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 the majority of expressways, first grade highways and second grade highways are paved with asphalt mixtures. According to the CCID Report, by 2015, the total mileage of PRC highways 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 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

(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%.

* The English translation of the name is for reference only.

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 reclaimed asphalt pavement ("**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. According to the CCID Report, 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.

On 28 March 2015, the NDRC, in conjunction with the PRC's Foreign Ministry and Commerce Ministry issued the action plan for the "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st – Century Maritime Silk Road" (《推動共建絲綢之路經濟帶和21世紀海上絲綢之路的願景與行動》) to promote orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets by enhancing connectivity of Asian, European and African continents and their adjacent seas through jointly building the Silk Road Economic Belt and 21st – Century Maritime Silk Road (the "**Belt and Road**") with other countries (the "**Initiative**"). The Initiative encourages countries to work in concert to improve the region's infrastructure, and put in place a secure and efficient network of land, sea and air passages, lifting their connectivity to a higher level. Please refer to "Business – Competition Strengths – well positioned to capture growth opportunities from PRC government policies such as "Belt and Road" development strategy and the environmental protection and resources recycling" in this document for further details.

According to the CCID Report, between October 2014 and February 2015, NDRC has approved 62 infrastructure projects involving investment of more than RMB1.5 trillion. It has been reported that as part of the "Belt and 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 along the Belt and Road. 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 sale of asphalt mixing plants; (ii) sale 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 sale 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) hot-mix asphalt mixing 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 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 sale of our Recycling Plants amounted to approximately RMB52.9 million, RMB90.6 million and RMB187.1 million, respectively, representing approximately 16.3%, 25.8% and 48.5% of our total revenue from the sale 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. 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. For details, please refer to the section headed "Business – Overview" and "Business – Our Products and Services – Hot-mix asphalt mixing recycling plant" in this document. During the Track Record Period, we had sold 41, 41 and 30 units of Conventional Plants and 8, 12 and 29 units of Recycling Plants, respectively.

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.

During the Track Record Period, we generated the majority of our revenue from the sale of asphalt mixing plants from the sale of medium to large scale asphalt mixing plants and such revenue accounted for approximately 84.0%, 85.1% and 91.2%, of our total revenue from the sale of asphalt mixing plants, respectively.

Sale 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 to 16 months depending on the length of the road construction or maintenance projects.

The following table sets forth a breakdown of our turnover by business nature during the Track Record Period and each item is also expressed as a percentage of our revenue for the periods indicated:

	Year ended 31 December					
	2012		**2013**		**2014**	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Sale of asphalt mixing plants	324,393	89.0	350,792	85.1	385,568	86.8
Sale of spare parts and components and provision of equipment modification services	27,404	7.6	44,238	10.7	34,012	7.6
Operating lease income of asphalt mixing plants	12,542	3.4	17,230	4.2	24,733	5.6
	364,339	100.0	412,260	100.0	444,313	100.0

The following table sets forth the gross profit and gross profit margin of our products for the periods indicated:

	Year ended 31 December					
	2012		2013		2014	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Sale of asphalt mixing plants						
Conventional Plants						
5000 model series	23,714	41.6	9,237	39.8	28,788	42.1
4000 model series	42,832	39.1	46,765	39.8	30,758	39.8
3000 model series	26,154	39.4	27,382	38.6	12,031	33.4
2000 model series or below	14,363	37.2	19,095	39.5	4,063	24.3
Sub-total	107,063	39.4	102,479	39.4	75,640	38.1
Recycling Plants						
4000 model series	6,158	39.0	26,822	42.9	44,088	41.9
3000 model series	10,882	45.5	10,148	42.1	24,623	38.2
2000 model series or below	5,331	40.4	1,147	28.9	5,740	33.0
	22,371	42.3	38,117	42.1	74,451	39.8
Sub-total	129,434	39.9	140,596	40.1	150,091	38.9
Sale of spare parts and components and provision of equipment modification services	9,956	36.3	19,454	44.0	15,219	44.7
Operating lease of asphalt mixing plants	10,449	83.3	13,682	79.4	18,873	76.3
Total	149,839	41.1	173,732	42.1	184,183	41.5

During the Track Record Period, we had not sold any asphalt mixing plant at a loss. For further details of our gross profit, gross profit margin and revenue, please refer to the section headed "Financial Information – Description of selected items of our consolidated statements of profit or loss and other comprehensive income" in this document.

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. According to the CCID Report: (i) we are one of the few manufacturers in the PRC who are capable of manufacturing on a mass production scale 5000 model series asphalt mixing plants, currently the largest asphalt mixing plant by production capacity produced on a mass production scale in the PRC; (ii) 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; (iii) we are 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; (iv) we are the first to manufacture and launch the Recycling Ring Recycling Plants in the PRC in 2009; and (v) we developed the first Monoblock Recycling Plant in the PRC in 2014.

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

OUR CUSTOMERS

Our customers mainly include road construction companies, road construction machinery distributors and finance leasing companies. The table below sets forth our revenue from the sale of asphalt mixing plant by type of customers during the Track Record Period:

	Year ended 31 December					
	2012		2013		2014	
	RMB ('000)	*%*	*RMB ('000)*	*%*	*RMB ('000)*	*%*
Direct customers[(1)]	295,930	91.2	298,055	85.0	320,441	83.1
Finance leasing companies	12,263	3.8	47,866	13.6	32,340	8.4
	308,193	95.0	345,921	98.6	352,781	91.5
Distributors[(2)]	16,200	5.0	4,871	1.4	32,787	8.5
Total	324,393	100.0	350,792	100.0	385,568	100.0

Notes:

(1) This includes revenue generated from direct sales to customers and sales to customers through distributors acting as sales agents.

(2) This represents revenue generated from direct sales to distributors.

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. 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 14.7% of our revenue from the sale of asphalt mixing plant, respectively. The following table sets forth a breakdown of our revenue from sale of asphalt mixing plants and sales volume by geographical regions for the periods indicated:

Year ended 31 December								
2012			2013			2014		
	RMB'000	*Unit*		*RMB'000*	*Unit*		*RMB'000*	*Unit*
China			China			China		
Domestic	253,343	36	*Domestic*	270,623	39	*Domestic*	328,846	48
Indirect export [1]			*Indirect export* [1]			*Indirect export* [1]		
Ethiopia	7,740	2	Mauritania	3,044	1	Ethiopia	3,043	1
Angola	9,316	2	Angola	9,421	2	Russia	11,021	2
Brunei	3,914	1	Congo	11,042	2	Congo	5,265	1
			Senegal	5,750	1			
	20,970	5		29,257	6		19,329	4
	274,313	41		299,880	45		348,175	52
Outside China			Outside China			Outside China		
Direct export			*Direct export*			*Direct export*		
Russia	35,522	4	Russia	41,444	6	Russia	13,412	2
Mongolia	5,162	1	Australia	6,844	1	India	15,777	3
India	9,396	3	India	2,624	1	Libya	3,121	1
						Saudi Arabia	5,083	1
	50,080	8		50,912	8		37,393	7
Total	324,393	49	Total	350,792	53	Total	385,568	59

Note:

1. Indirect export refers to the selling of our products to customers in the PRC who had undertaken road construction projects in overseas countries and hence the need for exporting the plants to the relevant countries.

The following table sets forth a breakdown of our gross profit and gross profit margin from sale of asphalt mixing plants by domestic sales and indirect export within China and direct export outside China for the periods indicated:

	Year ended 31 December					
	2012		2013		2014	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
China						
– Domestic	100,577	39.7	108,192	40.0	133,477	40.6
– Indirect export	8,822	42.1	11,478	39.2	5,721	29.6
	109,399	39.9	119,670	39.9	139,198	40.0
Outside China						
– Direct export	20,036	40.0	20,925	41.1	10,893	29.1
Total:	129,435	39.9	140,595	40.1	150,091	38.9

Our overall gross profit margin from the sale of asphalt mixing plants remained stable at approximately 38.9% and 40.1% during the Track Record Period. Our gross profit margin from direct domestic sales of asphalt mixing plants remained stable at approximately 39.7% and 40.6% during the Track Record Period. Our gross profit margin from indirect export sales and direct export sales of asphalt mixing plants remained stable at approximately 39.2% and 42.1% in 2012 and 2013. Our gross profit margin for indirect export sales of asphalt mixing plants in 2014 was approximately 29.6%, mainly due to the fact that the asphalt mixing plants that we sold through indirect sales were mainly 2000 model series or lower asphalt mixing plants and that we offered a lower sales price of 2000 model series or below asphalt mixing plants to our customers to maintain our competitiveness in light of the competitive pricing of our competitors. Our gross profit margin for direct export sales of asphalt mixing plants in 2014 was approximately 29.1%, mainly due to the sale of a number of 3000 model series Recycling Plants to India at a relatively lower sales price, a strategy that we have adopted to develop our market in India.

Revenue generated from our five largest customers amounted to approximately RMB76.3 million, RMB87.5 million and RMB82.5 million, respectively, representing approximately 21.0%, 21.2% and 18.6% 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 RMB28.0 million, respectively, representing approximately 4.8%, 8.1% and 6.3% 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. 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. Please refer to "Business – Customers, Distribution Network and Sales and Marketing – Credit Management" in this document for further details.

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 RMB43.2 million, respectively, representing approximately 18.1%, 16.6% and 17.2% of our total purchases, respectively, and the purchases from our largest supplier amounted to approximately RMB10.2 million, RMB11.4 million and RMB10.0 million, respectively, representing approximately 5.1%, 4.8% and 4.0% 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 RMB52.0 million, representing approximately 22.3%, 17.5% and 20.7% of our total purchases, respectively, and the purchases from our largest subcontractor amounted to approximately RMB20.1 million, RMB13.3 million and RMB15.6 million, respectively, representing approximately 10.1%, 5.6% and 6.2% 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 117,635.38 sq.m., of which 100,435.38 sq.m. is owned by us and 17,200 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 “Belt and 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]**, the Capitalisation Issue and the Capitalisation of the Loans, 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 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December		
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Turnover	364,339	412,260	444,313
Cost of sales	(214,500)	(238,528)	(260,130)
Gross profit	149,839	173,732	184,183
Profit for the year	49,718	72,492	83,158
Profit for the year attributable to equity shareholders of the company	46,279	60,338	74,326

SELECTED INFORMATION FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	85,774	103,636	103,526
Current assets	331,882	392,986	487,074
Current liabilities	144,471	151,157	323,520
Net current assets	187,411	241,829	163,554
Net assets	273,185	345,465	267,080

SELECTED INFORMATION FROM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from/(used in) operating activities	32,442	20,085	(60,892)
Net cash (used in)/generated from investing activities	(9,319)	(8,196)	107
Net cash (used in)/generated from financing activities	(17,363)	(7,261)	21,983
Net increase/(decrease) in cash and cash equivalents	5,760	4,628	(38,802)
Cash and cash equivalents at 1 January	57,049	62,798	67,407
Effect of foreign exchange rate changes	(11)	(19)	2
Cash and cash equivalents at 31 December	62,798	67,407	28,607

We had recorded a decrease in the net cash generated from operating activities from approximately RMB32.4 million in 2012 to approximately RMB20.1 million in 2013 and a change from net cash generated from operating activities of approximately RMB20.1 million in 2013 to net cash used in operating activities of approximately RMB60.9 million in 2014, mainly due to delay in payments from some of our direct customers as a result of the slow settlement of government funding for PRC road construction or maintenance projects that our customers participated in and the settlement of our trade payables. Please refer to the section headed "Financial Information – Liquidity and Capital Resources – Cash Flow" for further information on the net cash generated from/used in operating activities during the Track Record Period.

We plan to service our indebtedness and improve our liquidity position through the following measures:

1. we will follow up with our customers regarding the settlement of the outstanding trade receivables more frequently;

2. we plan to generate more cash flows from our operations through increased sales;

3. we plan to negotiate with our major suppliers so as to extend the credit terms granted by these suppliers and settle more payment with these suppliers by way of bills (as opposed to cash); and

4. we may utilise our unused credit facilities (which amounted to RMB130.0 million as at 31 March 2015, of which RMB100.4 million of unused credit facilities with the Industrial Bank require 100% cash deposit as security), where necessary.

We may also consider adopting measures such as increasing our sales to finance leasing companies which in turn sell the asphalt mixing plants to end-users through finance lease arrangement and/or factoring our outstanding trade receivables balances as means to facilitate the timing of the settlement of our trade receivables balances to further improve our liquidity position.

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		
	2012	**2013**	**2014**
Current ratio	2.3	2.6	1.5
Quick ratio	1.6	1.9	1.2
Net debt-to-equity ratio	N/A[(1)]	N/A[(1)]	47.7%
Gearing ratio	14.3%	9.2%	60.9%

Note:

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

	Year ended 31 December		
	2012	**2013**	**2014**
Gross profit margin	41.1%	42.1%	41.5%
Net profit margin	13.6%	17.6%	18.7%
Return on equity	18.2%	21.0%	31.1%
Return on assets	11.9%	14.6%	14.1%
Average inventory turnover days (days)	155	152	153
Average trade and bills receivables turnover days (days)	125	153	213
Average trade and bills payables turnover days (days)	88	109	102

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

Our average trade and bills receivable turnover days increased from approximately 125 days as at 31 December 2012 to approximately 153 days as at 31 December 2013 and to approximately 213 days as at 31 December 2014, mainly due to an increase in sales in 2013 and 2014 and delay in payments from some of our direct customers due to the slow settlement of government funding for the PRC road construction or maintenance projects that they participated in. Our direct customers with slow settlement records are mainly road construction companies which include construction companies, construction engineering companies and construction machinery companies.

Our trade and bills payable turnover days increased from 88 days as at 31 December 2012 to 109 days as at 31 December 2013, mainly due to an increase in procurement of raw materials, parts and components from our suppliers and subcontractors in the fourth quarter of 2013 to meet our production demand in 2014. Our trade and bills payable turnover days remained stable at approximately 102 days as at 31 December 2014.

OFFER STATISTICS[(1)]

	Based on minimum indicative [REDACTED] of HK$[REDACTED]	**Based on maximum indicative [REDACTED] of HK$[REDACTED]**
Market capitalisation of our Company[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited pro forma adjusted consolidated 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 consolidated net tangible assets per Share are arrived after the adjustments referred to in Appendix II and on the basis that **[REDACTED]** shares (including the shares in issue as of 31 December 2014, and shares that will be issued under the Capitalisation Issue, the **[REDACTED]** and the issuance of **[REDACTED]** shares relating to the capitalisation of Prima DG Shareholder's Loan and HK$1.4M Loan) are in issue assuming the **[REDACTED]** are completed on 31 December 2014, but does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]**.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the aggregate net proceeds from the issue of **[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]**. 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. We have yet to identify any land for acquisition, however, we expect to acquire land from an Independent Third Party in the future. We expect that the land to be acquired by us will be identified by the end of the third quarter of 2015. We expect to commence the process of the acquisition of the land by the end of the fourth quarter of 2015 and complete the acquisition of the land by the end of the second quarter of 2016;
  - 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 issue of shares" and "Business – Business Strategies" of this document for further details.

DIVIDEND POLICY

During the Track Record Period, we had 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. We have obtained consent from HSBC Bank (China) Company Limited ("**Beijing HSBC**") on 9 February 2015 to waive the covenant on dividends distribution under credit facilities granted by Beijing HSBC to Langfang D&G dated 24 April 2014. 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 overseas 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 provide any basis on which a competent authority could take any enforcement action under the relevant sanction laws against our Group, our Directors, the Stock Exchange, HKSCC, HKSCC Nominees, our Shareholders or potential investors. As at the Latest Practicable Date, we had not been notified that any U.S., E.U., Australian or U.N. 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 and the section headed "Risk Factors – Risks relating to our business – We could be adversely affected as a result of our operations in certain countries that are subject to evolving economic sanctions of the U.S. government, the UNSC, the E.U. and other relevant sanctions authorities" of this document for the risks in our business activities in Sanctioned Countries.

RECENT DEVELOPMENT

Our business model, revenue structure and cost structure have remained largely unchanged since 31 December 2014. Our revenue for the three months ended 31 March 2015 amounted to approximately RMB61.0 million, representing an increase of approximately 8.1% compared to the three months ended 31 March 2014. The increase in revenue was mainly due to the increase in sale of spare parts and components and provision of equipment modification services which is in turn due to the increase in demand of spare parts and components and provision of equipment modification services. Our gross profit margin for the three months ended 31 March 2015 remained stable at approximately 40.5%, compared to approximately 41.5% for the year ended 31 December 2014.

Our net current assets remained stable at approximately RMB171.1 million as at 31 March 2015, compared to approximately RMB163.6 million that as at 31 December 2014. Our current assets increased to approximately RMB522.2 million as at 31 March 2015, compared to approximately RMB487.1 million as at 31 December 2014. Our inventory increased from approximately RMB113.8 million as at 31 December 2014 to approximately RMB151.5 million as at 31 March 2015, mainly due to an increase in the purchases of raw materials and increases in work in progress to meet our production requirements after the Chinese new year in 2015. Our cash and cash equivalents decreased from approximately RMB28.6 million as at 31 December 2014 to approximately RMB17.7 million as at 31 March 2015, mainly due to the settlement of payments to our suppliers and subcontractors from January to March 2015 and income tax payments, as partially offset by the cash receipts from customers in respect of the settlement of trade receivables. Our current liabilities increased to approximately RMB351.1 million as at 31 March 2015, from approximately RMB323.5 million as at 31 December 2014 mainly due to our loans and borrowings increased from approximately RMB162.5 million as at 31 December 2014 to approximately RMB205.3 million as at 31 March 2015 mainly as a result of the Diamond Strong Loan granted in January 2015. Our trade and other payables decreased from approximately RMB154.2 million as at 31 December 2014 to approximately RMB145.1 million as at 31 March 2015, mainly due to the combined effect of an increase in trade and bills payables and receipts in advance, and our settlement in January 2015 of the consideration payable for the transfer of the equity interests in Langfang D&G held by Diamond Strong to our Group in connection with the Reorganisation.

The financial information disclosed in this section above is derived from the Company's unaudited consolidated interim financial information for the three months ended 31 March 2015, which has been reviewed by our reporting accountant in accordance with the Hong Kong Accounting Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The following table sets forth the details of the sales contracts that we had entered into that were not yet completed as at 31 March 2015:

	Number of plants	Delivery Date	Contracted Sales Price	Estimated Revenue (net of tax) to be recognised in 2015 *(Note 1)*	Estimated Gross Profit to be recognised in 2015 *(Note 1)*
			RMB'000	*RMB'000*	*RMB'000*
Conventional Plants	6	February to April 2015	34,037	31,138	9,617
Recycling Plants	1	March 2015	10,780	9,214	3,859
Total	7		44,817	40,352	13,476

Note:

1. On the assumption that there is no material fluctuation in our costs and barring any unforeseen circumstances.

We expect that all of the revenue and profits from the outstanding sales contracts as at 31 March 2015 will be recognised in 2015.

As advised by our PRC Legal Advisers, the outstanding sales contracts are valid and binding on both parties.

During the Track Record Period, our direct export sales to Russian customers accounted for approximately 9.9%, 10.2% and 3.1% of our total revenue, respectively. As at 31 December 2014, none of our trade receivables was from our Russian customers. Although we are currently not affected by the recent depreciation in Ruble and Euro and the slowdown of the Russia market due to the sanctions against Russia as a result of its military intervention in Ukraine in any material respect, there is no assurance that the demand for our products will not be affected by such events in the future.

LISTING EXPENSES

The estimated total listing expenses incurred in relation to the Listing are approximately RMB36.9 million, among which RMB**[REDACTED]** are estimated underwriting commissions. In accordance with Hong Kong Accounting Standard 32, Financial Instruments: Presentation, expenses that are directly attributable to the issue of **[REDACTED]** are accounted for as a deduction from equity and the expenses which do not relate to the issue of **[REDACTED]** are recognised in the consolidated statements of profit or loss and other comprehensive income as incurred. Expenses that relate jointly to the issue of **[REDACTED]** and the listing of existing shares are allocated between these activities based on the proportion of number of **[REDACTED]** issued relative to the total number of shares in issue and listed on the Stock Exchange.

We incurred approximately RMB4.8 million of listing expenses during the Track Record Period, among which RMB1.2 million was recorded as prepayments and RMB3.6 million was recorded as expenses. We expect to incur approximately an additional RMB32.1 million listing expenses after the Track Record Period, of which approximately RMB16.9 million will be recognised as expenses in the consolidated statements of profit or loss and other comprehensive income 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 31 December 2014 and no event has occurred since 31 December 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.