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 prospectus 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" of this prospectus. You should read the section carefully before you decide to invest in the Offer Shares.***

OVERVIEW

We are a quality-focused clinker and cement company with operations in Shandong Province and Shanghai in the PRC. We differentiate ourselves among market players by positioning ourselves as a manufacturer with emphasis on maintaining consistency of our quality rather than competing on price. Our finished products are inspected and tested by applying a variety of national standards prior to delivery. Our team of staff's dedication towards maintaining quality control of our products is evidenced by the fact that in August 2010, our chief engineer was awarded as an excellent engineer in the year of 2009 (2009年全國水泥企業優秀總工程師) by the China Cement Association. Furthermore, supported by our stable and experienced management team and a team of skilled labour force, our Group was awarded with the Chinese Outstanding Entrepreneur Award 2008 (2008年度全國企業文化優秀成果獎) jointly by the China Enterprise Confederation (中國企業聯合會) and the China Enterprise Directors Association (中國企業家協會) in 2008. We had not received material complaints on our product quality during the Track Record Period. Details of our quality control measures are described in the paragraph headed "Quality control" under the section headed "Business".

Our manufacturing plants are located in Taierzhuang District, Zaozhuang City, Shandong Province. Prior to our Premises Vacation in December 2009, we owned and operated a plant in Shanghai. Since our Premises Vacation, our Shanghai operations are involved in trading activities only. Our products are mainly sold to customers in the provinces of Shandong, Jiangsu and Anhui as well as Shanghai under the trademark "泰立" (Titan) and are primarily used in infrastructure projects including roads, highways, bridges, railways and building construction. Our subsidiary, Shanghai SAC, has renewed the registration of the trademark "泰立" (Titan) for 10 years up to November 2016 and also owns patents for certain of its production technologies.

During the Track Record Period, our revenue was mainly derived from manufacture and sale of cement and clinker, trading of cement and provision of technical services. The breakdowns of the source of our revenue and gross profit are as follows:

	Year ended 31 December			Six months ended 30 June	
Revenue	**2008**	**2009**	**2010**	**2010**	**2011**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Manufacture and sale of cement and clinker	552,847	490,116	296,309	118,261	217,065
Trading of cement	—	—	154,380	43,588	174,594
Provision of technical services	3,068	—	755	—	—
Total	555,915	490,116	451,444	161,849	391,659

Gross profit	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Manufacture and sale of cement and clinker	43,726	31,058	45,628	3,201	56,003
Trading of cement	—	—	5,885	1,116	5,962
Provision of technical services	3,068	—	335	—	—
Total	46,794	31,058	51,848	4,317	61,965

Our production facilities

During the Track Record Period, there had been changes to our production facilities and manufacturing activities where (i) our Shanghai plant had ceased operations in December 2009 following the Premises Vacation; (ii) Allied Wangchao had commenced cement production since end 2010; and (iii) Shandong SAC plant had ceased cement production and commenced slag production in April 2011. A summary of the changes in our Shanghai and Shandong operations on our financial performance and financial position can be found in the paragraph headed "Impact of changes in our Shanghai and Shandong operations on our financial performance and financial position during the Track Record Period" in the section headed "Financial information".

Shanghai

Prior to the Premises Vacation, we had three plants, being Shanghai plant, Shandong SAC plant and Allied Wangchao plant. As part of city planning and to facilitate the organisation of World Expo 2010 in Shanghai, we had vacated from our Shanghai plant in Xuhui District (徐滙區), Shanghai with a view to be relocated to the suburb Bailonggang (白龍港), Pudong, Shanghai at the periphery of Shanghai Sewage Treatment Plant (上海污水處理廠). In this connection, we entered into a site relocation compensation agreement with Shanghai Xuhui Binjiang, a local government entity, for land resumption on 27 November 2009. Following the complete cessation of production in December 2009, our Shanghai operations currently engage in trading of cement only which resulted in trading of cement becoming one of our sources of revenue from the year ended 31 December 2010. Our Shanghai operations will continue to engage in trading of cement before the commencement of operations of the new plant. Despite the cessation of production in Shanghai, we have been able to retain most of our customers in Shanghai by cement trading, whereby we resell the cement purchased from other cement producers to our existing customers.

For the above Premises Vacation, we are entitled to a total compensation of RMB799.9 million from Shanghai Xuhui Binjiang, of which RMB749.9 million had been received up to 30 June 2011. The remaining RMB50.0 million as at 30 June 2011 is expected to be received by June 2012. Meanwhile, a replacement site at Bailonggang (白龍港), Pudong, Shanghai is being negotiated with the Shanghai Municipal Government for us to construct a new plant. The new plant is expected to be equipped with two production lines with sludge treatment system (污泥處理系統) with a total daily clinker production capacity of approximately 4,000 tons and an annual cement production capacity of not more than 1.35 million tons. As at the Latest Practicable Date, we have not obtained the legal title to the relocation site and the development plan of the new plant is under review by the relevant government authorities. We anticipate construction would commence by late 2012 if the negotiation and application processes are successful. If approved, the estimated total cost budgeted for the new cement production facilities is approximately RMB800.0 million (including estimated land cost of about RMB200.0 million) and will be funded by our internal resources (mainly from the land resumption compensation attributable to the Premises Vacation) and bank borrowings.

For illustrative purposes only, the following sets out the revenue and profit attributable to our Shanghai operations during the Track Record Period.

	Year ended 31 December						**Six months ended 30 June**			
	2008		**2009**		**2010**		**2010**		**2011**	
	HK$'000	**as a % of the Group**	**HK$'000**	**as a % of the Group**	**HK$'000**	**as a % of the Group** *(Note 2)*	**HK$'000**	**as a % of the Group** *(Note 2)*	**HK$'000**	**as a % of the Group** *(Note 2)*
Revenue	322,803	58.1	242,298	49.4	154,380	34.2	43,588	26.9	174,594	44.6
Gross profit	14,301	30.6	2,829	9.1	5,885	11.4	1,116	25.9	5,962	9.6
Gross profit margin	4.4%		1.2%		3.8%		2.6%		3.4%	
Profit before tax	17,012	29.5	3,817	40.2	19,093 *(Note 1)*	33.7	6,482 *(Note 1)*	N/A *(Note 3)*	12,213 *(Note 1)*	19.0
Goodwill written off	—	—	—	—	69,479	—	69,479	—	—	—

Notes:

1. The profit before tax for the year ended 31 December 2010, for the six months ended 30 June 2010 and 2011 did not include the gain on land resumption exercise of HK$528.4 million, HK$528.4 million (unaudited) and HK$5.8 million, respectively attributable to the Premises Vacation.

2. The calculation of profit before tax as a percentage of the Group for the year ended 31 December 2010, for the six months ended 30 June 2010 and 2011 did not include the respective gain on land resumption exercise and goodwill written off attributable to the Premises Vacation.

3. The profit before tax as a percentage of the Group from Shanghai operations amounted to over 100% for the six months ended 30 June 2010 as the Group (excluding its Shanghai operations) incurred a loss.

Shandong Province

We operate two plants in Shandong Province. Our principal products, cement and clinker, are produced using the cement and clinker production line of Allied Wangchao plant located in Taierzhuang District, Zaozhuang City, Shandong Province with a daily clinker production capacity of approximately 2,500 tons and a total annual cement production capacity of approximately 1.0 million tons. This production line consists of a raw mixture grinding system for preparing raw mixture, a rotary kiln for the calcination process of crushed raw mixture and a cement powder grinding system for grinding and blending of clinker and other raw materials to produce cement. There is an additional grind which is used as a backup in the event of maintenance or unexpected breakdown of the grind in-use. We have also installed a waste heat recovery system which collects waste heat from our production process and thereafter is used to generate electricity for our production. We are also operating a production line under Shandong SAC, at a rented plant located close to Allied Wangchao plant where the grinds in the plant are used for producing slag, which is a raw material for cement production, since April 2011. During the Track Record Period and before the commencement of the production of slag, Shandong SAC plant generated revenue for the Group through manufacture and sale of cement. Prior to Allied Wangchao's commencing cement production, the clinker it produced was sold to Shandong SAC for cement production. Following installation of the more advanced and efficient cement production facilities of Allied Wangchao, the clinker produced by Allied Wangchao is used for its own cement production. Consequently, Shandong SAC plant ceased its cement production. Shandong SAC plant commenced production of slag since April 2011. The slag produced is for our Group's own use. The change from producing cement to slag in April 2011 had not rendered any production facilities of Shandong SAC plant obsolete. Therefore, no provisions or write-offs to our property, plant and equipment has been necessary. For slag production, the Group has added a dryer to its existing production facilities at cost of approximately RMB1.27 million. The table below sets out the revenue and gross profit of each production plant for the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011.

	Shanghai plant	Shandong Allied Wangchao plant	Shandong SAC plant	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue				
For the year ended 31 December 2008	322,803	157,678	75,434	555,915
Clinker	20	154,610	174	154,804
Grade 32.5 cement	—	—	12,666	12,666
Grade 42.5 cement	216,877	—	62,594	279,471
Grade 52.5 cement	105,906	—	—	105,906
All grade cement	322,783	—	75,260	398,043
Technical services income	—	3,068	—	3,068

	Shanghai plant	Shandong Allied Wangchao plant	Shandong SAC plant	Total
	HK$'000	HK$'000	HK$'000	HK$'000
2009	242,298	103,038	144,780	490,116
Clinker	—	103,038	—	103,038
Grade 32.5 cement	—	—	25,293	25,293
Grade 42.5 cement	166,439	—	118,869	285,308
Grade 52.5 cement	75,859	—	618	76,477
All grade cement	242,298	—	144,780	387,078
2010	154,380*(Note 1)*	144,634	152,430	451,444
Clinker	—	125,787	—	125,787
Grade 32.5 cement	—	—	25,525	25,525
Grade 42.5 cement	120,444	18,092	125,210	263,746
Grade 52.5 cement	33,936	—	1,695	35,631
All grade cement	154,380	18,092	152,430	324,902
Technical services income	—	755	—	755
For the six months ended 30 June				
2010	43,588*(Note 1)*	48,889	69,372	161,849
Clinker	—	48,889	—	48,889
Grade 32.5 cement	—	—	10,220	10,220
Grade 42.5 cement	29,257	—	58,219	87,476
Grade 52.5 cement	14,331	—	933	15,264
All grade cement	43,588	—	69,372	112,960
2011	174,594*(Note 1)*	188,119*(Note 2)*	28,946*(Note 2)*	391,659
Clinker	—	30,761	—	30,761
Grade 32.5 cement	—	18,053	826	18,879
Grade 42.5 cement	139,675	137,265	27,779	304,719
Grade 52.5 cement	34,919	2,040	341	37,300
All grade cement	174,594	157,358	28,946	360,898
Gross profit				
For the year ended 31 December				
2008	14,301	23,470	9,023	46,794
2009	2,829	9,121	19,108	31,058
2010	5,885*(Note 1)*	29,030	16,933	51,848
For the six months ended 30 June				
2010	1,116*(Note 1)*	2,116	1,085	4,317
2011	5,962*(Note 1)*	54,091	1,912	61,965

Notes:

1. Since the Premises Vacation, Shanghai plant had ceased cement manufacturing and is involving in cement trading activities only. The above revenue and gross profit were therefore derived from cement trading activities.
2. Among the revenue of HK$188.1 million of Shandong Allied Wangchao plant, approximately HK$86.2 million, representing 256,496 tons of cement, represented intercompany sales to Shandong SAC plant at market price. Shandong SAC then onward sold to our customers without mark-ups during the transitional period between which customers were being progressively transferred from Shandong SAC (prior to its cessation of cement production in April 2011) to Allied Wangchao. For presentation on such transitional arrangement, HK$86.2 million intercompany sales was added back to the revenue of Shandong Allied Wangchao plant and the same amount was deducted from the revenue of Shandong SAC plant.

The table below summarises our production capacity for cement, clinker and slag during the Track Record Period and up to the Latest Practicable Date.

	For the years ended 31 December			For the six months ended	From 1 April 2011 to the Latest
	2008	**2009**	**2010**	**30 June 2011**	**Practicable Date**
Cement					
Cement production capacity *(tons per annum) (Note 1)*					
— Shanghai plant	1,000,000	1,000,000	—	—	—
— Shandong SAC plant	700,000	700,000	700,000	700,000 *(Note 2)*	—
— Allied Wangchao plant	—	—	1,000,000	1,000,000	1,000,000
Total	1,700,000	1,700,000	1,700,000	1,700,000	1,000,000
Utilisation rate of cement production capacity (%)					
— Shanghai plant	91.7	84.6	—	—	—
— Shandong SAC plant	46.3	91.9	91.8	22.9 *(Note 2)*	—
— Allied Wangchao plant	N/A	N/A	*(Note 3)*	93.5	133.4
Clinker					
Clinker production capacity *(tons per day)*					
— Shanghai plant	2,000	2,000	—	—	—
— Allied Wangchao plant	2,500	2,500	2,500	2,500	2,500
Total	4,500	4,500	2,500	2,500	2,500

	For the years ended 31 December			For the six months ended 30 June 2011	From 1 April 2011 to the Latest Practicable Date
	2008	2009	2010		
Utilisation rate of clinker production capacity (%)					
— Shanghai plant *(Note 4)*	103.4	96.4	—	—	—
— Allied Wangchao plant *(Note 4)*	117.4	121.4	129.2	114.8	118.4
Slag					
Slag production capacity *(tons per annum)*					
— Shandong SAC plant *(Note 4)*	—	—	—	160,000	160,000
Total	—	—	—	160,000	160,000
Utilisation rate of slag production capacity (%)					
— Shandong SAC plant *(Note 4)*	—	—	—	62.3	115.5

Notes:

1. The production capacity of cement set out is quantified by tons per annum for each period. Specifically, tons of production capacity of each plant during the period measured in annual terms.

2. The production capacity and utilisation rate of cement of Shandong SAC plant represent its production capacity and utilisation before April 2011, where afterwards, it ceased to produce cement and engaged in production of slag only.

3. The production of cement by Allied Wangchao has been under trial production since October 2010. Please refer to the utilisation rate of the cement production facilities for the six months ended 30 June 2011. Trial production ceased when Allied Wangchao obtained production permit on 20 June 2011.

4. The Group has estimated the annual production capacity of clinker of approximately 620,000 tons (approximately 310,000 tons for six months) and 775,000 tons (approximately 387,500 tons for six months), respectively for Shanghai plant and Allied Wangchao plant based on the daily clinker production capacity of approximately 2,000 tons and 2,500 tons respectively and the number of operating days, being 310 days. The Group commenced production of slag since April 2011. The Group has estimated annual production capacity of slag of approximately 160,000 tons (approximately 80,000 tons for six months) based on the actual daily production volume, the expected operation days of the grinding system and the type of electricity used to generate the grinding systems.

   The aforesaid designed production capacity has taken into account downtime required (in general, 1.5 months) for maintenance. According to the Directors, as the actual downtime required was less than 1.5 months, we have been able to produce more cement, clinker and slag than the designed production capacity, resulting in utilisation rate of more than 100%. There are neither legal requirements governing the method of arriving at the designed production capacity nor restrictions on producing in excess of the designed production capacity.

Assuming the Bailonggang Project materialises and that there is no change to the current production plans and product mix for the Shandong SAC plant and Allied Wanchao plant, the total production capacity of the Group will be 2.35 million tons per annum for cement production, 6,500 tons per day for clinker production and 160,000 tons per annum for slag production.

We also operate a self-built dock on a piece of rented land next to our production facilities in Taierzhuang District, which allows us to deliver our finished products to our customers along the Grand Canal which passes through our target markets in Shandong Province, Jiangsu Province and Shanghai.

For the information of potential investors, the sales volume and average selling price for each of the Group's products for each year during the Track Record Period are set out as follows:

	Shanghai plant		Allied Wangchao plant		Shandong SAC plant	
	Cement	Clinker	Cement	Clinker	Cement	Clinker
	(tons)	(tons)	(tons)	(tons)	(tons)	(tons)
Sales Volume						
For the year ended 31 December						
2008	981,346	60	Nil	639,774	319,523	Nil
2009	865,436	Nil	Nil	510,886	644,098	Nil
2010	455,638	Nil	57,483	493,090	643,410	Nil
For the six months ended 30 June						
2010	154,827	Nil	Nil	236,851	323,992	Nil
2011	374,505	Nil	215,200	85,928	340,394	Nil

	Shanghai plant		Allied Wangchao plant		Shandong SAC plant	
	Cement	Clinker	Cement	Clinker	Cement	Clinker
	(RMB/ton)		(RMB/ton)		(RMB/ton)	
Average selling price						
For the year ended 31 December						
2008	289.4	299.6	N/A	212.7	207.9	N/A
2009	246.4	N/A	N/A	177.5	197.8	N/A
2010	294.8	N/A	273.8 *(Note)*	221.9	206.1 *(Note)*	N/A
For the six months ended 30 June						
2010	247.7	N/A	N/A	181.6	188.4	N/A
2011	387.0	N/A	274.4 *(Note)*	297.1	280.8 *(Note)*	N/A

Note: Average selling prices for cement for Shandong operation as a whole for year ended 31 December 2010 and six months ended 30 June 2011 are RMB211.7 and RMB278.3 per ton respectively.

Allied Wangchao plant and Shandong SAC plant are located close to each other, within a distance of 10 km. As the production of cement by Allied Wangchao plant commenced under trial production, which is legal and permissible under the relevant PRC rules and regulations, there was a transitional period during which customers were being progressively transferred from Shandong SAC (prior to its cessation of cement production in April 2011) to Allied Wangchao. Accordingly, up to end of April 2011, part of the cement produced by Allied Wangchao plant was sold to Shandong SAC at arm's length market price and on normal commercial terms, which was then onward sold to the Group's customers without mark-ups. Allied Wangchao obtained production permit in June 2011. For the six months ended 30 June 2011, the combined cement sales volume and combined cement production volume of both plants amounted to an aggregate of 555,594 tons and 547,839 tons respectively, reflecting such customer transitional arrangement. Details of production volume of cement are set out in the paragraph headed "Our current operation" under the section headed "Business".

Coal and electricity energy supply

We use a substantial amount of coal and electricity in our production. Coal price has been increasing generally in 2010 and the first half of 2011 due to higher transportation costs and increase in demand as a result of the recovery of the global economy. Our cost of coal constituted approximately 42.1%, 35.3%, 28.4% and 18.4% of our total cost of sales for the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, respectively and the cost of coal was approximately RMB97.1, RMB70.7, RMB82.7, and RMB78.6 per ton of our products sold respectively, for the corresponding years/period.

Electricity constituted approximately 17.9%, 21.3%, 13.3% and 9.3% of our total cost of sales for the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, respectively and the cost of electricity was approximately RMB41.2, RMB42.5, RMB38.8 and RMB39.8 per ton of our products sold respectively, for the corresponding years/period. Generally, the electricity prices for industrial enterprises are regulated by provincial governments in China and therefore the prices are affected by government's control and pricing policies.

Our business, financial condition and results of operations may be adversely affected by increases in coal or electricity prices, shortages of coal and electricity supply or government's policy on electricity supply. Such risk is further discussed in the section headed "Risk factors".

Our raw materials

Limestone is the principal raw material used in production of cement. We own limestone mining rights at the quarry at Lang Shan (狼山) in Taierzhuang District, which is located approximately 10 km away from our production facilities. Based on the surveyors' reports in 2004 and 2010, the quarry had a limestone reserves of approximately 60.0 million tons and approximately 54.0 million tons in 2004 and 2010 respectively. We estimate that there will be approximately 53.0 million tons remaining reserves at the year ending 31 December 2011 based on the calculation that approximately 1.0 million tons reserves on average per year have had been excavated from 2004 to 2010. The mining license is valid until September 2020. Our access to the limestone reserves provides us with a secure and stable supply of limestone at low transportation costs. Based on the above estimates and the scale of our current production, assuming our license will be renewed, we have sufficient reserves of limestone to meet the current production requirements of our existing production facilities for approximately 43 years. Apart from limestone and slag which is produced by ourselves, other raw materials used for the cement production such as gypsum, fly ash and, pyrite cinder are mainly purchased from third party local suppliers.

Environmental-friendly initiatives

Our production line has adopted the NSP technology (as defined in the section headed "Glossary of technical terms"), which was used in the production of 80% of cement in PRC by the end of 2010, allows less energy consumption during the production process and enables production of cement with higher and more consistent quality. There is no specific license or requirement which has to be met before adopting this NSP technology. We have also adopted other environmentally-friendly initiatives such as installing a waste heat recovery system which commenced its trial electricity generation in September 2010. The system is classified as a construction in progress during its trial operation stage and the Company's relevant operation permits have been granted by relevant government authorities, while the final acceptance (竣工驗收) is under application. The system collects the waste heat released from combustions in our kiln, which enables us to recycle the excess energy to power our plants for production and therefore saves cost. We also focus on efficient utilisation of our raw materials, such as slag and replacing natural gypsum with desulfurization gypsum, both of which are cost effective as well as beneficial to our environment. Our Shanghai plant had been enjoying VAT refunds from the PRC government for using recycled waste materials and by-products. Our Shanghai plant also enjoyed a preferential enterprise income tax rate of 15% compared with the standard tax rate of 25% for being an advance new technology enterprise as recognised by the PRC government. Following the cessation of cement and clinker production of our Shanghai plant, there has been no preferential tax treatment to our Group.

Our customers

We primarily sell our clinker and cement products to our customers who are mainly construction companies, ready-mixed concrete stations, clinker or cement traders and downstream cement and cement products manufacturers. We also occasionally provide technical services.

The table below sets forth our revenue by customer type for the periods indicated, excluding the customers for our technical services.

	Year ended 31 December			**Six months ended 30 June**	
Customers	**2008**	**2009**	**2010**	**2010**	**2011**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Construction companies	142,359	103,664	57,170	20,302	107,295
Ready-mixed concrete stations	194,235	203,406	187,339	70,241	143,292
Clinker or cement traders	29,794	63,266	58,993	13,616	70,729
Downstream manufacturers of cement and cement products	176,597	107,728	135,980	52,561	58,891
Others*(Note)*	9,862	12,052	11,207	5,129	11,452
Total	552,847	490,116	450,689	161,849	391,659

Note: Includes sales to other customers who do not fall into the categories of construction companies, ready-mixed concrete stations, clinker or cement traders and downstream cement and cement products manufacturers. It mainly included direct cash sales to individual retail customers, amounting to approximately HK$9.8 million, HK$11.8 million, HK$10.8 million, HK$5.1 million and HK$11.5 million during the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011 respectively.

The top five customers accounted for approximately 34.7%, 27.0%, 21.0% and 32.2% of the total turnover of our Group for the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011 respectively. Their principal activities were mainly engaged in ready-mixed concrete stations, construction materials supply and downstream cement products. The largest customer for the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011 accounted for approximately 8.0%, 8.8%, 4.8% and 14.8% of the total turnover of our Group, respectively. All the top five customers during the Track Record Period are Independent Third Parties.

Please refer to the analysis of revenue contributed by each type of customers in the paragraph headed "Revenue — Revenue breakdown by types of customer" under the section headed "Financial information".

The map below indicates the locations of our primary markets coverage as of the Latest Practicable Date:

△	*Existing production plants at Taierzhuang District, Zaozhuang City, Shandong Province*
■	*Major markets covered by our Group*
- - - -	*the Grand Canal*
- - - -	*Railway*
- - - -	*Highway*

OUR STRENGTHS

We believe that our competitive strengths include the following:

- We are well positioned to capture the growth opportunities in the fast-growing construction industry in the south-western parts of Shandong Province, northern parts of Jiangsu Province, north-eastern parts of Anhui Province and Shanghai
- We have established a close relationship with our customers
- We possess the mining right of a quarry of limestone reserves and have convenient access to fuels and other raw materials as well as transportation channels
- We have a stable and experienced management team and a team of skilled labour force

OUR STRATEGY AND FUTURE PLANS

We will continue to position ourselves as a quality-focused clinker and cement company focusing on producing and selling high quality products to differentiate ourselves from our competitors and to lower our production cost. We intend to further strengthen our customer base and market position in the provinces of Shandong, Jiangsu and Anhui as well as Shanghai and to achieve continued growth in our revenue and net profit. To achieve our goals, we plan to implement the following strategies:

- Further enhance our production facilities and capacities
- Strengthen our market position through maintaining the relationships with our existing customers and enlarging our customer base
- Further strengthen our sales and marketing capabilities
- Continue to lower our costs through technological improvement

The Premises Vacation necessitated the shift of the raw mixture and cement grinding systems from Shanghai plant to Allied Wangchao plant in Shandong Province. Cement production commenced in October 2010 at Allied Wangchao plant and it becomes our major production facility for manufacturing clinker and cement. Meanwhile, the raw mixture and cement grinding systems at the rented Shandong SAC plant, which were previously used for cement production, are currently used for producing slag being a raw material, for our own cement production at Allied Wangchao plant. Our Shanghai operations currently engage in the trading of cement following the cessation of production in December 2009. It will continue to engage in the trading of cement before the commencement of the operations, subject to relevant approvals, of our new plant in Bailonggang (白龍港) in Pudong District, Shanghai, of which construction is expected to commence by late 2012.

The Directors are aware that the Bailonggang Project may not materialise. In particular, bidding may be required for the replacement site and if bidding is required, there is no guarantee that the Group will be successful in the bidding process. In the event that the approval for operating our new plant in Bailonggang is not obtained, we may consider other acquisition opportunities in the current business. We had however not identified any such opportunities as at the Latest Practicable Date.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following summary of financial information for the years ended 31 December 2008, 2009 and 2010 and for the six months ended 30 June 2010 and 2011 has been derived from our financial information included in the Accountants' Report as set out in Appendix I to this prospectus. Potential investors should read the entire financial statements, including the notes thereto, included in Appendix I to this prospectus for more details.

Summary of combined statements of comprehensive income

	For the year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Revenue	555,915	490,116	451,444	161,849	391,659
Cost of sales	(509,121)	(459,058)	(399,596)	(157,532)	(329,694)
Gross profit	46,794	31,058	51,848	4,317	61,965
Other income	29,368	17,944	12,914	5,938	10,854
Net foreign exchange gain	25,633	—	13,146	—	9,559
Fair value gains on financial assets designated as at fair value through profit or loss	—	—	5,538	5,171	4,332
Gain on land resumption exercise	—	—	528,396	528,396	5,766
Distribution and selling expenses	(6,642)	(6,600)	(4,529)	(2,943)	(1,636)
Administrative expenses	(25,711)	(24,503)	(17,753)	(6,067)	(15,015)
Other expenses	—	—	—	—	(3,606)
Reversal of (allowance for) bad and doubtful debts	541	820	292	(3)	16
Goodwill written off	—	—	(69,479)	(69,479)	—
Finance costs	(12,398)	(9,232)	(4,882)	(1,068)	(2,163)
Profit before taxation	57,585	9,487	515,491	464,262	70,072
Taxation	(4,503)	535	(140,976)	(132,260)	(16,797)
Profit for the year/period	53,082	10,022	374,515	332,002	53,275
Other comprehensive income					
Exchange difference arising on translation to presentation currency	12,700	—	19,373	(4,504)	17,086
Total comprehensive income for the year/period	65,782	10,022	393,888	327,498	70,361
Profit for the year/period attributable to:					
Owners of the Company	45,206	6,709	168,332	129,930	47,840
Non-controlling interests	7,876	3,313	206,183	202,072	5,435
	53,082	10,022	374,515	332,002	53,275
Total comprehensive income attributable to:					
Owners of the Company	45,388	6,709	176,513	127,679	54,756
Non-controlling interests	20,394	3,313	217,375	199,819	15,605
	65,782	10,022	393,888	327,498	70,361
	HK cents	HK cents	HK cents	HK cents	HK cents
Earnings per share					
Basic	12.82	1.90	47.73	36.84	13.56

Revenue decreased by 11.8% from HK$555.9 million for the year ended 31 December 2008 to HK$490.1 million for the year ended 31 December 2009. The decrease was mainly attributable to the falling clinker and cement market price in 2009 resulting from the contraction in the construction industry and excess capacity of cement industry during the year. During the years ended 31 December 2008 and 2009, the Group sold cement and clinker at the prevailing market prices in the respective regions and the decrease in average selling prices for Shanghai and Shandong operations in 2009 was in line with the market trend.

Revenue decreased by 7.9% to HK$451.4 million for the year ended 31 December 2010 from HK$490.1 million for the year ended 31 December 2009, mainly due to the cessation of manufacture and sale of cement and clinker in Shanghai upon the Premises Vacation in December 2009.

Revenue increased by 142.0% to HK$391.7 million for the six months ended 30 June 2011 compared with the corresponding period in previous year as our average selling price increased. Allied Wangchao commenced its trial cement production since October 2010 with a total annual cement production capacity of approximately 1.0 million tons (approximately 0.5 million tons for six months), where the cement grinding system was shifted from Shanghai plant following the Premises Vacation.

The profit after tax of our Group were approximately HK$53.1 million, HK$10.0 million, HK$374.5 million, HK$332.0 million and HK$53.3 million, representing net profit margins of 9.5%, 2.0%, 83.0%, 205.1% and 13.6% for the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011 respectively. The net profit margin decreased to 2.0% in 2009 from 9.5% in 2008 due to the decrease in revenue and gross profit margin amid the weak cement market as abovementioned. At the same time, there was no net foreign exchange gain in 2009 compared to a net foreign exchange gain of HK$25.6 million in 2008. Moreover, the distribution and selling expenses and administrative expenses for the year ended 31 December 2009 had remained more or less the same as that for the year ended 31 December 2008. The net profit margin increased significantly to 83.0% for the year ended 31 December 2010 mainly due to the gain on land resumption exercise of HK$528.4 million in relation to the Premises Vacation as abovementioned.

The gain on land resumption exercise in relation to the Premises Vacation for the year ended 31 December 2010, which contributed to the significant increase in the profit after tax of our Group, was non-recurring in nature. A reconciliation of the profit to the adjusted profit for the year attributable to owners of the Company excluding the non-recurring items in relation to the Premises Vacation is presented as follows:

For the year ended 31 December 2010

	HK$' million	HK$' million
Profit for the year attributable to owners of the Company		168.3
Adjusted for:		
Gain on land resumption exercise	(528.4)	
Goodwill attributable to relocated Shanghai factory written off under other expenses	69.5	
Taxation attributable to gain on land resumption exercise	132.1	
Adjusted profit for the year attributable to non-controlling interests	198.2	
		(128.6)
Adjusted profit for the year attributable to owners of the Company		39.7

Accordingly the adjusted net profit margin after adjusting for the above items was approximately 10.6% for the year ended 31 December 2010 which increased in line with gross profit margin compared with that of 2009.

The Group recorded an improved net profit margin of 13.6% for the six months ended 30 June 2011, which was consistent with the increase in gross profit margin resulted mainly from the substantial increase in our average selling price and sales volume while our cost of sales remained relatively stable.

Our operating performance during the four months from July to October 2011

Based on our management accounts, during the four months from July to October 2011, we recorded revenue of HK$226.6 million, or a monthly average of approximately HK$56.6 million. Comparatively, during the six months ended 30 June 2011, our revenue was HK$391.7 million, or a monthly average of approximately HK$65.3 million. The decline was due to (i) lower monthly sales volume, especially in respect of our cement trading business, as we adopted a more cautious sales approach in view of the recent uncertainties of the global economies, and in particular the PRC real estate market; and (ii) lower selling prices for our cement products. For example, the average selling price for cement trading business during the four months from July to October 2011 was approximately RMB359.4 per ton compared with RMB387.0 per ton during the six months ended 30 June 2011. Comparatively, cement and clinker manufacturing activities had been stable where monthly sales volume during the four months from July to October 2011 had maintained at similar levels compared with the six months ended 30 June 2011. Average selling price for cement and clinker manufacturing activities was about 6% lower than that of the six months ended 30 June 2011. While our revenue had slowed and average selling price had decreased during the four months from July to October 2011, the Directors confirm that, save as aforesaid, there has been no material adverse change in our businesses since 30 June 2011, being the date of the Group's last audited financial statements as set out in Appendix I to this prospectus.

The Directors have noted the recent credit tightening in the PRC financial markets. Given that we do not have heavy reliance on bank loans to finance our business, the Directors are of the view that we will not be materially adversely affected by such tightening. The Directors also noted signs of deterioration of the PRC real estate market in the past months and believe our business will not be materially adversely affected as we have a diversified group of customers which supplies to different infrastructure projects such as roads, highways, bridges, railways and building construction. The Directors are however aware that continued uncertainties in these markets may result in lower demand for cement as well as lower cement prices, and will monitor the situation closely.

Impact to the profit and loss account of the Group for the year ending 31 December 2011 due to the expenses relating to the Listing

As a result of the Listing, our Directors expect that a sum of approximately HK$12.9 million will be recognised by the Group as listing expenses and such amount will be allocated and charged to the profit and loss account of the Group for the year ending 31 December 2011. Our Directors would like to emphasise that the aforesaid sum is a current estimate for reference only and the final amount to be charged to the profit or loss account of the Group for the year ending 31 December 2011 is subject to audit.

Summary of combined statements of financial position

	At 31 December			At 30 June
	2008	2009	2010	2011
	HK$'000	HK$'000	HK$'000	HK$'000
Total non-current assets	564,914	327,577	361,713	381,898
Total current assets				
— Trade and bills receivables	216,369	186,353	191,873	328,198
— Time deposits	—	—	282,353	217,139
— Bank balances and cash	59,161	506,011	269,619	70,098
— Other current assets	119,965	328,651	320,977	632,796
	395,495	1,021,015	1,064,822	1,248,231
Total assets	960,409	1,348,592	1,426,535	1,630,129
Total current liabilities				
— Trade and bills payables	47,908	23,588	92,818	173,440
— Deposit received on land resumption	—	568,382	—	—
— Amounts due to related parties	326,433	304,175	362,808	372,646
— Tax liabilities	33	1,629	142,666	151,224
— Other current liabilities	234,099	49,799	67,341	106,632
	608,473	947,573	665,633	803,942
Total non-current liabilities	42,356	90,233	114,051	108,975
Total liabilities	650,829	1,037,806	779,684	912,917
Net current (liabilities) assets	(212,978)	73,442	399,189	444,289
Net assets	309,580	310,786	646,851	717,212
EQUITY				
Share capital	10,000	10,000	—	—
Reserves	106,848	113,557	250,043	304,799
Equity attributable to owners of the Company	116,848	123,557	250,043	304,799
Non-controlling interests	192,732	187,229	396,808	412,413
Total equity	309,580	310,786	646,851	717,212

Summary of combined statements of cash flows

	For the year ended 31 December			For the six months ended 30 June
	2008	2009	2010	2011
	HK$'000	HK$'000	HK$'000	HK$'000
Net cash from operating activities	55,594	39,798	115,805	6,069
Net cash from (used in) investing activities	14,121	558,676	(371,885)	(234,230)
Net cash (used in) from financing activities	(48,765)	(151,624)	8,128	31,540
Net increase (decrease) in cash and cash equivalents	20,950	446,850	(247,952)	(196,621)
Cash and cash equivalents at the beginning of the year/period	35,772	59,161	506,011	269,619
Effect of foreign exchange rate changes	2,439	—	11,560	(2,900)
Cash and cash equivalents at the end of the year/period, represented by bank balances and cash	59,161	506,011	269,619	70,098

Trade and bills receivables

The following is the aging analysis of our trade and bills receivables, net of allowance for bad and doubtful debts for the Track Record Period:

	At 31 December			At 30 June
	2008	2009	2010	2011
	HK$'000	HK$'000	HK$'000	HK$'000
0–90 days	173,285	103,665	130,906	260,740
91–180 days	33,830	44,035	27,545	56,009
181–365 days	7,364	23,855	11,331	8,927
Over 1 year	1,890	14,798	22,091	2,522
	216,369	186,353	191,873	328,198
Debtors' turnover days *(note)*	142	139	155	153

Note: Debtors' turnover days are calculated based on the ending trade and bills receivables of a given year/period divided by the revenue for the corresponding year/period and multiplied by 365 days for the years ended 31 December 2008, 2009 and 2010 and by 183 days for the six months ended 30 June 2011.

Our Shandong operations typically require customer to settle the payment before or upon delivery of our products. Meanwhile, Shanghai SAC usually requires customers to settle the payments in full by cash or bank transfers with credit periods of normally ranging from 120 days to 1 year. The debtors' turnover days of the Group were 142 days, 139 days, 155 days and 153 days as at 31 December, 2008, 2009 and 2010 and the six months ended 30 June 2011 respectively. The credit periods we grant to customers are relatively longer compared to some other cement companies in the PRC market due to the following:

(i) Shanghai, one of our major markets, is comparatively more matured in terms of practice for financial settlements where customers typically expect credit periods and the use of bank acceptance bills as a form of settlement. The trade and bills receivables attributable to the Shanghai operation as at 31 December 2008, 2009 and 2010 and 30 June 2011 amounted to HK$180.4 million, HK$165.7 million, HK$168.9 million and HK$262.7 million respectively, representing 83.4%, 88.9%, 88.0% and 80.0% of our total trade and bills receivables as at the corresponding years/period end. In comparison, markets in more rural central and western parts of the PRC may generally have shorter or no credit periods and may require cash settlement upon delivery. While our acceptance of three to six-month credit bills from customers will result in longer debtors' turnover days, we noted that the credit risk would have effectively been transferred from our customers to the issuing banks; and

(ii) our ability to provide longer credit periods selectively to customers helps enhance the competitiveness of our cement trading activities. The Directors believe we are able to finance the working capital requirement for granting longer credit periods given our financial strengths, especially in respect of our Shanghai operations.

The Spin-off of the Group

Our Group is being spun off from Tian An which together with its subsidiaries (the "Tian An Group") are principally engaged in the development of high-end apartments, villas, office buildings and commercial properties, property investment and property management, as well as the manufacture, sale and trading of cement and clinker in the PRC (the "Spin-off"). Tian An spins off its existing cement business, being our Group, by way of a public offering of the Shares, and a separate listing of the Shares on the Main Board of the Stock Exchange. Following the Spin-off, our Company becomes a non-wholly owned subsidiary of Tian An.

For reference, reasons for and benefits of the Spin-off to investors of Tian An are set out as follows:

(i) the Spin-off will provide our Group with financial flexibility and a separate fund raising platform to raise funds from the capital markets to support its growth and future expansion as and when needed;

(ii) the Spin-off will essentially separate the cement business from property investment, development and property management of Tian An Group. Such segregation enables investors and financiers to appraise separately the value, strategies, functional exposure, risks and return of two sectors of business which are different in nature. This will facilitate their analysis of the two different businesses and their investment decisions. Investors will have a choice to invest in either Tian An Group or our Group and invest in either one or both of the business models;

(iii) the Spin-off will enable the management team of Tian An Group and our Group to focus on their respective core businesses, thereby enhancing efficiency, the decision-making process and its responsiveness to market changes;

(iv) the Spin-off is expected to improve the operational and financial transparency of our Group and provide investors, the market and rating agencies with greater clarity on the business as well as the respective financial status of Tian An Group and our Group;

(v) Tian An intends to maintain not more than 75% equity interest in our Group. Accordingly, Tian An will continue to benefit from any potential upside on the cement business to be owned by our Group through consolidation of the financial results generated by our Group;

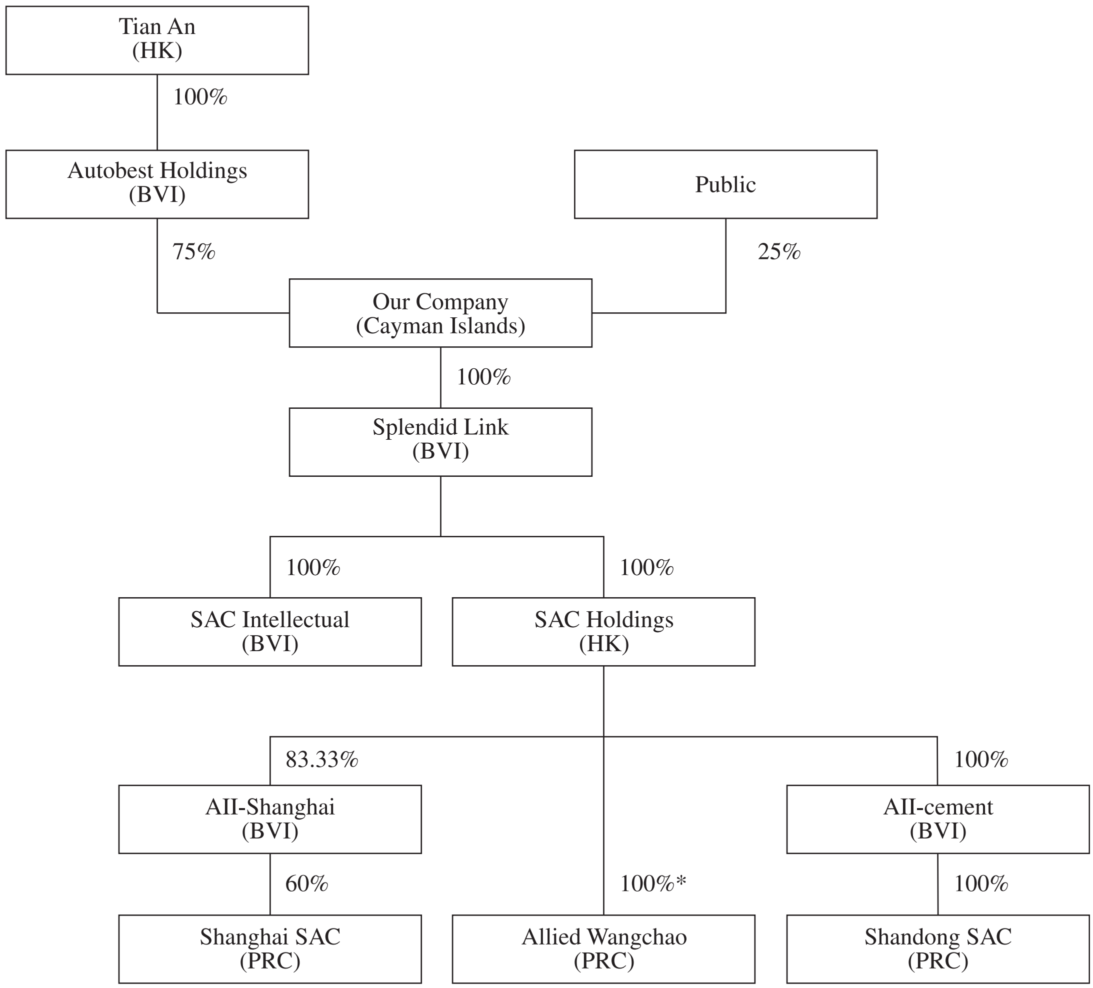
(vi) the net cash proceeds from the Share Offer will provide our Group funding to repay shareholders' and bank loans, and provide additional working capital for our operations; and

(vii) the Spin-off will enable the Qualifying TA Shareholders (through the Assured Entitlement) to have direct shareholding interests in our Group and business. For details, please refer to the paragraph headed "The Preferential Offering" under the section headed "Structure and conditions of the Share Offer".

SUMMARY OF CORPORATE STRUCTURE AND REORGANISATION

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 21 March 2011. We have 8 subsidiaries, namely Splendid Link, SAC Intellectual, SAC Holdings, AII-Shanghai, AII-cement, Shanghai SAC, Allied Wangchao and Shandong SAC. We underwent the Reorganisation to streamline our group structure in preparation for the Listing, and as a result, our Company became the holding company of Splendid Link. For further information about the corporate structure, shareholding structure and principal steps involved in the Reorganisation, please refer to the sections headed "Corporate reorganisation and group structure" and "Appendix V — Statutory and general information" in this prospectus.

The following chart sets out our corporate structure after the Reorganisation and immediately following completion of the Share Offer:



* *AII-Shanghai holds 25.63% of the equity interest of Allied Wangchao on trust for SAC Holdings.*

OFFER STATISTICS

	Based on an Offer Price of HK$1.00 per Offer Share
Market capitalisation of the Shares *(Note 1)*	HK$660 million
Historical price/earnings multiple *(Note 2)*	3.92 times
Unaudited pro forma adjusted net tangible assets per Share *(Notes 3 and 4)*	HK$0.67

Notes:

1. The calculation of the market capitalisation is based on 660,000,000 Shares expected to be in issue following the completion of the Share Offer.

2. The calculation of historical price/earnings multiples is based on the historical earnings attributable to equity holders of the Company for the financial year ended 31 December 2010 of approximately HK$168.3 million, the Offer Price of HK$1.00 per Share and assuming that our Company has been listed since 1 January 2010 and a total of 660,000,000 Shares (being the number of Shares expected to be in issue following the completion of the Share Offer).

   For illustration purposes, the historical price/earnings multiple after excluding the non-recurring items in relation to the Premises Vacation as set out in the paragraph headed "Summary of historical financial information" under this section would be approximately 16.61 times.

3. The number of Shares used for the calculation of unaudited pro forma adjusted net tangible assets attributable to owners of our Company per Share is based on 660,000,000 Shares to be in issue immediately after the Share Offer, which included the 142,292,167 Shares issued for the loan capitalisation as stated in note 4 below, and without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme.

4. Subsequent to 30 June 2011, shareholders' loans due to Tian An Group with an aggregate amount of approximately HK$227,305,000 have been capitalised for the consideration of the issuance of 142,292,167 Shares. No pro forma adjustment has been made to the net tangible assets of our Group in connection to these shareholders' loans capitalisation. If the shareholders' loans capitalisation were to be adjusted to the pro forma net tangible assets of our Group, the unaudited pro forma adjusted net tangible assets per Share would have been approximately HK$1.01.

DIVIDEND POLICY

Our Directors may recommend that dividends be declared after taking into account, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits, reserves available for distribution based on HKFRS, our Memorandum and Articles of Association, the Companies Law, applicable laws and regulations and other factors that our Directors deem relevant. Under our Articles of Association, declaration of final dividends is subject to the Shareholders' approval at our annual general meeting, while our Directors have been granted the authority to pay interim dividends without Shareholders' approval.

Any distributable profits that are not distributed in any given year may be retained and be made available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available for reinvestment in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any of our plans or at all. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board. As at the Latest Practicable Date, the Directors do not expect to declare any dividend for the year ending 31 December 2011.

USE OF PROCEEDS

Net proceeds from the Share Offer, based on the Offer Price of HK$1.00 per Offer Share and after deducting underwriting commissions and professional fees, is expected to amount to approximately HK$145.0 million. As discussed in the paragraph headed "Our strategy and future plans" in the section headed "Business" in this prospectus, we intend to use such net proceeds in the following manner:

(a) as to approximately HK$130.0 million, representing approximately 89.7% of the net proceeds from the Share Offer for repaying our loans owed to related parties, being Sunwealth[*(Note 1)*] and Tian An[*(Note 2)*] upon the Listing;

(b) as to approximately HK$10.0 million, representing approximately 6.9% of the net proceeds from the Share Offer for repayment of a bank loan partially due within 12 months from the Listing. The outstanding principal of this unsecured loan as at the Latest Practicable Date was approximately HK$50.5 million. The final maturity is on 16 December 2012 and the loan carries an interest rate of HIBOR plus 2.3%. The proceeds of this loan have been used primarily for our Shandong operations; and

(c) as to approximately HK$5.0 million, representing approximately 3.4% of the net proceeds from the Share Offer for general working capital of our Group.

To the extent the net proceeds of the Share Offer are not immediately used for the purposes described above, we intend to place the proceeds in short term bank deposits.

Notes:

1. Sunwealth is a wholly-owned subsidiary of Tian An. Approximately HK$128.2 million of the net proceeds will be used to repay a loan owing by our Group to Sunwealth. Such loan was part of the loan previously owed by SAC Holdings to ChinaVision Media which was subsequently assumed by Sunwealth as part of the sale and purchase agreement dated 21 May 2009. Details of which are set out in the section headed "Corporate reorganisation and group structure". This loan is non-interest bearing and is repayable on demand.

2. The amount owing to Tian An represents guarantee fee payable to Tian An for its provision of financial guarantee to certain current lenders. This amount owing is non-interest bearing and is repayable on demand.