, there can be no assurance that the Global Offering will result in the development of an active and liquid public trading market for our Shares. Furthermore, the trading price and volume of our Shares may be volatile. Factors such as variations in our revenue, earnings and cash flows, announcements of new investments, strategic alliances and/or acquisitions, fluctuations in market prices for our products and services, fluctuations in market prices for comparable companies, any unexpected business interruptions resulting from natural disasters or power shortages, any major changes in our key personnel or senior management or any other developments may substantially affect the price and volume at which our Shares will trade. In addition, from time to time, the Shares will likely be subject to changes in price that may not be directly related to our financial or business performance.

If an active market for our Shares does not develop after the Global Offering, the market price and liquidity of our Shares may be adversely affected. There can be no assurance as to the ability of the shareholders to sell their Shares or the prices at which shareholders would be able to sell their Shares. Consequently, shareholders may not be able to sell their Shares at prices equal to or greater than the price paid for their Shares in the Global Offering.

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.

The Shares beneficially owned by certain of our Shareholders are subject to certain lock-up periods. There can be no assurance that these Shareholders will not dispose of these Shares following the expiration of the lock-up periods, or any Shares they may come to own in the future. Sales of substantial amounts of our Shares in the public market, or the perception that such sales may occur, could materially and adversely affect the prevailing market price of our Shares. Such sales or the perception of such sales are likely to make it more difficult for us to sell equity or equity-linked securities in the future at a time and price which we deem appropriate.

You may experience dilution because of the issuance of Shares pursuant to the awards or options granted under the Share Option Scheme.

We may grant share options under the Share Option Scheme, including to employees and directors of our Company and our subsidiaries. Further details of the Share Option Scheme are summarized in the section headed "Share Option Scheme" of the Statutory and General Information in Appendix VII to this prospectus. The exercise of share options under the Share Option Scheme will result in an increase in the number of Shares in issue, and thereby may result in dilution to the percentage of ownership of the Shareholders, and the earnings per Share and net asset value per Share depending on the exercise price.

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.

The Offer Price is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution in the net tangible asset value, and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their Shares. In addition, holders of our Shares may experience a further dilution of their interest if the International Underwriters exercise the Over-allotment Option or if we obtain additional capital in the future through equity offerings.

There will be a four business-day time gap between the pricing and trading of our Shares offered in the Global Offering.

The Offer Price will be determined on the Price Determination Date. However, our Shares will not commence trading on the Stock Exchange until after they are delivered, which is expected to be the fifth Business Day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the Price Determination Date and the time when trading begins.

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.

Some of the facts and official statistics in this prospectus relating to the PRC and Gabon, the economy of the PRC and Gabon and the manganese industry and related industry sectors in China and Gabon are derived from various government official publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source materials. Such facts and official statistics from government official publications have not been independently verified by us, the Underwriters nor any of its or our affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and official statistics, which may not be consistent with other information compiled within or outside the PRC or Gabon. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the government official publications in this prospectus relating to the Chinese and Gabonese economy and the manganese industry and related industry sectors in China and Gabon may be inaccurate or may not be comparable to government official publication produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other countries. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or statistics.

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.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering. There has been prior to the date of this prospectus, and there may be, after the date of this prospectus, press and media coverage regarding us and the Global Offering, including related coverage in Ming Pao on October 26, 2010, which cited certain financial projections, valuations and other information about us that do not appear in this prospectus. We have not authorized the disclosure of any such information in the press or media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. We disclaim statements in the press or other media that are inconsistent or conflicts with the information contained in this prospectus. Accordingly, you should not rely on any such information.