
SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this 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 Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read this section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading aluminum extrusion products manufacturer in Asia and China, with a particular focus on the transportation sectors for our industrial aluminum extrusion products, and have strong research and development capabilities. According to the China Nonferrous Metals Industry Association (中國有色金屬工業協會), we were the largest aluminum extrusion products manufacturer in China in terms of production volume in 2007. According to CRU, we were the third largest aluminum extrusion products manufacturer in the world and the largest aluminum extrusion products manufacturer in Asia and China in terms of production capacity in 2007.⁽¹⁾ In 2007 and 2008, we produced over 303,000 tons and 419,000 tons of aluminum extrusion products, respectively. As of the Latest Practicable Date, our designated production capacity reached over 535,000 tons. The following table sets forth the breakdown of our production capacity and production volume for the Track Record Period:

	For and as of the year ended December 31,		
	2006	2007	2008
Production capacity (ton)	391,986.0	505,386.0	535,311.0
Production volume (ton).	243,712.3	303,313.6	419,466.0

We are principally engaged in the production and sale of quality aluminum extrusion products which meet customers' stringent specifications and quality standards. We produce a wide range of aluminum extrusion products for various applications, which we broadly classify into two principal product categories, namely, industrial aluminum extrusion products and construction aluminum extrusion products.

Our industrial aluminum extrusion products: We produce plain, sizable, large-section and high-precision aluminum extrusion products primarily used as parts and components for end products such as railway cargo and passenger carriages, metropolitan rails (subways and light rails), light trucks, automobiles, aircraft, vessels and power transmitters. Our industrial aluminum extrusion products are manufactured on a customized basis in accordance with our customers' specifications and quality standards.

(1) For the identities of the major global aluminum extrusion products manufacturers, please refer to the table "Top 10 leading aluminum extrusion producers in the world in 2007 in terms of production capacity" in the section headed "Industry Overview – Major Global Aluminum Extrusion Producers."

SUMMARY

Our construction aluminum extrusion products: Our construction aluminum extrusion products are primarily used in the fabrication of door frames and window frames, curtain wall systems, and interior decoration materials for building construction purposes. We concentrate on high-end construction aluminum extrusion products with complex surface finishing, which are used in upscale buildings and structures and are sub-categorized according to the method of surface finishing, including polishing, anodizing, electrophoresis coating, powder and wood-effect coating and PVDF coating, all of which require multiple steps of surface processing.

We are headquartered in Liaoyang City, Liaoning, China. Our manufacturing facilities are strategically located in Liaoning which is in close proximity to major production areas for aluminum ingots, coal and electricity, the principal raw material and energy sources used in the manufacturing of our products. We have continuously increased our production capabilities by establishing new extrusion production lines. As of the Latest Practicable Date, we had 64 aluminum extrusion presses, including a 125MN oil-driven dual action extrusion press (油壓雙動鋁擠壓機) which is currently the largest of its kind in China and one of the most advanced extrusion presses in the world, allowing us to produce large-section, high-precision aluminum extrusion products. Our machinery and equipment are primarily purchased and imported from manufacturers in Japan, Germany, Italy, Switzerland and Spain, which enable us to produce products that meet customers' specifications as well as international and PRC national standards. Our manufacturing facilities in Liaoyang have obtained ISO 9002 and ISO 9001 certifications for our quality management system since 1997 and 2003, respectively, and ISO 14001 certification for our environment management system since 2003.

We have a diverse base of domestic and overseas customers which include large-scale transportation customers in the railway, metropolitan conductor rail, automobile, shipbuilding and aircraft industries, manufacturers of industrial equipment and machinery, real estate developers, and wholesalers of construction materials and construction companies. We have established long-term relationships with customers with whom we have business dealings for four years or more in various end-user markets.

For example, since 2004, the MOR has designated our Company as one of the few qualified suppliers for the manufacture of its cargo and passenger carriages. We have since entered into framework agreements with four state-owned enterprises which are major suppliers of the MOR, namely, Qiqihaer Rail and Transportation Equipment Co., Ltd. (齊齊哈爾軌道交通裝備有限責任公司), Zhuzhou Carriage Factory of China South Locomotive & Rolling Group Limited (中國南車集團株洲車輛廠), Beijing 27 Carriage Factory of China South Locomotive & Rolling Group Limited (中國南車集團北京二七車輛廠) and Baotou Beifang Chuangye Company Limited (包頭北方創業股份有限公司). We also provide industrial aluminum extrusion products to conductor rail manufacturers for use in metropolitan railways (subways and light rails). For example, we have entered into framework contracts with major conductor rail manufacturers in the PRC, including Changzhou Track Drive Vehicle Traction Engineering Research Center (常州軌道車輛牽引傳動工程技術研究中心), Baoji Dekang City Railway Equipment Co., Ltd. (寶雞德康城市鐵道專用器材有限公司), Shaanxi Jungle Aluminum Co., Ltd. (陝西叢林鋁材有限公司) and Xi'an Yingqiang Power Engineering Material Co., Ltd.

SUMMARY

(西安英強電力工程材料有限公司). These framework contracts, which are entered into on an annual basis, are legally binding and typically set out: (i) estimated volume of purchase; (ii) pricing method for each product type; (iii) the quality specifications and technical standards for each product type; (iv) the place of delivery for each shipment; (v) the method of transport and freight payment terms; (vi) method of inspection and standards (including time limits) for acceptance or rejection of shipment; (vii) settlement and payment terms; and (viii) the effective and execution dates of each such contract. However, none of the framework contracts state the exact amount of purchase; rather, these framework contracts provide the estimated volume of purchase and pricing method, under which our selling price will be determined with reference to market price of aluminum ingots plus a predetermined processing fee. Our major customers in the automobile sector include automobile components manufacturers such as Cascade Xiamen Forklift Truck Attachment Co., Ltd. (卡斯卡特(廈門)叉車屬具有限公司) and Lingyun Industrial Corporation Ltd. (凌雲工業股份有限公司). Our other major customers include Xi'an Feibao Airport Equipment Co., Ltd. (西安飛豹空港設備有限責任公司), a subsidiary of a major aircraft producer in China; China CREC Railway Electrification Bureau Group Baoji Equipment Co., Ltd. (中鐵電氣化局集團寶雞器材有限公司), a supplier for railway contact networks; and a major shipbuilder in Australia.

In addition, in February 2009, we entered into a strategic cooperation agreement with Beijing CNR Logistics Development Company Limited (北京北車物流發展有限責任公司) for and on behalf of its parent company, China CNR Corporation Limited ("China CNR") (中國北車股份有限公司). In March 2009, we entered into a strategic cooperation agreement with CSR Investment Lease Co., Ltd. (南車投資租賃有限公司) for and on behalf of its parent company, China South Locomotive & Rolling Stock Corporation Limited ("China CSR") (中國南車股份有限公司). Both China CNR and China CSR are major state-owned enterprises in China focusing on the manufacture of transportation equipment and machinery. Under these strategic cooperation agreements, which are non-binding, China CNR and China CSR have indicated their intention to purchase industrial aluminum extrusion products from our Company subject to meeting their quality standards and specifications and to provide assistance to our research and development efforts, while we will offer our products to China CNR and China CSR at preferential prices.

We use a combination of our own direct sales and marketing teams and a network of distributors to market and sell our products. Our sales and marketing teams sell and promote our products directly to customers in a variety of end-user markets, such as railway and construction companies, and participate in tender exercises for construction projects. In 2006, 2007 and 2008, direct sales accounted for 60.1%, 68.1% and 87.1% of our revenue, respectively, while sales through distributors accounted for 39.9%, 31.9% and 12.9% of our revenue, respectively. As of December 31, 2008, our sales and marketing teams consisted of 196 personnel, with 176 employees focused on the PRC domestic market and 20 employees on export sales, and a nationwide sales network of 17 distributors in China. In addition, we have four international distributors which mainly cover our overseas markets in North America, Europe and Australia.

SUMMARY

Our “Zhongwang” brand (忠旺牌) construction aluminum extrusion profile was granted the “China Prestigious Product” award (中國名牌產品) by the AQSIQ and the “China Well-known Trademark” award (中國馳名商標) by the Trademark Office of the SAIC in 2004, and received the “Gold Cup Champion in Quality Nonferrous Metal Products” award (有色金屬產品實物質量金杯獎) from the China Nonferrous Metals Industry Association in 2006. In addition to these awards, our products have received a number of accreditations from well-known domestic and international organizations, signifying our high product quality and recognizable brand name. In 2003, we received a “Certificate for Product Exemption from Quality Surveillance Inspection” from the AQSIQ. In addition, we are the only manufacturer in East Asia to have received a license certificate from QUALICOAT, an internationally recognized quality label organization committed to maintaining and promoting the quality of lacquering, painting and coating on aluminum and its alloys for architectural applications, authorizing us to use its “QUALICOAT” symbol to denote the high quality coating of our products. We have been accredited by Det Norske Veritas, one of the world’s leading classification societies, for our supply of aluminum extrusion products used in the manufacture of vessels. Furthermore, we are also the only manufacturer in China which is a member of the Metals Service Center Institute of the United States, whose members constitute the single largest group of metals purchasers in North America. This membership provides us information about market trends in the global aluminum industry and a competitive edge over our competitors in China. Through attending various members-only conferences organized by Metals Service Institute of the United States, we have been able to promote our products and brand name to other members and further develop our business in North America. In addition, we have recently qualified as an approved supplier to ALSTOM Holdings, a major global manufacturer of equipment for the passenger rail industry, by passing its strict qualification testing procedures which cover key areas of our operations such as management, production, integrated logistics, services, environmental, health and safety, non-conformity, corrective and preventive actions, and employee training. We have commenced business with ALSTOM Holdings since December 2008. Being chosen by the relevant authorized project contractors based on our product quality and brand reputation, our products have been selected and used in several large-scale national construction projects in China, such as Terminal Three of the Beijing Capital International Airport, the 2008 Olympic Games venues in Beijing and the 2010 World Expo in Shanghai.

We have established a research and development center that focuses on product design and quality control to meet various customers’ specifications and quality standards. In addition, we collaborate with leading research institutions and universities, such as Xi’an Heavy Machinery Research Institute (西安重型機械研究所), First Aircraft Institute of AVIC-1 (中國一航第一飛機設計研究院) and Northeastern University of China (中國東北大學), in the research and development of our products and the improvement of our manufacturing techniques. We have also purchased equipment and instruments from Shimadzu (Hong Kong) Ltd. and Carl Zeiss, Inc. for our research and development center. Moreover, we have an in-house die design team that allows us to produce customized dies which are tailored to customers’ specifications and layouts. As of the Latest Practicable Date, we held 176 patents for layout designs in China, details of which are provided in the section headed “Intellectual property rights of our Group” in Appendix VI to this prospectus.

SUMMARY

The following table sets out the breakdown of our revenue and gross profit margin by product category for the years indicated:

	For the year ended December 31,								
	2006			2007			2008		
	Revenue		Gross profit	Revenue		Gross profit	Revenue		Gross profit
	RMB		margin	RMB		margin	RMB		margin
	million	%	%	million	%	%	million	%	%
Industrial aluminum									
extrusion products	1,613.6	26.6	31.5	2,787.5	37.1	36.1	6,224.9	55.3	39.8
Construction aluminum									
extrusion products	4,461.6	73.4	13.5	4,733.7	62.9	12.9	5,039.6	44.7	12.4
Total	<u>6,075.2</u>	<u>100.0</u>	18.3	<u>7,521.3</u>	<u>100.0</u>	21.5	<u>11,264.4</u>	<u>100.0</u>	27.5

We have achieved significant revenue and earnings growth in recent years. For the three years ended December 31, 2008, we had revenue of RMB6,075.2 million, RMB7,521.3 million and RMB11,264.4 million, respectively, representing a CAGR of approximately 36.2% from 2006 to 2008. Our net profit for the same periods was RMB551.4 million, RMB852.2 million and RMB1,910.4 million, respectively, representing a CAGR of approximately 86.1% from 2006 to 2008. The increases in our revenue and net profit during the Track Record Period were primarily due to increased sales volume of our aluminum extrusion products, particularly for industrial aluminum extrusion products that command higher profit margins. Sales volume of our aluminum extrusion products increased from approximately 266,479 tons in 2006 to 307,398 tons in 2007 and to 430,857 tons in 2008, primarily due to the increasing demand for our products as a result of the growing reputation of our brand and our high-quality products.

As a result of our business strategy to increase our penetration of the industrial market, which has shown increasing demand from customers and provided a higher profit margin than the construction market, during the Track Record Period, our sales of industrial aluminum extrusion products increased significantly and accounted for 26.6%, 37.1% and 55.3% of our revenue, respectively, while our sales of construction aluminum extrusion products accounted for 73.4%, 62.9% and 44.7% of our revenue, respectively.

SUMMARY

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are key factors to our success to date and will enable us to continue to increase market share and capture the anticipated future growth in the aluminum extrusion market.

- Established market leadership in the industry
- High quality industrial products with a particular focus on the transportation sectors
- Advanced technology, research and development and die design capabilities
- Leading production capabilities and advanced equipment
- Diverse and stable customer base
- Experienced management team with significant industry expertise

OUR STRATEGY

We aim to strengthen our leading position in the aluminum extrusion industry in China and to become the world's leading manufacturer of aluminum extrusion products. We will continue to strive to achieve sustainable growth of our businesses and ensure that we remain competitive. To achieve this, we intend to focus on the following strategies:

- Expand production capacity to increase our market penetration in the industrial market, with a particular focus on transportation sectors
- Expand into the downstream sectors of industrial aluminum extrusion products, particularly for transportation sectors
- Further enhance research and development capability

SUMMARY

SUMMARY FINANCIAL INFORMATION

The following is a summary of the Group's consolidated results for the three years ended December 31, 2008 extracted from "Appendix I – Accountants' Report" to this prospectus. The results were prepared on the basis of the presentation as set out in the above mentioned Accountants' Report. The summary financial data should be read in conjunction with the consolidated financial information set out in "Appendix I – Accountants' Report" to this prospectus.

Consolidated income statements

	For the year ended December 31,		
	2006	2007	2008
	RMB'000	RMB'000	RMB'000
Revenue	6,075,225	7,521,266	11,264,429
Cost of sales	(4,965,679)	(5,906,555)	(8,162,134)
Gross profit	1,109,546	1,614,711	3,102,295
Investment income	51,619	42,062	74,107
Other income	9,256	13,455	32,999
Selling and distribution costs	(115,725)	(122,442)	(169,921)
Administrative and other operating expenses	(77,547)	(84,851)	(108,946)
Finance costs	(208,598)	(289,585)	(286,573)
Profit before taxation	768,551	1,173,350	2,643,961
Taxation	(217,125)	(321,192)	(733,523)
Profit for the year	<u>551,426</u>	<u>852,158</u>	<u>1,910,438</u>
Dividends			
– recognized as distributions during the year	<u>–</u>	<u>–</u>	<u>2,000,000</u>
– proposed	<u>–</u>	<u>–</u>	<u>1,000,000</u>
Earnings per share			
Basic (RMB)	<u>0.14</u>	<u>0.21</u>	<u>0.48</u>

SUMMARY

Consolidated balance sheets

	As of December 31,		
	2006	2007	2008
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	2,869,057	3,271,826	3,304,694
Investment properties	26,880	25,470	–
Prepaid lease payments	107,883	107,472	65,190
Deposits for acquisition of property, plant and equipment	329,562	356,850	4,027
	<u>3,333,382</u>	<u>3,761,618</u>	<u>3,373,911</u>
Current assets			
Inventories	1,595,811	1,359,595	1,058,768
Trade receivables	638,682	686,694	523,905
Other receivables, deposits and prepayments . . .	1,253,743	1,219,548	2,386,851
Prepaid lease payments	2,327	2,370	1,472
Amounts due from related parties	150,612	20,536	22,170
Held-for-trading investments	3,919	2,724	1,431
Pledged bank deposits	1,539,607	1,126,130	1,230,750
Bank balances and cash	1,711,672	2,833,543	4,261,817
	<u>6,896,373</u>	<u>7,251,140</u>	<u>9,487,164</u>
Current liabilities			
Trade payables	53,453	23,781	24,820
Bills payable	2,698,366	2,146,488	2,351,200
Other payables and accrued charges	123,451	175,375	258,574
Amounts due to related parties	1,649,432	1,561,472	320
Tax liabilities	217,126	321,192	200,447
Short term debenture	668,474	593,550	2,000,000
Bank loans	1,746,973	2,636,262	2,640,638
Dividend payable	–	–	2,000,000
	<u>7,157,275</u>	<u>7,458,120</u>	<u>9,475,999</u>
Net current (liabilities) assets	<u>(260,902)</u>	<u>(206,980)</u>	<u>11,165</u>
Total assets less current liabilities	<u>3,072,480</u>	<u>3,554,638</u>	<u>3,385,076</u>
Capital and reserves			
Paid-in capital/share capital	394,299	394,299	350,877
Reserves	2,048,181	2,900,339	2,854,199
	<u>2,442,480</u>	<u>3,294,638</u>	<u>3,205,076</u>
Non-current liabilities			
Bank loans	630,000	260,000	130,000
Deferred tax liabilities	–	–	50,000
	<u>630,000</u>	<u>260,000</u>	<u>180,000</u>
	<u>3,072,480</u>	<u>3,554,638</u>	<u>3,385,076</u>

As of December 31, 2006 and 2007, we had net current liabilities of approximately RMB260.9 million and RMB207.0 million, respectively. As of December 31, 2008, we had net current assets of approximately RMB11.2 million.

SUMMARY

Consolidated cash flow statements

	For the year ended December 31,		
	2006	2007	2008
	RMB'000	RMB'000	RMB'000
Net cash from operating activities	940,521	1,938,013	3,158,865
Net cash (used in) from investing activities. . .	(994,194)	(117,734)	37,374
Net cash from (used in) financing activities . .	398,285	(698,408)	(1,767,965)
Cash and cash equivalents			
at beginning of year ⁽¹⁾	1,367,060	1,711,672	2,833,543
Cash and cash equivalents			
at end of year ⁽¹⁾	1,711,672	2,833,543	4,261,817

(1) The balances represented our bank and cash balances as of each of the year-end dates during the Track Record Period.

PROFIT FORECAST FOR THE SIX MONTHS ENDING JUNE 30, 2009

The following unaudited pro forma forecast basic earnings per Share has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on January 1, 2009. This unaudited pro forma forecast basic earnings per Share has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of financial results of the Group following the Global Offering.

For the six months ending June 30, 2009

Forecast consolidated profit after taxation⁽¹⁾not less than RMB1,350 million
 Unaudited pro forma forecast basic earnings per Share⁽²⁾approximately RMB0.25
 (approximately HK\$0.28)

(1) Our forecast consolidated profit after taxation for the six months ending June 30, 2009 is extracted from the section headed "Financial Information – Profit forecast for the six months ending June 30, 2009" in this prospectus. The bases on which the above profit forecast for the six months ending June 30, 2009 has been prepared are summarized in Appendix III to this prospectus.

Our forecast consolidated profit after taxation for the six months ending June 30, 2009 prepared by our Directors is based on the unaudited management accounts of the Group for the two months ended February 28, 2009 and a forecast of the consolidated results of the Group for the remaining four months ending June 30, 2009. We have undertaken to the Hong Kong Stock Exchange that our interim report for the six months ending June 30, 2009 will be audited pursuant to Rule 11.18 of the Hong Kong Listing Rules. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Company as summarized in the "Accountants' Report" as set out in Appendix I to this prospectus.

(2) The calculation of the unaudited pro forma forecast basic earnings per Share is based on the forecast consolidated results of our Company for the six months ending June 30, 2009, assuming the Global Offering had been completed on January 1, 2009 and a total of 5,400,000,000 Shares in issue during the entire period, taking no account of any additional income the Group may have earned from the estimated net proceeds from the Global Offering, any Shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option, grants of Shares under the Pre-IPO Share Option Scheme or the Share Option Scheme.

SUMMARY

USE OF PROCEEDS

We estimate that the aggregate net proceeds to our Company from the Global Offering (after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us and assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$7.80 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus) will be approximately HK\$10,586.0 million. We currently intend to apply such net proceeds for the following purposes:

- approximately 35%, or HK\$3,705.1 million, for the expansion of our production capacity and penetration of the industrial market, particularly in the transportation sectors, by installing additional production lines for our industrial aluminum extrusion products. In addition, we may accomplish this goal by selectively acquiring reputable aluminum extrusion products manufacturers with growth potential in the production of industrial aluminum extrusion products. As of the date of this prospectus, we have not yet identified any suitable targets;
- approximately 35%, or HK\$3,705.1 million, to purchase manufacturing equipment and facilities for the production of downstream value-added industrial aluminum extrusion products which we expect will expand our product offerings and enhance our competitiveness;
- approximately 15%, or HK\$1,587.9 million, to repay existing debts due and payable in the next 12 months. Upon Listing, we will determine the priority of loans to be repaid based on the maturity dates of existing banking facilities and interest rates;
- approximately 5%, or HK\$529.3 million, for the enhancement of our research and development activities and facilities; and
- approximately 10%, or HK\$1,058.6 million, for working capital and general corporate purposes.

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

Any additional net proceeds that we would receive from any exercise at any price within the stated Offer Price range, in full or in part, of the Over-allotment Option may be applied in the manner and the proportions stated above.

To the extent that our net proceeds are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit the net proceeds into short-term interest bearing deposits and/or money market instruments.

SUMMARY

GLOBAL OFFERING STATISTICS

We have compiled the Global Offering statistics on the assumption that the Over-allotment Option is not exercised. We have calculated these offering statistics by translating Renminbi amounts into Hong Kong dollars at the rate of HK\$1.00 = RMB0.8814, being the rate published by the PBOC on April 17, 2009. The indicative offer prices of HK\$6.80 and HK\$8.80 per Offer Share do not include the 1% brokerage fee, 0.004% Securities and Futures Commission transaction levy and 0.005% Hong Kong Stock Exchange trading fee, which are payable by investors under the Global Offering.

	Based on indicative offer price of HK\$6.80 per Offer Share	Based on indicative offer price of HK\$8.80 per Offer Share
Our market capitalization upon completion of the Global Offering ⁽¹⁾	HK\$36,720 million	HK\$47,520 million
Pro forma price/earnings multiple ⁽²⁾	16.94 times	21.92 times
Unaudited pro forma adjusted net tangible asset value per Share ⁽³⁾	HK\$2.38	HK\$2.89

(1) The calculation of the market capitalization is based on the assumption that 5,400,000,000 Shares will be in issue and outstanding immediately following the completion of the Global Offering (excluding any Shares which may be issued under the Over-allotment Option or under the Pre-IPO Share Option Scheme or the Share Option Scheme).

(2) Our pro forma price/earnings multiple in the above table is based on each indicative offer price and the pro forma basic earnings per Share for the year ended December 31, 2008.

(3) The unaudited pro forma adjusted net tangible asset value per Share in the above table is calculated after the adjustments referred to in the section entitled "Financial Information – Unaudited Pro Forma Adjusted Net Tangible Assets" in this prospectus and on the basis of 5,400,000,000 Shares in issue immediately following the Global Offering (excluding any Shares which may be issued under the Over-allotment Option or under the Pre-IPO Share Option Scheme or the Share Option Scheme).

DIVIDEND AND DIVIDEND POLICY

The recommendation of the payment of dividend is subject to the discretion of the Board, and, after the Listing, any declaration of final dividend for the year will be subject to the approval of the Shareholders. In October 2008, our Company declared a dividend (in respect of the dividend distribution receivable indirectly from Zhongwang PRC for 2007) in the amount of RMB2.0 billion and the dividend was paid to ZIGL in April 2009. In April 2009, our Company declared a final dividend for 2008 in the amount of RMB1.0 billion, and the dividend will be paid to ZIGL prior to the Listing. For the avoidance of doubt, the holders of Offer Shares will not be entitled to any of the aforesaid dividends. Our Directors may recommend a payment of dividend in the future after taking into account our operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents and the Cayman Islands Companies Law, including the approval of the shareholders of our Company. Any future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Directors.

SUMMARY

Our Directors currently intend to recommend a distribution to all Shareholders in an amount representing not less than 25% of the distributable net profit attributable to the equity holders of our Company in each of the financial years following the Listing (that is, for the avoidance of doubt, for 2009 and thereafter) by way of dividend.

Any dividend declared will be in Hong Kong dollars with respect to our Shares on a per share basis, and our Company will pay such dividend in Hong Kong dollars. Our Directors believe that our dividend policy mentioned above will not adversely affect the working capital position of our Group.

Future dividend payments will also depend upon the availability of dividends received from our subsidiary in the PRC. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiary may also be restricted if it incurs debt or losses or pursuant to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries and associated companies may enter into in the future.

NON-COMPLIANCE MATTERS

As all of our operations are in China, we are required to conduct our business in compliance with PRC laws and regulations. However, certain of our past activities were not in compliance with the relevant PRC laws and regulations.

Bill financing. In the past, we obtained funding for our business operations through issuing bank acceptance notes in amounts that were greater than the actual amounts of our total purchases from the relevant suppliers (“overstated bill financing”). As the discounted interest rates of bank acceptance notes are normally lower than the prevailing interest rates for short-term bank loans, to take advantage of these lower interest rates, we used the overstated bill financing arrangements to fund a significant portion of our business operations from January 2005 to November 2007. In 2005, 2006, 2007 and 2008, the amount of the overstated bill financing, being the difference between the aggregate amount of related bank acceptance notes issued and the aggregate amount of related actual purchases, was approximately RMB2,503.9 million, RMB4,315.8 million, RMB1,105.3 million and nil, respectively. The funding for our business operations obtained from the banks through such overstated bill financing in 2005, 2006, 2007 and 2008 was estimated to be approximately RMB626.0 million, RMB1,078.9 million, RMB276.3 million and nil, respectively. We ceased the overstated bill financing activities in November 2007 and fully settled all bank acceptance notes involved in the overstated bill financing arrangements in May 2008. We have since engaged an independent internal controls advisor, strengthened our internal controls system and implemented various rectifying measures to ensure that such overstated bill financing activities will not occur in the future. For details, please refer to the sections headed “Business – Bill financing” and “Business – Internal controls” in this prospectus.

SUMMARY

Registered capital of Zhongwang PRC. There have been occasions where former shareholders of Zhongwang PRC (whose interest in Zhongwang PRC was directly or indirectly beneficially owned by Mr. Liu, our Controlling Shareholder) failed to make the required contributions for increases in registered capital of Zhongwang PRC on schedule pursuant to approvals obtained from the relevant PRC authorities and resolutions passed by the board of Zhongwang PRC. The shareholders of Zhongwang PRC subsequently paid in full their respective contributions to the registered capital in July 2003 and April 2004. However, in May 2007, when Zhongwang PRC increased its registered capital to US\$140 million, its shareholders failed to make the required contributions for such increase as we were considering the feasibility of the overall reorganization plan for our Group as well as the time required for the requisite approvals. Subsequently, shareholders of Zhongwang PRC paid the requisite 20% contribution of the registered capital increase in August 2008, and obtained no-action letters and approval for extension of time from the relevant PRC authorities to pay the remaining outstanding registered capital contributions by May 2009. For details, please refer to the section headed “Regulations – Past non-compliance with PRC laws and regulations” in this prospectus.

Social security and housing provident fund contributions. We failed to pay certain social security contributions and housing provident fund contributions for and on behalf of our employees due to differences in local regulations and inconsistent implementation or interpretation by local authorities in the PRC, different levels of acceptance of the social security system by employees, as well as insufficient knowledge on our part of the social security system. Starting in January 2009, we commenced withholding the relevant portion from salaries as well as paying the corresponding amount of social security and housing provident fund contributions in respect of all eligible employees. As of December 31, 2008, we had an outstanding provision of approximately RMB24.8 million in respect of the overdue social security and housing provident fund contributions for the Track Record Period. For details, please refer to the section headed “Regulations – Past non-compliance with PRC laws and regulations” in this prospectus.

Environmental approvals for construction projects. We failed to file environmental impact assessment reports and obtain completion certificates in respect to certain construction projects due to the gradual process of formation of the local environmental regulation framework, ambiguity in the interpretation and enforcement of applicable PRC environmental laws and regulations and the resultant operational irregularities in our compliance with certain procedures prescribed by the relevant PRC laws and regulations. We have retroactively filed all required environmental impact assessment reports and obtained approval for each such report and completion certificates for all our construction projects from the relevant environmental protection authority. For details, please refer to the section headed “Business – Environmental and safety regulations” in this prospectus.

We have ceased to conduct all non-compliant activities noted above, performed proper rectification measures and actions, and obtained indemnity from our Controlling Shareholders for each of these past non-compliant activities. In addition, we have strengthened our internal controls system and engaged an independent internal control advisor to examine and evaluate our internal control measures and policies. For details, please refer to the section headed “Business – Internal Controls” in this prospectus. Save as disclosed in this prospectus, we were in compliance with all relevant PRC laws and regulations during the Track Record Period.

SUMMARY

RISK FACTORS

Our operations and the industry in which we operate and the Global Offering involve certain risks, a summary of which is set forth in the section headed “Risk Factors” in this prospectus. These risks can be classified as follows:

Risks relating to our business

- If we are unable to obtain aluminum ingots, our principal raw material, at a competitive price, our results of operations may be affected.
- If the end-user markets of our aluminum extrusion products do not grow as we expect or grow at a slower rate than we expect or decrease, our financial condition and results of operations may be adversely affected.
- Changes in the products or manufacturing processes of the companies that use our aluminum extrusion products may adversely affect our business.
- Our customers may reduce their demand for aluminum extrusion products in favor of alternative materials.
- We derive a substantial portion of our sales from China.
- We had net current liabilities as of December 31, 2006 and 2007.
- Our business, reputation and brand may be materially and adversely affected by actions taken by our distributors.
- The global financial markets have experienced significant deterioration and volatility recently, which have had negative repercussions on the global economy and, as a result, may adversely affect our business operations.
- We may require additional capital in the future, which may not be available or may only be available on unfavorable terms.
- If we cannot manage our growth or optimize our product mix, our operating results, margins and net profit could be adversely affected.
- Our future success depends on our ability to retain our executive Directors and senior management.
- We manufacture our products at a group of factories located in a single location in Liaoning, China. Any disruption in our manufacturing facilities could materially and adversely affect our business, financial condition and results of operations.
- We may face increased energy costs and/or insufficient energy supply.
- The interests of Mr. Liu, our founder, president, chairman and Controlling Shareholder, may differ from those of our Group and our other shareholders, and Mr. Liu has the ability to cause us to make decisions that may not be in the best interests of our other shareholders.

SUMMARY

- Our non-compliance with certain social security and housing provident fund contribution regulations in the PRC could lead to the imposition of fines or penalties.
- We may not be able to adequately protect proprietary rights to our technology.
- Product liability claims against us could result in significant costs or negatively affect our reputation and could adversely affect our results of operations.
- We may not maintain sufficient insurance coverage for the risks associated with our business operations.

Risk relating to our industry

- If we are unable to compete successfully, our financial condition and results of operations may be adversely affected.
- Any environmental claims or failure to comply with any present or future environmental regulations may require us to spend additional funds and may materially and adversely affect our financial condition and results of operations.
- Future changes in laws, regulations or enforcement policies in China could adversely affect our business.

Risks relating to doing business in the PRC

- Changes in China's economic, political and social conditions could adversely affect our financial condition and results of operations.
- Uncertainties with respect to the PRC legal system could have a material adverse effect on us.
- Governmental control of currency conversion may affect the value of your investment.
- Recent changes to the PRC tax laws have decreased the tax rate applicable to our business; however, any future changes to the PRC tax laws could adversely affect our financial condition and results of operations.
- Changes in or discontinuations of the export tax incentive regime or any financial incentives currently available to us in the PRC could reduce our profitability.
- We face foreign exchange and conversion risks, and fluctuation in the value of the Renminbi may have a material adverse effect on your investment.
- Inflation in China could negatively affect our growth and profitability.
- We face risks related to health epidemics and other outbreaks.

SUMMARY

Risks relating to the Global Offering

- There has been no prior public market for our Shares, and the liquidity, market price and trading volume of our Shares may be volatile.
- Purchasers of our Shares will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.
- Future sales by our existing shareholders of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.
- Forward-looking information may prove inaccurate.
- Certain facts and other statistics with respect to China, the PRC economy and the global and PRC aluminum extrusion industries in this prospectus are derived from various official government sources and may not be reliable.
- You should read the entire prospectus carefully and rely only on the information contained in this prospectus in making your investment decision. We strongly caution you against any reliance on any information contained in press articles or other media reports not prepared or approved by us.