This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the **[REDACTED]**. *There are risks associated with any investment. Some of the particular risks in investing in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

We are a leading market player in the PRC focusing on the production of medium to large scale[(1)] asphalt mixing plants. We specialise in the research and development, design, manufacturing and sale of asphalt mixing plants and we provide one-stop customised solutions to our customers in the PRC and abroad. Our products are mainly conventional hot-mix asphalt mixing plants and hot-mix asphalt mixing recycling plants. They are used for the production of asphalt mixtures, an essential material used in road pavements for asphalt road construction and maintenance projects. According to the CCID Report, in 2013, based on the sales volume of medium to large scale asphalt mixing plants manufactured in the PRC, we ranked second with a market share of approximately 13.8%[(2)]. According to the CCID Report, medium to large scale asphalt mixing plants are mainly used in the construction of new expressways, being the top-tier highways in the PRC. In addition, medium scale asphalt mixing plants are also used in the construction of new first grade and second grade highways, the high-grade highways in the PRC, as well as the construction and maintenance of major urban roads.

Our products play an important role in expressway and highway construction and municipal road maintenance projects covering approximately 30 provinces, municipalities and autonomous regions in the PRC. Over the years, we have sold our products to customers or end-users located in 18 overseas countries. We were one of the suppliers of asphalt mixing plants in a number of major construction projects in the PRC, including the Beijing-Tibet Highway* (京藏高速), Beijing-Hong Kong-Macau Highway* (京港澳高速), Jiaozhou Bay Bridge* (膠州灣大橋) and Hangzhou Bay Bridge* (杭州灣大橋). Hangzhou Bay Bridge is one of the longest trans-oceanic bridges in the world.

We operate mainly in the road construction and maintenance machinery industry in the PRC. The growth of our business depends largely on the level of road construction and maintenance work in the PRC. According to the CCID Report, the total mileage of the highways in the PRC will reach approximately 4.5 million km by 2015 and expressways, first grade highways and second grade highways, the majority of which are paved with asphalt mixtures, accounted for approximately 15.0% of the total mileage the PRC highways, equivalent to approximately 680,000 km. In the Twelfth

(1) According to the CCID Report, 3000 model series asphalt mixing plants are generally regarded as medium scale asphalt mixing plants in the PRC, 4000 model series or above asphalt mixing plants are generally regarded as large scale asphalt mixing plants in the PRC and 2000 model series or below asphalt mixing plants are generally regarded as small scale asphalt mixing plants in the PRC.

(2) According to the CCID Report, in 2013, there were 950 units of asphalt mixing plants manufactured in the PRC that were sold by domestic and international asphalt mixing plant manufacturers, 298 units of which were medium to large scale asphalt mixing plants and 652 units of which were small scale asphalt mixing plants. Based on 41 units of medium to large scale asphalt mixing plants manufactured and sold by us in 2013, our market share was approximately 13.8%.

Five-Year Plan – Development Outline of Highway Maintenance Management (《「十二五」公路養護管理發展綱要》), it is targeted that between 2011 and 2015, the road mileage of highways of national and provincial levels on which medium to large scale repair works are procured should account for not less than 17% of the total mileage. As such, the total mileage of expressways, first grade highways and second grade highways to be repaired could reach approximately 120,000 km. According to the CCID Report, the total funding required for road maintenance and management in the PRC from 2011 to 2030 is estimated to be approximately RMB11.5 trillion, among others, the road maintenance and management funding required for national highways, inter-provincial highways and rural roads are expected to be RMB3.1 trillion, RMB3.2 trillion and RMB5.2 trillion, respectively. We believe that there will be an increase in road maintenance activities which will lead to an increase in demand for asphalt mixing plants.

Using RAP as an alternative to new materials, such as aggregates, fillers and bitumen, in asphalt mixtures can effectively reduce cost. According to CCID Report, as up to 80% of the bitumen in the RAP can be recycled and use in the production of recycled asphalt mixtures, there could be up to 80% saving of the bitumen in the RAP portion of the materials in the recycled asphalt mixtures. According to the Guidance on Promoting Road Pavement Material Recycling* (《交通運輸部關於加快推進公路路面材料循環利用工作的指導意見》) issued by the Ministry of Transport of the PRC in 2012, the annual volume of RAP generated from medium to large scale road maintenance projects for major highways alone has reached 160 million tonnes in 2012. If 30% of such volume can be recycled each year, over RMB10.0 billion of material costs may be saved in highway construction and maintenance projects each year.

We are well positioned to capture the growth opportunities from the increase in road maintenance work and the increase in demand for asphalt mixing plants with RAP recycling functions.

It has been reported that as part of its "One Belt, One Road" development strategy, the PRC government will contribute US$40 billion to set up a Silk Road Fund to provide investment and financing support to carry out infrastructure, resources, industrial cooperation, financial cooperation and other projects related to connectivity for Asia. We believe that this will lead to an increase in road construction work in the PRC and those countries where Silk Road Fund invests in. As a result, we believe that all of these will lead to an increase in demand for asphalt mixing plants and our extensive sales and distribution network and our experience in exporting asphalt mixing plants to overseas countries would allow us to capitalise on these market opportunities.

OUR BUSINESS MODEL

Our business primarily consists of the (i) design, manufacturing and sales of asphalt mixing plants; (ii) sales of spare parts and components and provision of equipment modification services; and (iii) leasing of our asphalt mixing plants by way of operating lease. During the Track Record Period, revenue generated from sales of asphalt mixing plants accounted for over 85.0% of our revenue.

Our customers mainly include road construction companies, road construction machinery distributors and finance leasing companies. Over the years, we have sold over 300 units of asphalt mixing plants to customers mainly in the PRC and some in overseas emerging markets and developed countries, including Australia, Russia, India and various countries in Africa.

OUR PRODUCTS AND SERVICES

Products

We offer a broad range of products covering small to large scale asphalt mixing plants to cater to the needs of different customers. The asphalt mixtures produced by our asphalt mixing plants can be used in the construction or maintenance of all levels of roads and highways in the PRC. Our products can broadly be divided into two main categories: (i) conventional hot-mix asphalt mixing plant ("**Conventional Plant**") and (ii) recycling plant ("**Recycling Plant**"). Our Conventional Plants are able to produce regular asphalt mixtures which contain, among others, bitumen, aggregates and fillers. Our Recycling Plants are able to produce (i) recycled asphalt mixtures which contain a mixture of reclaimed asphalt pavement ("**RAP**") and new materials such as aggregates, fillers and bitumen; and (ii) regular asphalt mixtures. We are able to convert a Conventional Plant into a Recycling Plant by installing components with hot-mix asphalt mixing recycling functions developed by us into the Conventional Plant to enable the plant to produce both regular and recycled asphalt mixtures. The designed RAP added capacity of our Recycling Plants is between the range of 15% to 60%. During the Track Record Period, revenue generated from the sales of our Recycling Plants amounted to approximately RMB52.9 million, RMB90.6 million and RMB130.7 million, respectively, representing approximately 16.3%, 25.8% and 51.5% of our total revenue from the sales of asphalt mixing plants, respectively.

We are committed to developing and promoting our Recycling Plants as we expect this to be a major area of growth for the industry. According to the CCID Report, it is estimated that hot-mix recycling technology will be adopted in a majority of roads maintenance projects in the PRC in the next three to five years, which is also the technology adopted by us in our Recycling Plants. In light of the PRC government's policies encouraging the use of pavement recycling maintenance technologies, we expect that the demand for Recycling Plants will increase. We have been the first to develop and launch a number of Recycling Plants in the PRC. According to the CCID Report, we were the first manufacturer to manufacture and launch Recycling Plants with 15% designed RAP added capacity and Double Drum Recycling Plants with 50% designed RAP added capacity in the PRC in 2003. We were also the first to manufacture and launch the Recycling Ring Recycling Plants in the PRC in 2009 and we developed the first Monoblock Recycling Plant in the PRC in 2014, according to the CCID Report. For details description of our Recycling Plants, please refer to the section headed "Business – Our Products and Services – Hot-mix asphalt mixing recycling plant" in this document. The revenue generated from the sales of Recycling Plants has increased substantially in the past few years and accounted for approximately 16.3%, 25.8% and 51.5% of our revenue from the sales of asphalt mixing plants for the years ended 31 December 2012 and 2013 and the nine months ended 30 September 2014, respectively.

We strive to manufacture asphalt mixing plants with environmental-friendly and energy saving features which is able to reduce the level of energy consumption and emission of dust, smoke and noise. Through our continuous efforts, we have improved various parts of the asphalt mixing plants to achieve such goals. For instance, we have developed a two-tier dust collection and closed-loop temperature control system to suppress dust emission of our asphalt mixing plants. Our asphalt mixing plants are able to maintain their dust emission level at approximately 70 mg/Nm^3 or less, which is lower than the requirement under the PRC national standard of 100 mg/Nm^3. In addition, our asphalt mixing plants are able to maintain its fume blackness level at Ringelmann level 1 and the noise in the control room (NCC) is generally lower than 70 dB. According to the CCID Report, these standards are amongst the highest in terms of environmental protection in the PRC.

All of our asphalt mixing plants are equipped with the "DG Leap" automated control system designed by us. It is a real-time production management system which can automatically control the operation of the asphalt mixing plant, collect and analyse production data and provide maintenance recommendations to customers in a timely manner. A remote monitoring system was subsequently developed and added to the "DG Leap" automated control system in 2010. Through the monitoring platform, our customers can observe the real-time status of a plant, download and monitor all the production data and report, and even monitor the job site, from any remote places. Furthermore, we can diagnose and analyse a problem or potential error and provide repair and maintenance services for our customers remotely to provide preventative servicing and thus improve the operating efficiency of the plant. We have obtained 12 software copyrights in the PRC in relation to DG Leap system.

During the Track Record Period, we generated the majority of our revenue from the sales of asphalt mixing plants from the sales of medium to large scale asphalt mixing plants and such revenue accounted for approximately 84.0%, 85.1% and 90.9%, of our total revenue from the sales of asphalt mixing plants, respectively.

Sales of spare parts and components and provision of equipment modification services

We sell spare parts and components of asphalt mixing plants to our customers. Our equipment modification and upgrading services mainly include modifying our Conventional Plants, such as installing components with hot-mix asphalt mixing recycling functions into Conventional Plants and modifying the control systems, burner systems and end-product hot mix storage bins of asphalt mixing plants.

Operating lease of our products

We offer operating lease of our asphalt mixing plants directly to our customers. During the Track Record Period, we entered into equipment leasing contracts with our customers for a period ranging from 4 months to 16 months depending on the length of the road construction or maintenance projects.

RESEARCH AND DEVELOPMENT

We place great emphasis on our research and development capabilities, as we believe our success is largely dependent on technological and product innovation. Leveraging on our strong research and development capabilities, we have developed various model series of asphalt mixing plants and key components over the years. Based on the CCID Report, we are one of the few manufacturers in the PRC who are capable of manufacturing 5000 model series asphalt mixing plants, currently the largest asphalt mixing plant by production capacity produced on a mass production scale in the PRC. As stated in the CCID Report, the 4000 and 5000 model series asphalt mixing plants which we developed and launched in 2003 and 2009 respectively were the first 4000 and 5000 model series Conventional Plants launched in the PRC. Moreover, we were the first manufacturer to manufacture and launch Recycling Plants with 15% designed RAP added capacity and Double Drum Recycling Plants with 50% designed RAP added capacity in the PRC in 2003. We are also the first to manufacture and launch the Recycling Ring Recycling Plants in the PRC in 2009 and we developed the first Monoblock Recycling Plant in the PRC in 2014, according to the CCID Report.

As at the Latest Practicable Date, we had (i) 29 registered patents in the PRC, of which 3 were invention patents and 26 were utility model patents; (ii) 5 patents pending registration in the PRC, of which 2 were invention patents, 3 were utility model patents; (iii) and 22 software copyrights in the PRC. In addition, Beijing D&G is in the midst of transferring 7 registered utility model patents to us. For details of our intellectual property rights, please refer to the paragraph headed "Appendix IV – Statutory and General Information – Intellectual property rights of our Group" on p.IV-1 to p.IV-41 of this document.

During the Track Record Period, we collaborated with a number of leading research institutions in the PRC and a leading university in Hong Kong on research projects, including the Research Institute of Highway, Ministry of Transport* (交通運輸部公路科學研究所), the Institute of Tsinghua University, Hebei* (河北清華發展研究院) and the Hong Kong University of Science and Technology R and D Corporation Limited.

OUR CUSTOMERS

Our customers mainly include road construction companies, road construction machinery distributors and finance leasing companies. During the Track Record Period, we sold our products primarily to our domestic customers in the PRC. In addition, we also sold our products to customers or end-users located in, amongst others, Russia, India, Australia, and certain countries in Africa, via direct and indirect export.

Expanding our business into the international market has always been one of our key business strategies. During the Track Record Period, we sold our products overseas via direct as well as indirect export. For direct export sales, we sold our products overseas to our customers directly or through our overseas distributors acting as sales agents. For indirect export sales, we sold our products to our direct customers in the PRC who undertook road construction projects overseas. During the Track Record Period, the revenue generated from overseas sales of asphalt mixing plants (including direct and indirect export sales) accounted for approximately 21.9%, 22.8% and 13.0% of our revenue from the sales of asphalt mixing plant, respectively. The decrease in the percentage of overseas sales for the nine months ended 30 September 2014 was mainly due to certain products that we have directly exported to overseas customers pending the acceptance from the customers as at 30 September 2014 and therefore no revenue was recognised.

Revenue generated from our five largest customers amounted to approximately RMB76.3 million, RMB87.5 million and RMB67.4 million, respectively, representing approximately 21.0%, 21.2% and 22.6% of our total revenue during the Track Record Period, respectively. Revenue generated from our largest customer amounted to approximately RMB17.6 million, RMB33.5 million and RMB20.2 million, respectively, representing approximately 4.8%, 8.1% and 6.8% of our total revenue during the Track Record Period, respectively.

CREDIT MANAGEMENT

As part of our ongoing credit control procedures, our management monitors the creditworthiness of customers to whom we grant credit in the usual course of business. Credit exposure limits are established to avoid concentration risk with respect to any single customer.

Before we accept orders from our customers, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's background and financial strengths, historical repayment records and current repayment ability, taking into account the economic environment in which the customer operates. Trade receivables under credit sales arrangement are due in accordance with specific payment terms agreed with individual customer on a case by case basis subject to the fulfilment of conditions as stipulated in the respective sales contracts. If the customers request for more favourable credit terms than what we would offer under our policies, depending on the terms that our customers request for, the sales personnel must seek approval from regional manager, sales director and/or our executive Director.

With respect to the collection of trade receivables, we send payment reminder to our customers one month before the due date for payment. Our sales personnel are responsible for follow-up of overdue balances on a regular basis. They may liaise with our customers enquiring about the status of their road construction or maintenance projects, or visit the customers in person if necessary. For any overdue balance, our finance department sends payment reminder letters to our customers. The collection status and overdue analysis is reported to our sales department on a bi-weekly basis. Our management reviews overdue balances to make appropriate assessment and determine whether or not provision for impairment of trade receivables should be made on a case-by-case basis. Our management team works closely with our sales personnel to conduct regular reviews of repayment status of customers with overdue trade receivable balances. Our management will from time to time review, and if appropriate, revise and update our credit policy and internal control procedures for trade receivables collection.

SUPPLIERS AND SUBCONTRACTORS

We procure various raw materials, parts and components such as steel, electrical components, gear motors and burners from the international market and from suppliers in the PRC. We also outsource the manufacturing of certain non-key parts and components such as cold feeder bins and bitumen storage tanks to our subcontractors. Key components such as the vibrating screen, drum dryer, mixer, aggregate elevator and filler elevator are manufactured by us. We obtained our supply of raw materials, parts and components mainly from domestic suppliers.

During the Track Record Period, the aggregate purchases from our five largest suppliers amounted to approximately RMB36.1 million, RMB39.4 million and RMB32.2 million, respectively, representing approximately 18.1%, 16.6% and 14.8% of our total purchases, respectively, and the purchases from our largest supplier amounted to approximately RMB10.2 million, RMB11.4 million and RMB8.1 million, respectively, representing approximately 5.1%, 4.8% and 3.7% of our total purchases, respectively. On the other hand, the aggregate purchases from our five largest subcontractors amounted to approximately RMB44.4 million, RMB41.7 million and RMB41.3 million, representing approximately 22.3%, 17.5% and 18.9% of our total purchases, respectively, and the purchases from our largest subcontractor amounted to approximately RMB20.1 million, RMB13.3 million and RMB11.6 million, respectively, representing approximately 10.1%, 5.6% and 5.3% of our total purchases, respectively.

MANUFACTURING FACILITIES

We currently manufacture our products at our manufacturing facilities in Langfang, Hebei, PRC. Our manufacturing facilities have a total area of approximately 131,856.13 sq.m., of which 100,435.38 sq.m. is owned by us and 31,420.75 sq.m. is leased to us. Our designed production capacity is 50 units asphalt mixing plants per year.

OUR COMPETITIVE STRENGTHS

Our core strengths are set out below:

- Leading medium to large scale asphalt mixing plant manufacturer and service provider in the PRC with outstanding track record and strong brand recognition
- Strong research and development capabilities
- Broad and diversified portfolio of high-quality products and comprehensive services
- Solid customer base and diversified sales channels in the PRC and abroad
- Well positioned to capture growth opportunities from PRC government policies, such as "One Belt, One Road" development strategy and the environmental protection and resources recycling
- Experienced and dedicated management team

OUR BUSINESS STRATEGIES

Our business strategies are set out below:

- Expand production capacity to meet demands for our products
- Enhance our research and development capabilities
- Continue to promote our Recycling Plants and other new products with recycling features
- Expand our sales coverage within the PRC and globally
- Continue to broaden our product offerings and development of new businesses

OUR SHAREHOLDERS

Immediately following completion of the **[REDACTED]**, BVI-Prima DG, which is wholly-owned by the Choi Family Founders will be beneficially interested in approximately **[REDACTED]** of the Shares in issue (assuming that the **[REDACTED]** is not exercised and without taking into account Shares that may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme). Accordingly, BVI-Prima DG and the Choi Family Founders will be our Controlling Shareholders within the meaning of the Listing Rules. Each of BVI-Prima DG and the Choi Family Founders has confirmed that he/she/it does not hold or conduct any business (except for our Group's business) which competes, or is likely to compete, either directly or indirectly, with our business.

Please refer to the sections headed "Relationship with Controlling Shareholders" and "Substantial Shareholders" of this document for further details.

SUMMARY OF OUR SELECTED FINANCIAL INFORMATION

SELECTED INFORMATION FROM COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December		Nine months ended 30 September	
	2012	**2013**	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	(Unaudited)
Turnover	364,339	412,260	266,942	298,240
Cost of sales	(214,500)	(238,528)	(159,444)	(174,706)
Gross profit	149,839	173,732	107,498	123,534
Profit for the year/period	49,718	72,492	39,495	50,728
Profit for the year/period attributable to equity shareholders of the company	46,279	60,338	32,810	41,896

SELECTED INFORMATION FROM COMBINED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		As at 30 September
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
			(Unaudited)
Non-current assets	85,774	103,636	111,126
Current assets	331,882	392,986	454,505
Current liabilities	144,471	151,157	286,370
Net current assets	187,411	241,829	168,135
Net assets	273,185	345,465	279,261

SELECTED INFORMATION FROM COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December		Nine months ended 30 September	
	2012	**2013**	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	32,442	20,085	(15,968)	(65,895)
Net cash (used in)/generated from investing activities	(9,319)	(8,196)	(9,159)	2,691
Net cash (used in)/generated from financing activities	(17,363)	(7,261)	(13,929)	19,506
Net increase/(decrease) in cash and cash equivalents	5,760	4,628	(39.056)	(43,698)
Cash and cash equivalents at 1 January	57,049	62,798	62,798	67,407
Effect of foreign exchange rate changes	(11)	(19)	(14)	4
Cash and cash equivalents at 31 December/30 September	62,798	67,407	23,728	23,713

KEY FINANCIAL RATIOS

The following table sets out a summary of certain financial ratios for the periods or as of the dates indicated:

	As at 31 December		As at 30 September
	2012	**2013**	**2014**
Current ratio	2.3	2.6	1.6
Quick ratio	1.6	1.9	1.1
Net debt-to-equity ratio	N/A[(1)]	N/A[(1)]	6.7%
Gearing ratio	14.3%	9.2%	18.7%

Note:

1. Not applicable as we had net cash as at 31 December 2012 and 2013.

	Year ended 31 December		Nine months ended 30 September
	2012	**2013**	**2014**
Gross profit margin	41.1%	42.1%	41.4%
Net profit margin	13.6%	17.6%	17.0%
Return on equity	18.2%	21.0%	18.2%
Return on assets	11.9%	14.6%	9.0%
Average inventory turnover days (days)	155	152	186
Average trade and bills receivables turnover days (days)	125	153	215
Average trade and bills payables turnover days (days)	88	109	107

Please refer to the sections headed "Financial Information – Key Financial Ratios" and "Discussion of Key Items From the Combined Statements of Financial Position" of this document for descriptions of the calculations of the above ratios and turnover days.

OFFER STATISTICS[1]

	Based on minimum indicative [REDACTED] of [REDACTED]	Based on maximum indicative [REDACTED] of [REDACTED]
Market capitalisation of our Company[2]	HK$[1,032] million	HK$[1,248] million
Unaudited pro forma adjusted combined net tangible assets per Share[3]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) All statistics in this table are on the assumption that the **[REDACTED]** is not exercised.

(2) The calculation of market capitalisation is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]**, the Capitalisation Issue and the Capitalisation of the Loans and taking no account of any Shares which may be issued pursuant to the exercise of the **[REDACTED]**.

(3) The unaudited pro forma adjusted combined net tangible assets value per Share is calculated after making the adjustments referred to in Appendix II and based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]**, the Capitalisation Issue and the Capitalisation of the Loans and taking no account of any Shares which may be issued pursuant to the exercise of the **[REDACTED]**.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the aggregate net proceeds from the **[REDACTED]** (after deducting underwriting fees and estimated expenses payable by us in connection with the **[REDACTED]**), assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the proposed **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per Share, will be approximately HK$**[REDACTED]** million.

We currently intend to apply the net proceeds for the following purposes:

- approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used to finance the expansion of our manufacturing facilities to increase our production capacity to over 80 units of asphalt mixing plants per year, of which:

  - approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used for the acquisition of land;

  - approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used to finance the development and construction of the manufacturing facilities; and

  - approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used for the purchase of equipment for the manufacturing facilities;

- approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used to fund our research and development activities, including the upgrades on computer software and hardware and investment in research and development projects;

- approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used to finance the development of our new businesses, including the manufacture of components of asphalt mixing plants and asphalt mixtures for sale;

- approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used to fund (i) the expansion of our sales and distribution networks, including increasing the head counts of our sales personnel and setting up overseas service centres; and (ii) our promotional activities;

- approximately **[REDACTED]** or HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) will be used for working capital and other general corporate purposes.

To the extent that the net proceeds from the **[REDACTED]** are not sufficient to fund the uses set forth above, we intend to fund the balance through a variety of means including cash generated from our operations and bank financing. We currently believe that the net proceeds from the **[REDACTED]**, when combined with such alternate sources of financing, are sufficient for the uses set forth above.

Please refer to the sections headed "Future plans and use of proceeds – Proposed use of net proceeds from the **[REDACTED]**" and "Business – Business Strategies" of this document for further details.

DIVIDEND POLICY

During the Track Record Period, we have not declared any dividends. The recommendation of the payment of dividend is subject to the absolute discretion of our Board, and after the Listing, any declaration of final dividend for the year will be subject to the approval of our Shareholders.

Our future dividend policy will be determined by our Board based on our results of operations, cash flows, financial position, cash dividends we receive from our subsidiaries, future business prospects, statutory and regulatory restrictions on the payment of dividends by us, and other factors that our Board may consider relevant.

SUMMARY OF MATERIAL RISK FACTORS

There are risks associated with our business and investment in the **[REDACTED]**, including (i) we may not be able to maintain our historical growth rates or profit margins, and our results of operations may fluctuate significantly; (ii) if investment in infrastructure and road construction and maintenance in the PRC declines or that there are changes in PRC laws, regulations or policies, our business, financial conditions, results of operations and growth may be materially and adversely affected; (iii) our success depends on the market recognition of our brand and we could be adversely affected by negative publicity; (iv) if we fail to implement our international growth strategy, our business, financial condition and results of operations may be materially and adversely affected; (v) if we are unable to implement our expansion plans successfully or we fail to manage our expansion strategies successfully, our business, financial condition, results of operations and future growth may be adversely affected; and (vi) if we are unable to collect trade receivables in a timely manner, we would have to record impairment losses and our financial condition and results of operations may be adversely affected. You should read the entire section headed "Risk Factors" in this document carefully before you decide to invest in the **[REDACTED]**.

SUMMARY OF NON-COMPLIANCE INCIDENTS

During the Track Record Period, we had not fully complied with certain laws and regulations in respect of contribution to certain staff benefit fund in respect of social insurance and housing provident fund. All such non-compliance incidents have not resulted, and are not expected to result, in any material impact on our financial and operational aspects.

Please refer to the section headed "Business – Legal proceedings and compliance" of this document for detailed information of these non-compliance incidents.

BUSINESS ACTIVITIES IN SANCTIONED COUNTRIES

The U.S., the E.U., Australia and the U.N. have economic sanctions targeting certain Sanctioned Countries. We had past product sales connected with certain of the Sanctioned Countries, namely Libya and Russia during the Track Record Period and we still carry out such business activities connected with these Sanctioned Countries.

As advised by Minter Ellison and Norton Rose Fulbright LLP, our legal advisers as to international sanction laws, our historical sales to the Sanctioned Countries or the entering into of sale and purchase contracts with customers in the Sanctioned Countries during the Track Record Period do not implicate the applicability of the relevant sanction laws on our Group, our Directors or any person or entity, including the Stock Exchange, HKSCC, HKSCC Nominees, our Shareholders or potential investors and we have not been notified that any sanction would be imposed on us. We do not expect any material increase in our revenue from product sales to the Sanctioned Countries upon Listing. We will continue to evaluate and monitor our existing and ongoing business in the Sanctioned Countries in order to control our exposure to sanction risks.

Please refer to the section headed "Business – Business activities in Sanctioned Countries" of this document for details of our past product sales to the Sanctioned Countries and our undertakings to the Stock Exchange in respect of future business activities in the Sanctioned Countries.

RECENT DEVELOPMENT

Our business model, revenue structure and cost structure have remained largely unchanged since 30 September 2014.

Based on our unaudited management accounts for the eleven months ended 30 November 2014, our revenue amounted to approximately RMB417.2 million, representing an approximately 39.9% increase compared to the nine months ended 30 September 2014. The increase in revenue was mainly due to an increase in the revenue from the sales of asphalt mixing plants, which is in line with the increase in revenue in the same period in 2013. Our gross profit margin for the eleven months ended 30 November 2014 remained stable at approximately 41.6%, compared to that for the nine months ended 30 September 2014.

There has been no material fluctuation to our net current assets, current assets and current liabilities as at 30 November 2014. Our inventories decreased by approximately RMB26.0 million from approximately RMB134.2 million as at 30 September 2014 to approximately RMB108.2 million as at 30 November 2014, mainly due to the completion of customer acceptance in November 2014 of two asphalt mixing plants delivered before 30 September 2014, which resulted in the recognition of revenue in November 2014, and transfer of the inventories to cost of sales accordingly. Our trade and other receivables increased by approximately RMB42.4 million from approximately RMB286.9 million as at 30 September 2014 to approximately RMB329.3 million as at 30 November 2014, mainly due to an increase in sales in October and November 2014. Our cash and cash equivalents decreased by approximately RMB7.5 million from approximately RMB23.7 million as at 30 September 2014 to approximately RMB16.2 million, mainly due to the settlement of our trade payables in October and November 2014. As at 30 November 2014, our loans and borrowings increased further to approximately RMB170.2 million mainly due to the Prima DG Shareholder's Loan and HK$1.4M

Loan incurred in the course of the Reorganisation. Please refer to the section headed "History, Reorganisation and Corporate Structure – Reorganisation – 3. Advancement of the Regal Sky Loan by Regal Sky to BVI-Prima DG, issue of Exchangeable Bond by BVI-Prima DG to Regal Sky and provision of loans by BVI-Prima DG to our Company – Provision of loans by BVI-Prima DG to our Company" for details of such loans. Our trade and other payables decreased from approximately RMB227.5 million as at 30 September 2014 to approximately RMB121.6 million as at 30 November 2014, mainly due to the settlement of the payables related to acquisition of non-controlling interests in the amount of approximately RMB115.9 million on 25 November 2014.

LISTING EXPENSES

We incurred approximately RMB3.7 million of listing expenses during the Track Record Period, among which RMB0.9 million was recorded as prepayments and RMB2.8 million was recorded as expenses. We expect to incur approximately an additional RMB27.9 million listing expenses after the Track Record Period, of which approximately RMB14.3 million will be recognised as expenses in the consolidated statements of profit or loss and other comprehensive income for the three months ended 31 December 2014 and for the year ending 31 December 2015 and the remainder will be recognised directly in equity upon Listing.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document, there has been no material adverse change in our financial or trading position since 30 September 2014 and no event has occurred since 30 September 2014 which would materially affect the information shown in our financial information included in the Accountants' Report set out in Appendix I to this document.