

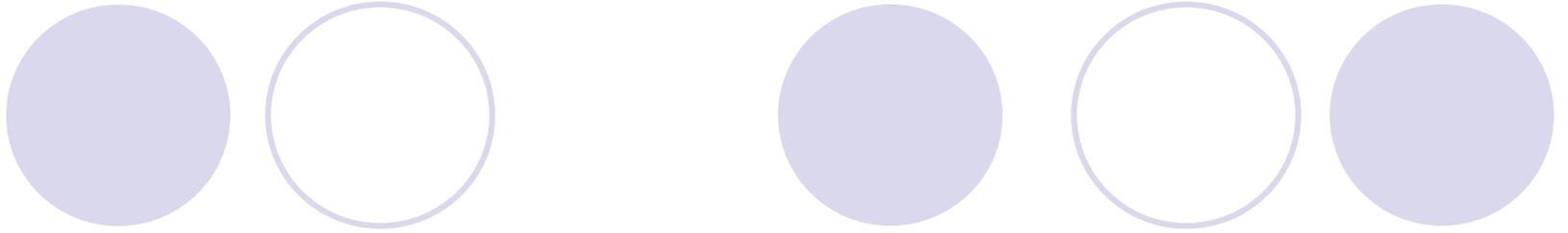


China's EMM Industry: Review and Outlook

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Shanghai



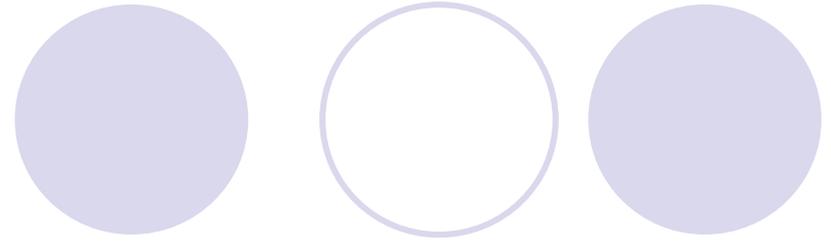
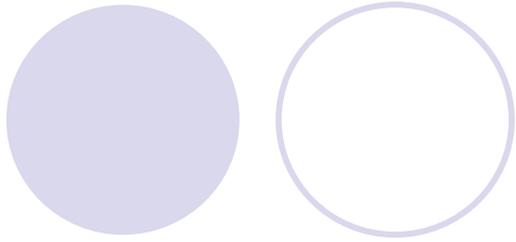
- In 2014, although global economic recovery is slow, especially the decreased economic growth in China and decreased investment in real estate industry, China's EMM industry still achieved better results than in 2012 and 2013.



- I **Major Achievements and Progresses:**

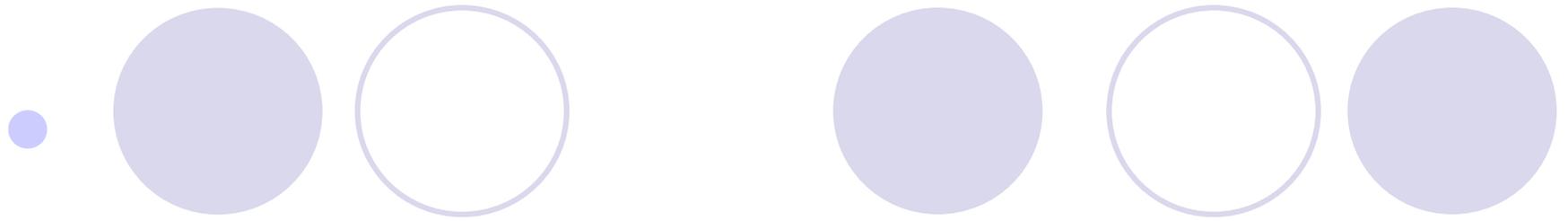


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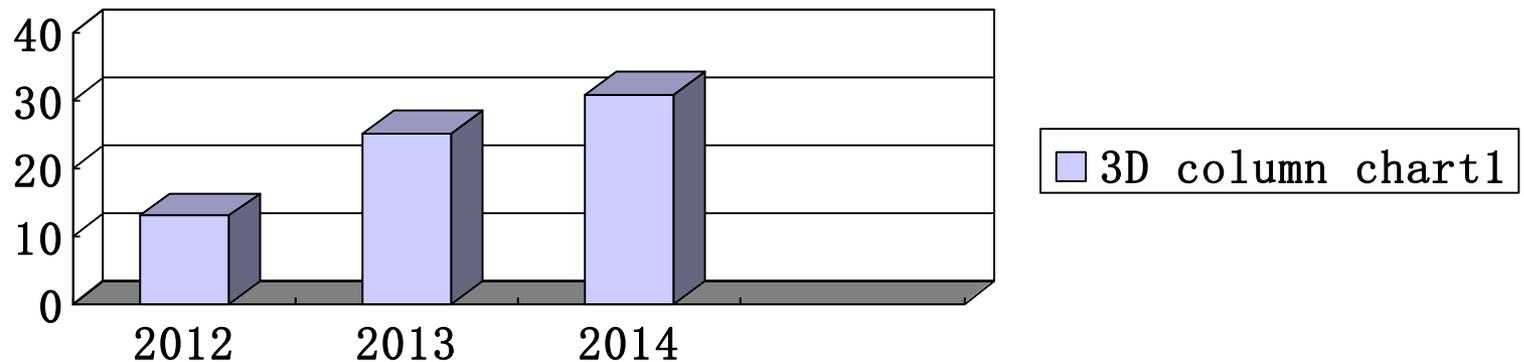


- 1. Increased Production, (an increase of 16% in 2014 from 2013)

Year	2012	2013	2014
Production (10kt)	116	110	128



- **2. Increased Export** (an increase of 21% from 318.4 kt in 2014 to 262.3 kt in 2013)



- **3. New Increase in Technical & Economic Index**
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 - In 2014, direct current consumption in electrolytic process reached 5600Kw.h/t in, comprehensive electricity consumption reached 6100kw.h/t, number of employees is less than 9people/kt, reaching the highest record of China's EMM industry. More than half of the enterprises have decreased their tax income to 12,000 ¥/ t.
- **4. New Progress in Increasing Enterprises' Sizes & Concentration Ratio Continue to Increase**
 - Ningxia Tianyuan Manganese Ltd. reached a capacity of more than 300,000 tons, CITIC Dameng Mining Industries Ltd. reached a capacity of 230,000 tons. This year, 12 companies reached the capacity of more than 40,000 tons.

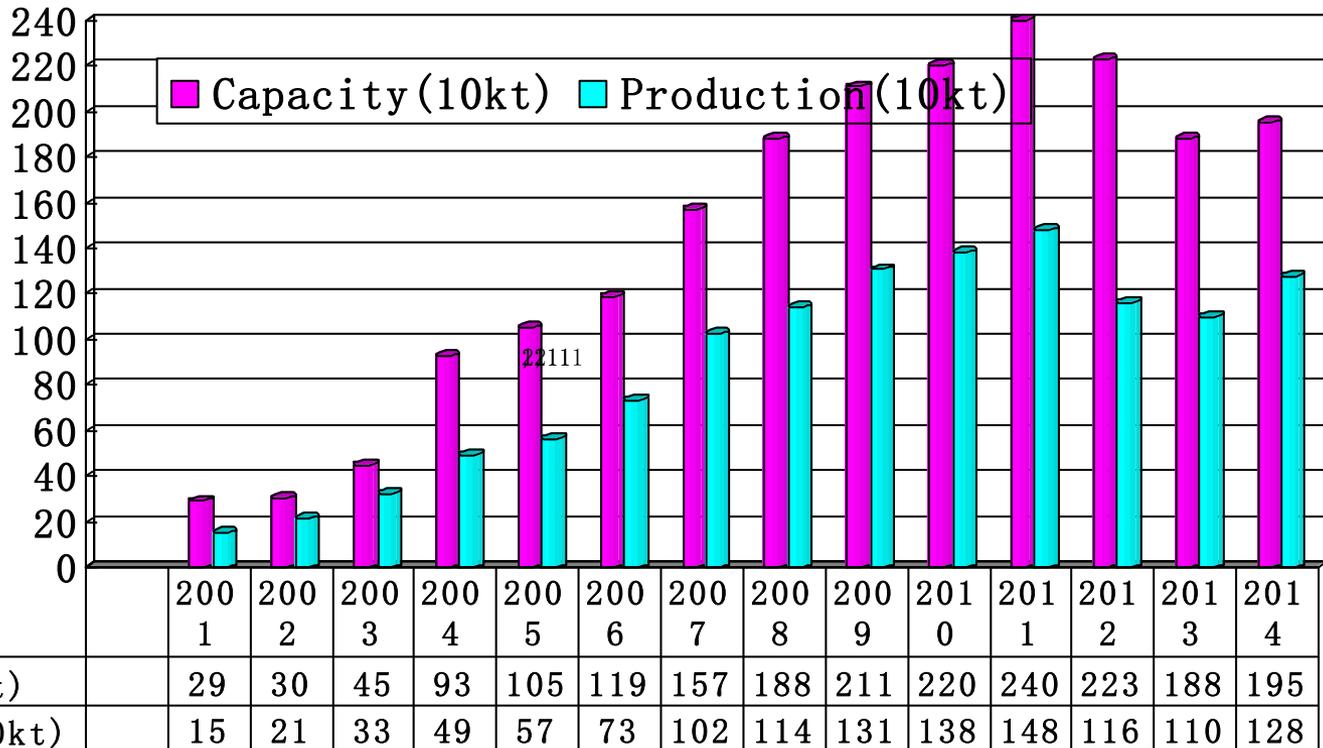
4. Increased Concentration Ratio

- 12 companies reached the capacity of more than 40,000 tons. Ningxia Tianyuan Manganese Ltd. reached a capacity of more than 300,000 tons, CITIC Dameng Mining Industries Ltd. reached a capacity of 230,000 tons.
- In a highly competitive market, companies with the capacity of 10,000 have a lower anti risk capability compared with large companies. Therefore, they SMEs are the first to be eliminated from the highly competitive market.

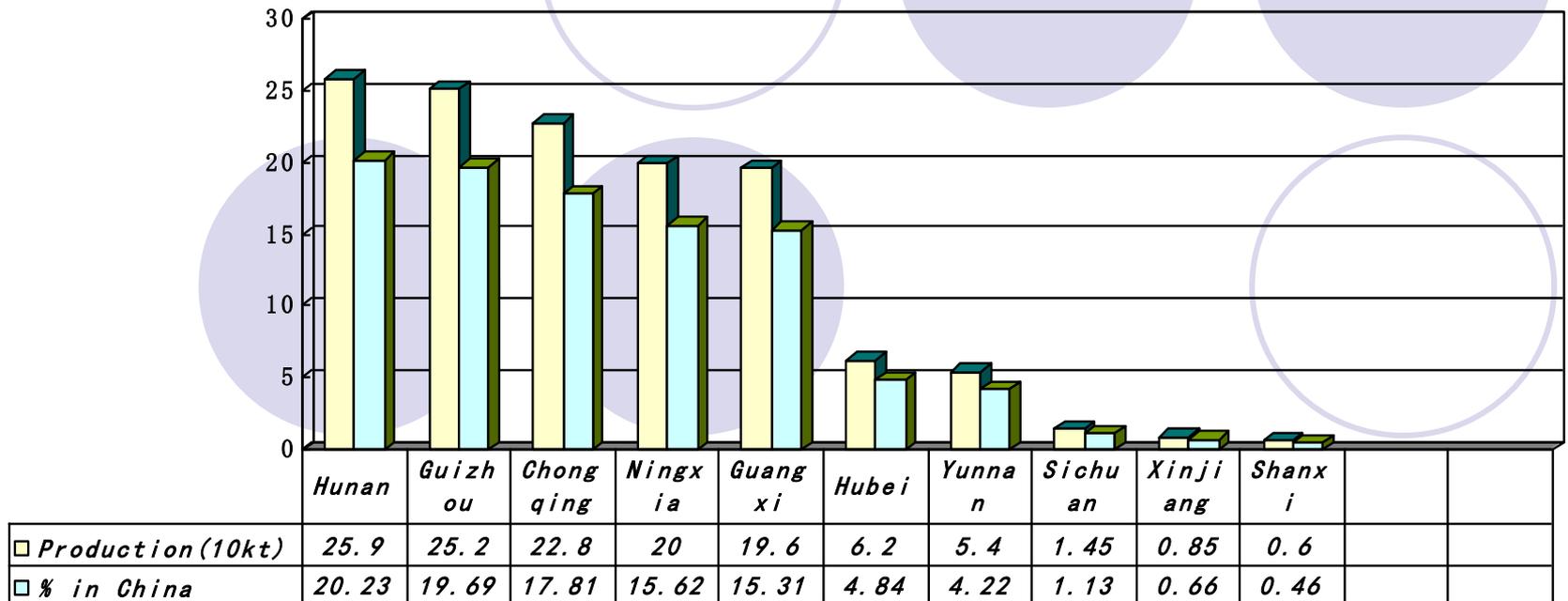
Year	2012	2013	2014
Number of Enterprises	133	98	78
Capacity (10kt)	223	188	195

- 5. A series of new technologies and equipments are applied in the industry, helping to reduce energy consumption and protect the environment
- High pressure grinding roll (HPGR) is widely used in cement industry. It has various advantages such as high capacity, low power consumption, lower noise, less powder and it needs a smaller amount of investment. Ningxia Tianyuan Manganese Ltd. used two high pressure grinding rolls to reconstruct the grinding mill. Each has a capacity of 4,500 tons of manganese powder per day and energy consumption 19KW.h/t. Hongxin Xingcheng Manganese Ltd. also employed this equipment and has achieved great effect.
- We aim to achieve non passivation or chrome-free passivation in the passivation process. In 2014, we conducted large-scale non passivation experiments and promoted chrome-free passivation and achieved good results. Further promotion is expected next year.
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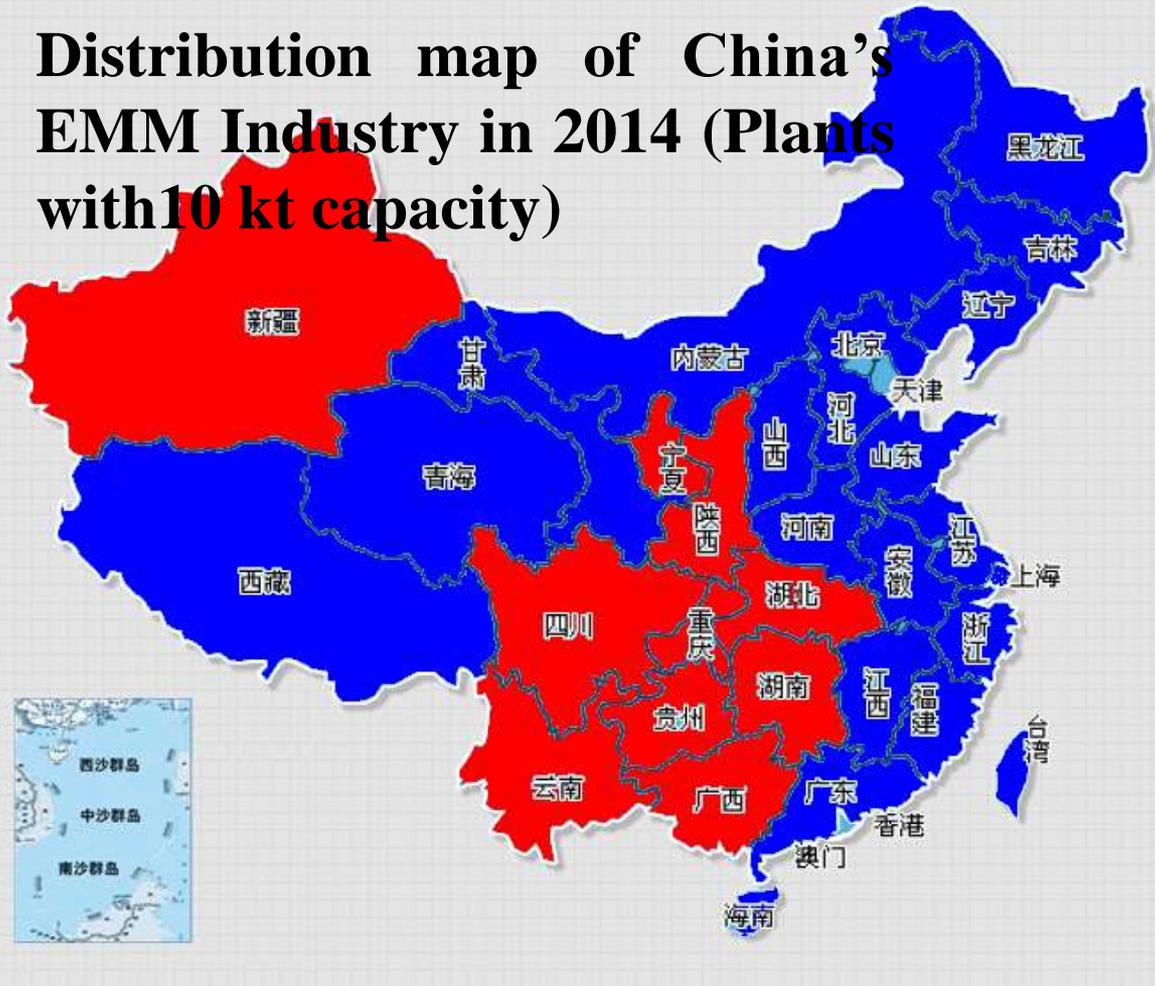
II Relationship between the Capacity and Production of China's EMM Industry



III Production Distribution of China's EMM Industry in 2014



Distribution map of China's EMM Industry in 2014 (Plants with 10 kt capacity)



Province & City	Number of Enterprises	Capacity (10kt)	Production (10kt)
Hu'nan	27	43.2.	25.97
Guizhou	19	34.3	25.21
Chongqing	15	28.5	23.17
Ningxia	1	30	20.00
Guangxi	7	33.6	19.68
Hubei	2	9.5	6.20
Yunnan	2	6.0	5.40
Sichuan	3	6.2	1.45
Xinjiang	1	2.5	0.90
Shanxi	1	1.2	0.50
Total	78	195	128

Those in red are the places of EMM production

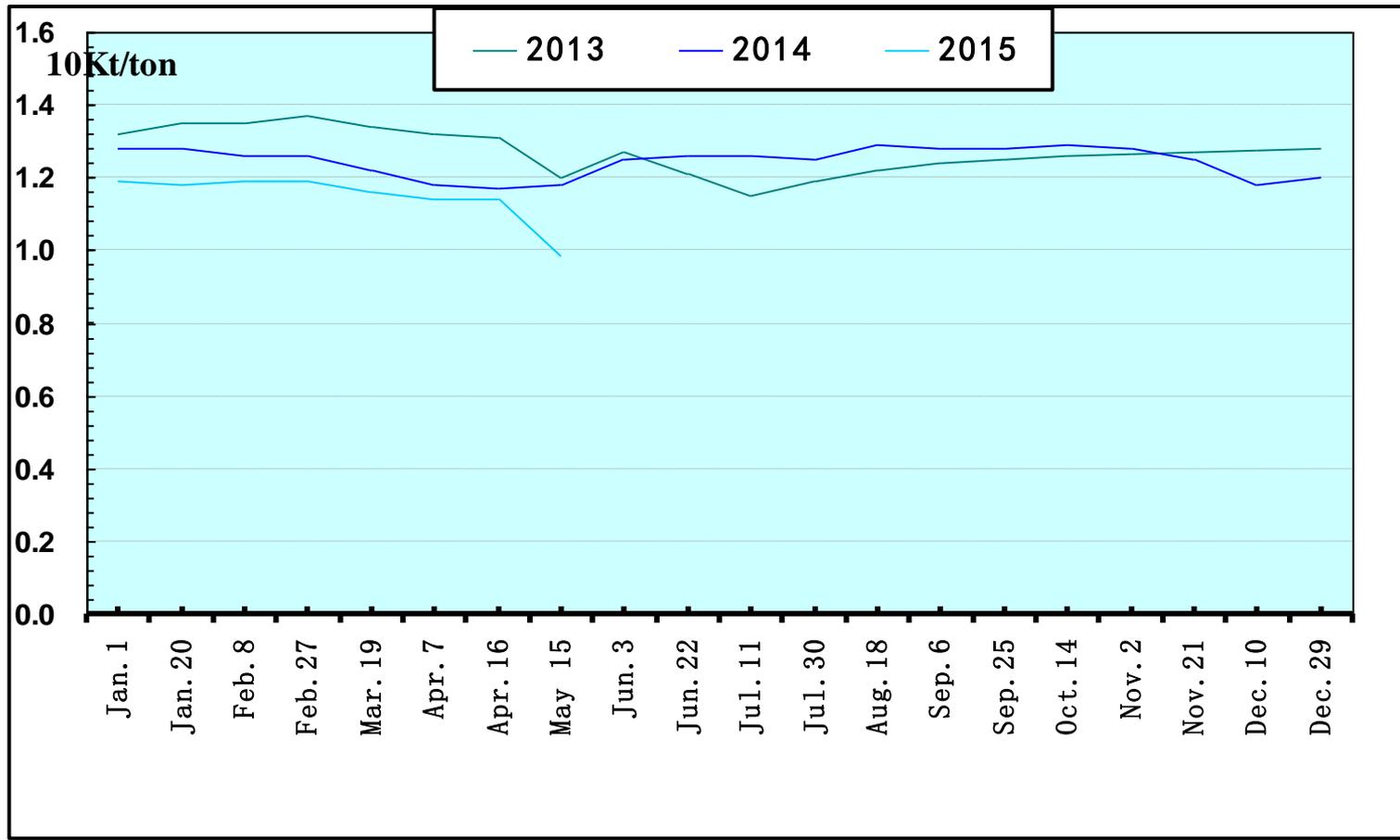
IV Top 10 Enterprises of China's EMM Industry in 2014

No.	Enterprise	Capacity (10kt)	Production (10kt)	% in Overall Production
1	Ningxia Tianyuan Manganese Ltd.	300000	200000	15.63
2	CITIC Dameng Mining Industries Ltd.	260000	141700	11.07
3	Jinrui Technology Ltd.	60000	53000	4.14
4	Hubei Hongxin Group	110000	49000	3.83
5	Guisa Sanhe Manganese Group	50000	46000	3.59
6	Chongqing Jiayuan Mining Ltd.	50000	44200	3.45
7	Chongqing Tycoon Group	50000	43000	3.36
8	Chongqing Wuling Manganese Co., Ltd.	40000	32400	2.53
9	Guizhou Nengkuang Ming & Manganese Group	40000	28500	2.23
10	Hunan Oriental Mining Group	35000	26000	2.03

V Major Chinese Counties that produce EMM

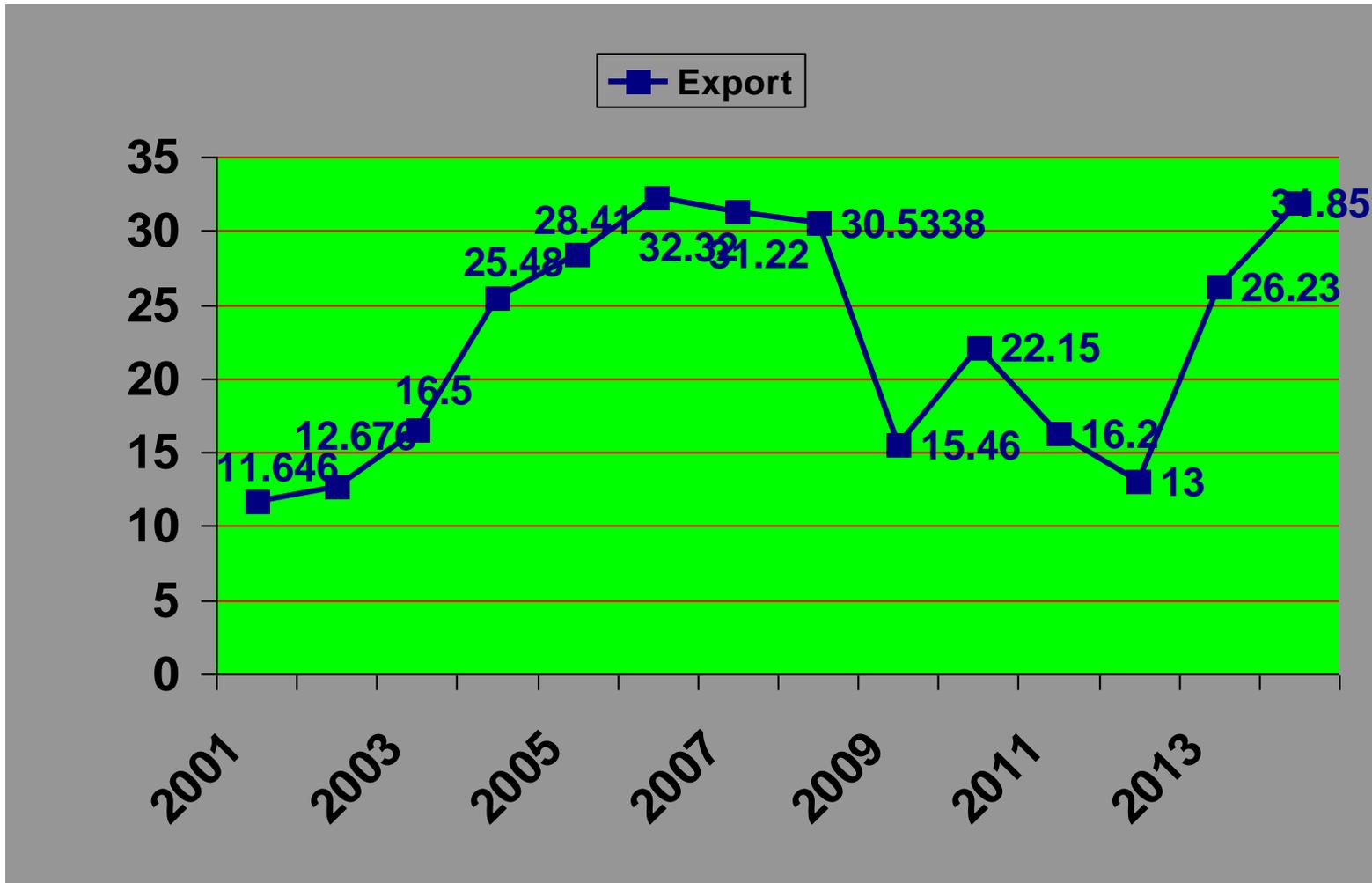
No.	County	Capacity (10kt/y)	Production (10kt)
1	Xiushan, Chongqing	28.50	22.80
2	Zhongning, Ningxia	30.00	20.00
3	Songtao, Guizhou	15.30	10.91
4	Daxin, Guangxi	13.40	10.08

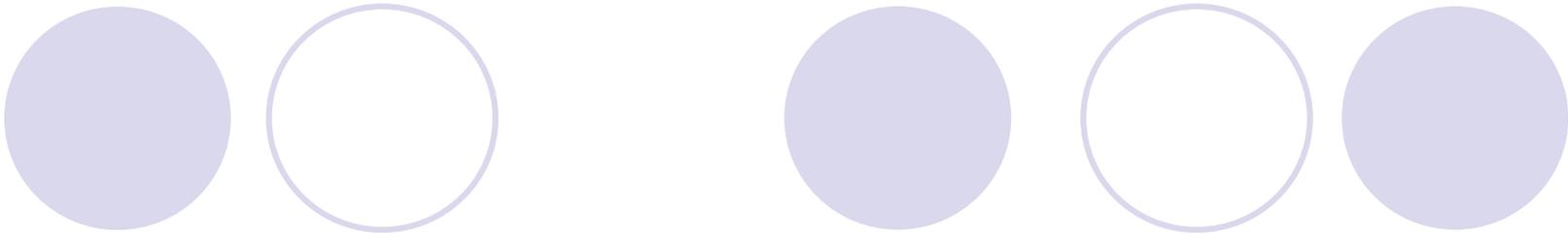
VI Market Price of EMM 2013-2015



- Since 2011, the price of China's EMM decreased greatly and reached the lowest record of 12,000 ¥/t. The price in 2012 and after August of 2013 are both around ¥ 12,600. Since the beginning of this year, the price has been lower than 12,000 ¥/t. In early May, it even reached the lowest record of ¥ 10,000. It shows that the price of EMM is continuously decreasing. And the decreasing demand is the root cause of the price decline.

VII Export of China's EMM(2001-2014) (10kt)





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- Last, the export of China's EMM reached the highest in ten years of 318,400 tons. Although it's still lower than 323,300 tons of 2006, there's only a very small gap of 4,800 tons. The export reached 92,853 tons in Q1 2015, an increase of 17,928 tons YoY and an increasing rate of 23.93%. If we can keep this momentum, this year's export will definitely reach a new record.



Major Issues in 2014

- Although China's EMM industry achieved a good result in 2014, the old issues preventing its development still haven't been solved, and some even became more severe. For example, overcapacity still existed. The capacity of 2014 was 1.95 million tons. It may not seem to be a large number, but there was about 400,000 tons established capacity which could be launched into production at any time; another 400,000 tons is still in construction. Although 200,000-300,000 tons of outdated capacity will be eliminated, the issue of overcapacity will continue to be quite severe if there is no increased demand. Besides, almost 60 SMEs haven't

- upgraded their technologies due to various reasons. Although they have relative advantage in mining or power, the cost is still too high. Other problems include outdated process and equipment, high pressure of environmental protection. What's more, Some new process experiments expected to be finished in 2014 were delayed due to bad performance and insufficient funds, which puts extra pressure on 2015. Most enterprises are on the brink of profits and losses. Without the accumulation of funds, some enterprises rely solely on their past gains. What's more, it's quite difficult to get loans from banks. Therefore, many enterprises face the risk of breaking their capital chains.

Review of January to May, 2015 and Outlook of H2 2015

- Since I have introduced the development of China's EMM industry in 2014, now I want to introduce its development in H1 2015. Since the beginning of 2015, we have expected it would be more difficult this year than in 2014. The reasons behind our expectation are:
- 1. Last year, China's GDP increased by 7.4% while this year's goal is 7%. Although China has witnessed more than 30 years of high speed consecutive economic growth and becomes the second largest economy in the world, we have to admit the problems. Some of them are quite severe, especially overcapacity in real estate industry and basic raw material processing industry; high housing vacancy rate; large decrease in the price of basic raw materials; the profit of steel is lower than that of Chinese cabbage, etc.

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- There are a lot of similar problems. So it's very necessary for the industry to adjust and transform itself and slow its growth. First, the real estate industry is going to shrink. Although the government launched new policies on March 30th to stimulate the real estate industry, it seems impossible for it to become robust again immediately. The decrease of housing means the demand for S200 steels which are used in decoration also decreases. Compared with last year, the price of S200 stainless steel decreased this year. Many SMEs were closed and large enterprises also decrease their production. Enterprises that produce S200 stainless steel are the main customers of the EMM industry. Their production decrease also means the decrease of EMM market demand and price. So that's one of the reasons why the situation this year is more difficult than that of last year.

- 2. Long-term disorderly development of China's EMM industry, the issue of severe overcapacity may become worse this year
- The capacity of China's EMM industry last year was 1.95 million tons. Actually another 400,000 tons of capacity are already constructed, and waiting to be put into production. And another 400,000 tons of capacity are being constructed now. If no long-established enterprises are eliminated, China's EMM industry will probably reach a capacity of 2.7 million tons. Calculated on a capacity utilization rate of 50%, the production will reach 1.35 million tons, which largely exceeds the market demand. **According to last year's market analysis**, utilization rate from January to April wasn't up to 40% and the daily production was only 80,000 tons, which couldn't meet the market requirement. The price quickly recovered from 11,900 to 12,500-12,800 ¥/t. Some enterprises recovered production. Utilization rate slowly increased from 40% to 55%-60%.

- Production increased from 80,000 t/m to 115,000 t/m. And the price was about to reach ¥ 13,000 but it
 - stopped at ¥ 12,950. The production was still increasing then. But it started to decrease in November and decreased to lower than ¥ 12,000 in December. This means the largest capacity home and abroad is 110,000 tons per month.
- If the newly constructed 400,000 tons are all put into production within this year and long-established enterprises do not leave the market, then the monthly production will probably be over 140,000 tons. If that really happens, the price will be lower than 10,000 ¥/t, which will be catastrophic for the entire industry.
- 3. This is the first year of the new environmental regulation, so it is stricter than before. Now many enterprises still haven't finished technological reform.

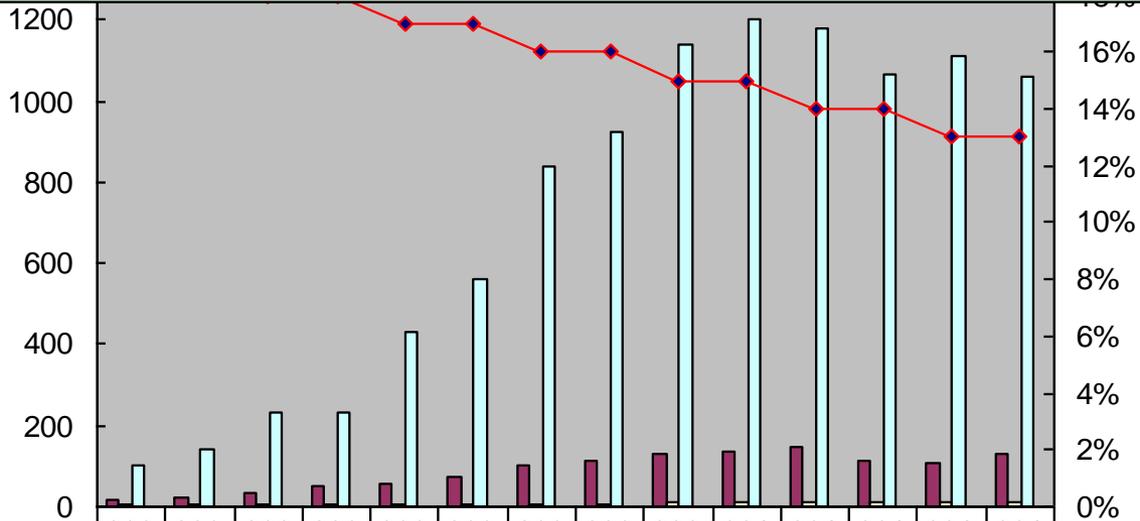
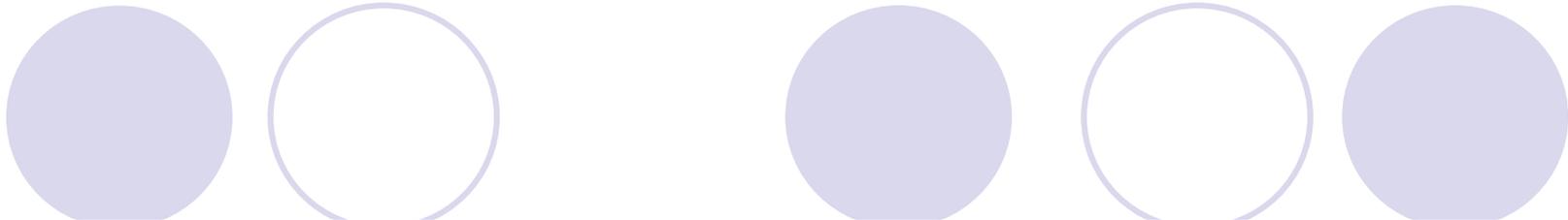
- And there are still many problems in the treatment of waste water and slags. Most enterprises are still using chrome passivation. Should any mistake happen, these enterprises will be fined and closed.
- 4. In recent year, due to the changes in the government's fiscal policies, most EMM enterprises have difficulty in taking loans from the banks. Many of them face the risk of breaking their capital chain. What's more, since 2012, many enterprises in production almost made no profits, so they face financial strains. Even large size enterprises have the same problem, not to mention the small ones. Enterprises that use social fundraising face even greater difficulty and the risk of bankrupt or assets reorganization at any time. And as a big problem and risk, this has a great influence on the entire industry this year.

5. The price of foreign ore decreased greatly. For example, the price of lump ore with 45%Mn of BHP decreased from 5.4USD/D.T at the beginning of last year to 4.5USD/D.T at the end of that year. The price decreased to 3.8USD at the beginning of this year and now reaches 2.7USD/D.T. The price of seeds ore is even lower. This will decrease the price of domestic ore, so it is beneficial to us.

But oxidized ore takes up the majority of foreign ores. China is still at the beginning in the utilization of oxidized ore and there are still many problems to be addressed. Therefore, it'll take some time before China's EMM industry can benefit from the advantages of oxidized ore. But our competitors—SiMn with high volume of Si and pyrometallurgy metal manganese can benefit immediately from it by greatly decrease their cost. For example, the price of a certain product made of SiMn with high volume of Si has decreased to 6,000 ¥/t. The cost of pyrometallurgy metal manganese

- has decreased to 11,000 ¥/t. The decrease in cost increased their competitiveness against EMM. Therefore, the decreasing price of foreign ore is both good news and bad news for us. And recently, it's more of bad news because it increases our market pressure.
- China's EMM industry uses manganese carbonate ore for a long time because it makes up the majority of China's manganese ore resources. China has a storage capacity of 0.5 billion tons of manganese carbonate ore and it is being discovered continuously. Guangxi, Guizhou and Xinjiang are the three provinces and autonomous region with the highest stock capacity of manganese carbonate ore. The stock of manganese ore in Xialei Town of Daxin County and Baode County in Guangxi province reaches almost 0.2 billion tons. Already discovered manganese carbonate ore in Guizhou province is over 0.2 billion tons and is still increasing, with a high probability of being over 0.3 billion tons. Manganese carbonate ore with a grade of 37% has been discovered in Xinjiang and the stock number is over 50 million tons. Therefore, China's EMM industry has enough manganese carbonate ore resources in the next several decades. Manganese carbonate ore can be dissolved in dilute sulphuric acid, which means it saves reduction cost. So besides 3 enterprises that use imported oxidized ore, other enterprises all use manganese carbonate ore in the production of EMM.

- It should be noticed that the price of EMM is very low now, so the supply of manganese carbonate ore for the production of EMM is not enough, especially in high concentrated provinces such as Hu'nan, Guangxi and Yunnan, etc. There are several reasons:
 - 1. After several decades of mining, the grade of manganese carbonate ore decreases greatly. Problems such as large quantity of slags and high consumption of acid are becoming more and more severe. These problems have negative influence on environmental protection and the reduction of production cost.
 - 2. The manganese carbonate ores discovered in Guizhou, Guangxi and Xinjiang are not of high grade. They are either poor in quality or buried too deep in the ground. The production cost is too high. And some of them are thousands of miles away. So it costs too much in transportation, which means they can only be processed locally with other constraining conditions.



Production of EMM(10kt)	15.2	21.2	32.5	49.5	56.6	73.3	102	114	131	138	148	116	110	128
Utilization of manganese per ton(t/t)	6.57	6.57	7.12	7.12	7.63	7.63	8.22	8.22	8.7	8.7	9.2	9.2	10.1	10.1
Overall utilization of manganese ore(10kt)	99.7	139	231	231	432	559	842	925	1137	1202	1178	1067	1111	1061
Profit rate of manganese%	80%	80%	79%	79%	77%	77%	76%	76%						
Grade of manganese ore%	19%	19%	18%	18%	17%	17%	16%	16%	15%	15%	14%	14%	13%	13%

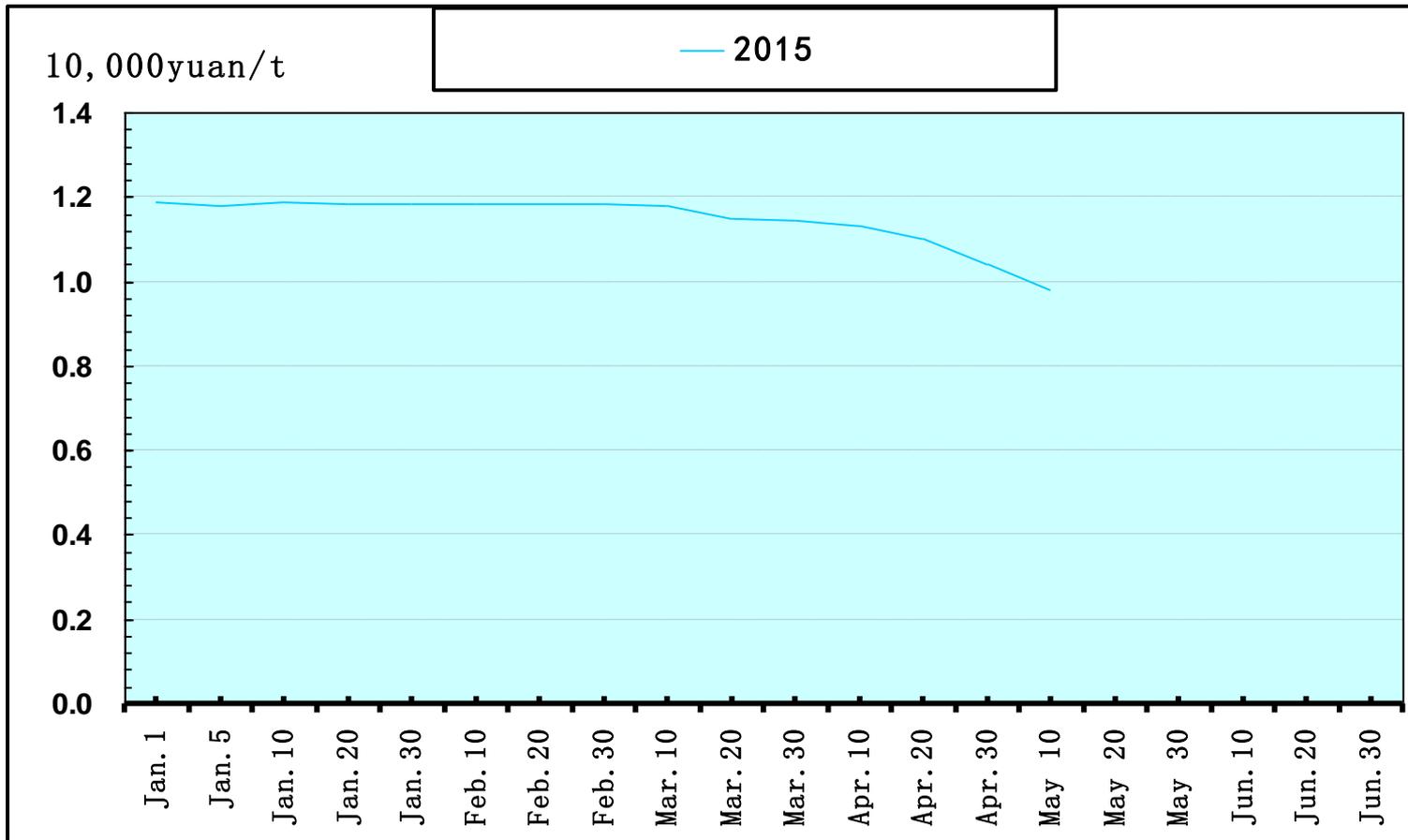
- 3. The stock of high grade manganese ore is very low in areas which started to process Mn products long ago, such as Hu'nan. Therefore, many Mn enterprises in Hu'nan relocated themselves in other cities or were closed. In 2001, 80 EMM enterprises in Hunan had an overall capacity of 860,000 tons and production of 660,000 tons. But in 2014, the number of EMM enterprises reduced to 27, and their capacity to 440,000, production to 260,000. Their respective decreasing rate are 66.29%, 48.83% and 60.6%.
- Based on these reasons, China's EMM industry has always been interested in utilizing foreign manganese ore resources and has made a lot of preparations for it.
- Since foreign manganese ore resources are mainly made up of oxidized manganese ore and mixed ore, it is necessary to reduce tetravalent manganese to manganese with a valence of two before it can be used. In order to do the reduction, we conducted numerous experiments on five processes (shaft furnace, rotary kiln, boiling peptide furnace, microwave oven, two ores method) and five reducers (coal, natural gas, coal gas, SO₂, biomass, etc.) in succession.

- All of the experiments can be finished this year and we will do a comparison between different processes. The comparison will focus on production cost and the investment of infrastructures. Since different enterprises are located in different areas, the transportation cost and price of resources will vary. So each enterprise shall have its own most appropriate process.
- If after comprehensive comparison, we find out that the costs of imported oxidized ore and domestic manganese carbonate ore are relatively equal, China's EMM industry will start to import foreign manganese ore in large quantities.

- Based on these analysis, the price of EMM has been in the range of ¥ 12,000 from the beginning of this year till now. This is the first time in the recent decade for the price to be so low. Q1 of each year is Chinese Spring Festival. During this period, many EMM enterprises only maintain a very low production and some enterprises stop their production entirely because the mining pits are stopped or they lack enough ore for production. The capacity utilization rate during this period is only about 40%, which is quite low. And the monthly production is about 80,000 tons/m. So the price is stabilized at 11,800 ¥/t. At the beginning of March, many enterprises started to produce. The capacity utilization rate increased to 45-50% and the production increased to 90,000-10,000 tons. So after mid March, the price started to decrease. It was 11,500 ¥/t on March 20th, and

- decreased to lower than 11,000 ¥/t in mid April, and lower than 10,500 ¥/t on April 28th, lower than 10,000 ¥/t on May 7th. Many SMEs stopped their production one after another and some only run 1/2—1/4 of their production lines. The capacity utilization rate of China's EMM industry is less than 35% and the monthly production is only 79,000 tons. According to our experience, a low monthly production of less than 80,000 tons won't last for a very long time before the market recovers. But the situation is contrary to our previous experience and the price continues to decrease. This shows the domestic market this year is worse than last year and the market can't consume a monthly production of 80,000 tons. If the price still doesn't recover in mid May, then the capacity utilization rate will decrease to about 30% and the monthly production to about 70,000 tons, a new low record in China's EMM industry. If this situation continues until the end of this year without any change, that means about 50 enterprises will be taken over, transformed to produce other products or closed.

EMM Market Price from January to May, 2015

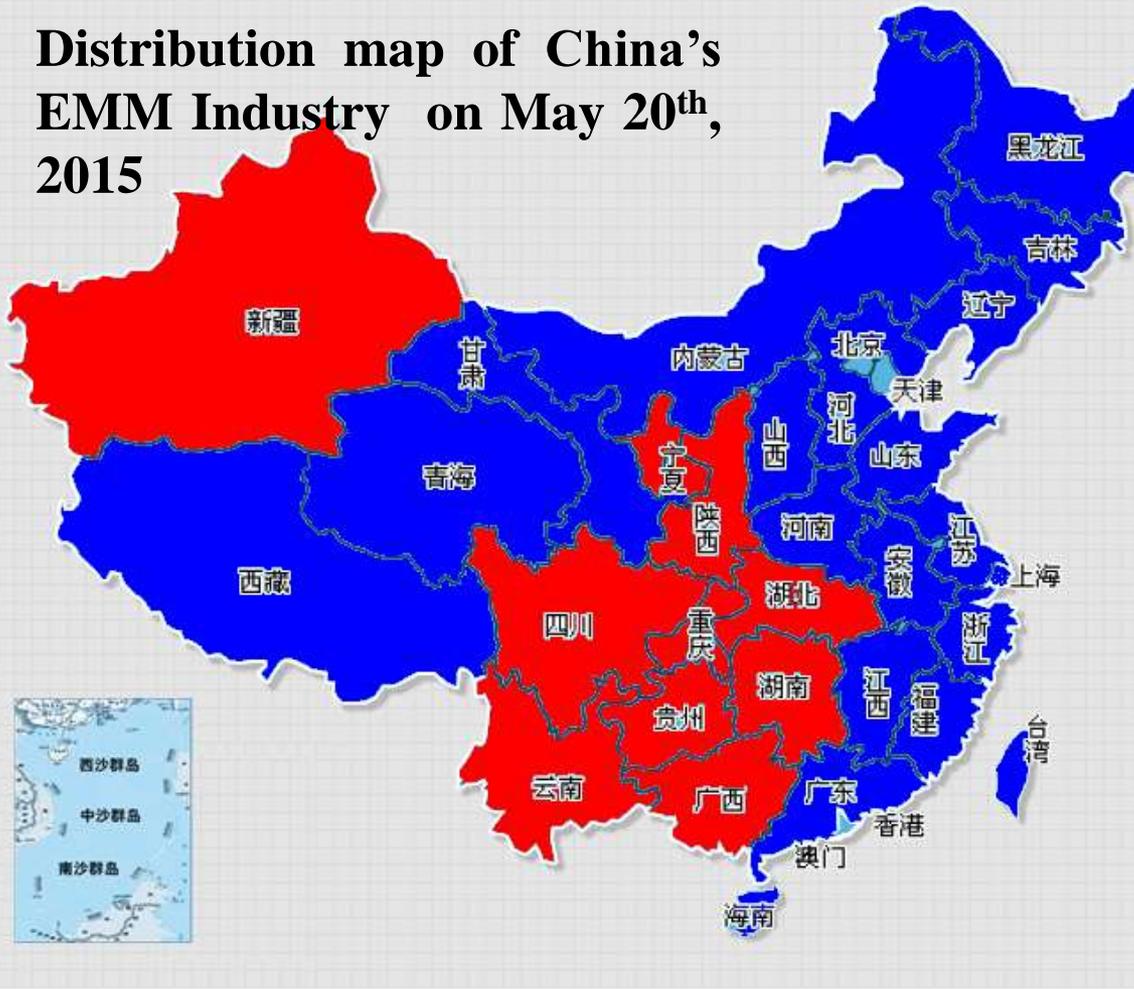


- Based on the current price, about 90% of the enterprises will be in deficit and an increasing number of them stop production. For example, there were 27 enterprises in Hunan last year. But at the beginning of this year, the number decreased to 20. Now only 6 of them are still in production, and five of them only run 1/2—1/3 of their production lines. The result is that their daily production is no more than 250 tons, a 60% decrease compared with last year. Two more enterprises are expected to stop production in mid May. In Hubei province, only Kairong Manganese Ltd. is still in production and has a daily production of 60 tons. In Yunnan province, only Zhengtai Electrical Co., Ltd. still runs 1/3 of its production line with a daily production of 22tons. In Guangxi province, besides CITIC Dameng Mining Industries Ltd., only Guangxi Dameng Manganese Industry Co., Ltd (GXDM) , Xinyuan Manganese Industry Co., Ltd and Shenya Manganese Industry Co., Ltd are still in production with a daily production of 510 tons.

- Guizhou and Chongqing are areas of relatively higher capacity utilization rate. But still many enterprises in those areas stopped production. In Xiushan county, only 5 are still in production with a daily production of about 270 tons. In Guizhou, 6 enterprises with a daily production of about 520 tons. In Shanxin, 1 enterprise with a daily production of 12 tons. Xinjiang Kebang Manganese Industry Co., Ltd. and Ningxia Tianyuan Manganese Ltd. both maintain their production with a daily production of 120 tons and 800 tons. Based on this situation, China's daily production is only 2580 tons, monthly production is 77,400 tons (the lowest in recent years).
- As of May 20th, only 5 enterprises, Guisa Sanhe Manganese Group, Xiangtan Electrochemical Scientific Ltd., Guizhou Zunyi Tianzi Manganese Ltd., Xiushan Wulin Manganese Ltd. and Guizhou Yifang Manganese Ltd., are in full production. Other enterprises only run 1/3—1/2 of their production lines.

- 8 of 10 large size enterprises have reduced their production, the highest reducing rate is 85% among them. It's now the critical time for the survival of China's EMM industry. Only enterprises with advanced technologies and equipment, high level management and strong financial support can survive, the others will be eliminated by the market. As of May 20th, the number of enterprises in production decreased from 78 last year to 24 this year. The proportion of enterprises that stopped production is as high as 69%. If the market doesn't recover, the proportion will continue to increase.
- 4 listed companies (CITIC Dameng Mining Industries Ltd., Jinrui Technology Ltd., Xiangtan Electrochemical Scientific Ltd., Chongqing Wuling Manganese Co., Ltd.) have performed quite well till now, and their anti-risk capabilities are obviously higher than those of other enterprises.

Distribution map of China's EMM Industry on May 20th, 2015



Province & City	Number of Enterprises	Capacity (10kt)	Daily Production (10kt)
Hu'nan	6	18	250
Guizhou	5	18	500
Chongqing	5	15	270
Ningxia	1	30	750
Guangxi	2	30	400
Hubei	1	2	60
Yunnan	1	3	22
Sichuan	1	3	34
Xinjiang	1	3.75	80
Shanxi			
Overall	23	122.75	2366

Those in red are the places of EMM production

- What changes will happen in the next two quarters? Will
 - the price decrease again?
- It's hard to give a correct answer to this question. I can only say that the situation with China's EMM industry will continue to be critical and complicated in the next half of this year due to many unstable factors. For example, if 400,000 tons of new capacity is to be put into production this year, what proportion shall we take? If all of the 400,000 is put into production, the price will definitely decrease; if only part of it is put into production with some long-established enterprises be closed, it won't have much effect on capacity, but the price will be more stabilized.
- Another concern of those in the EMM industry is the stability of the capital chain of some large size enterprises. This problem

- is directly linked with the price tendency of this year, so I
 - feel regretted to say that I can't answer this sensitive question now.
- From 2011 till now, most enterprises in China's EMM industry are on the brink of deficit with very low profits. The financial strain has become a "new normal". 78 enterprises were in production in 2014, but we don't know how many of them will continue their production this year. But one thing is certain, that is, quite a large amount of the enterprises will need to transform themselves and pursue development in other industries.
- The general tendency of EMM price in the second half of this year will be low. Unless there's great change in global economic context or China's EMM industry, otherwise the low price is a foregone conclusion.
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Outlook

- Since 2011, China's EMM industry entered a new transforming stage. The reasons for this transformation include Global Economic Crisis, the mass production of EMM substitutions, the overcapacity of China's EMM industry, large increase in the price of main raw materials, power and labor, large decrease in EMM price and the government's policies. Under the influence of these factors, , China's EMM industry was forced into a new transforming stage. Its characteristics include the adjustment of industry structure and distribution, establishment of large size enterprises and groups, technological upgrade in outdated processes and equipment with the ideas of "energy-saving, low-power consumption, more automatic and environmentally friendly". Largely reduce production cost to help the entire industry better adapt to new developing tendencies.

- The transformation of the enterprises will take time, funds, and a large amount of coordination and organization, so it won't be finished in a short time. Since the majority of China's EMM industry is consisted of SMEs, and it has problems such as too centralized distribution, outdated equipments and quotas, low capability of self-development, the industry has a great difficulty and resistance in the progress of transformation. But only the strongest can survive in the market competition. Those who refuse to transform and upgrade themselves will face only one result: being eliminated. Since 2011, some large-size enterprises started to invest much funds in transformation and upgrade. Time has proven their act to be wise because transformation helps to reduce cost and improve environmental protection capability, thus improving the enterprises' competitiveness.

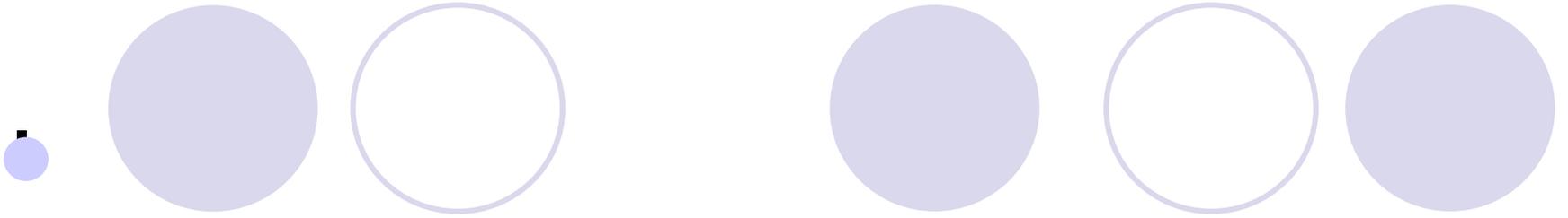
- 2015 is a critical year for structural adjustment and technological upgrade of China's EMM industry. First, tens of thousands tons of new capacity needs to be put into production. The new capacity is produced with new process and equipment, so it has both or either of the advantages of manganese ore resources or power resources. The production cost is largely decreased compared with long-established enterprises, which gives them an obvious competing advantage.
- Most of the long-established enterprises (all in Southern China) haven't finished technological upgrade. The production cost is too high with outdated equipments. So in 2015, the competition between long-established and new enterprises will be more intense than any previous year. And it can be estimated now that some long-established enterprises will be eliminated in this kind of intense competition.

- There are many difficulties in the development of China's EMM industry. I think the biggest difficulty is the financial strain of most enterprises except several listed enterprises and some small size enterprises (3-5). The financial strain will be a long-term issue in the development of China's EMM industry. The government categorized EMM industry as a restricted industry with "high consumption, high pollution, large resource consumption", and forbid banks from loaning to EMM industry. So in each part of China, as long as it's a manganese enterprise, it'll have great difficulty in getting loans. The reasons include government's policies, financial strain of banks, and poor performance of EMM industry. Many enterprises can't pay back their loans, so banks are more cautious with EMM enterprises when it concerns loaning. In the future, even if an enterprise has advanced technologies and good management, it will still be eliminated without enough money. Other factors preventing the development of EMM industry include overcapacity, the usage of SiMn with high volume of Si which decreases the price, etc.

- The situation is most severe in Hunan. As the province with the longest history of developing EMM industry in China, it houses most enterprises and has the largest capacity. Hunan province started the production of EMM since 1960s. It once housed 75 enterprises and had a capacity as high as 860,000 tons. After more than 30 years of rapid development, it started to decrease in 2010. The reasons for its downward development include the gradual exhaustion of resources and increasing power price. Xiangxi, the location of more than 80% of Hunan province's EMM enterprises, is faced with increasing difficulty. Besides, most of these enterprises are small sized ones with outdated equipment and strained finance, so they can't afford to conduct transformation or upgrade. It is expected that 50% of them will be eliminated by the market this year. No more than 10 among them will survive in the industry. Apart from Hunan province, the situation of other provinces, such as

- Guizhou and Chongqing, are better. But we can be sure
 - that a certain number of enterprises in these provinces will also be eliminated by the market. It is expected that about 30 enterprises will continue to produce at the end of 2015, a large decrease from the 78 enterprises at the beginning of this year.
- Currently, major large enterprises in southern China are undergoing technological upgrade and transformation with the idea of “energy-saving, low-power consumption, more automatic and environmentally friendly”. Their general goal is to reduce overall power consumption to 6200Kw.h/t, number of labors to 9 person/kt, increase recycling rate of metals to be higher than 83%, improve the treatment of slags to meet the government’s regulations, reduce overall production cost (tax included) by almost a thousand to reach 11,000 ¥/t.

- Influenced by a series of factors such as weak global economy, domestic economic adjustment and restructure, substitution of SiMn with high volume of Si and unbalanced technological upgrade, China's EMM industry faces a severe situation this year. Most enterprises are on the brink of deficit and profits, and only a very few of them can make real profits. Some of the small enterprises will be eliminated in intense competition. This situation will last 2-3 years. Only when all the major enterprises finish technological upgrade, major technological indexes meet expected objectives, the capacity is controlled within a reasonable range, and the number of enterprises reduced to 20-30, will China's EMM industry rejuvenate and enjoy a high market competitiveness.



Thank You!



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