This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text in this prospectus. Since this is only a summary, it does not contain all information that may be important to you. You should read the entire 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 forth in the section headed "Risk factors" in this prospectus. You should read that section carefully before making any decision to invest in the Offer Shares.

OVERVIEW

Our business model relies heavily on our relationships with the Celanese Entities. We are an integrated terminal service provider in the PRC specialised in the storage and handling of liquid chemical products and our business operation is characterised by the Celanese Contracts which set forth our business relationship with Celanese. We entered into the Celanese Contracts with remaining terms of over 10 years as of the Latest Practicable Date. For each of the three years ended 31 December 2010, the Celanese Contracts contributed approximately HK$143.2 million, HK$192.0 million and HK$228.3 million of revenue for our Group, which accounted for more than 90% of our revenue during each of the three years ended 31 December 2010. The Celanese Contracts provide an annual fixed contract sum which is payable by Celanese to our Group. For each of the three years ended 31 December 2010, the annual fixed contract sums of the Celanese Contracts were approximately RMB123.3 million, RMB155.9 million and RMB157.2 million, respectively, which accounted for more than 75% of our revenue during each of the three years ended 31 December 2010. The long-term nature of the Celanese Contracts enables us to achieve a sustainable and predictable operating cash inflow during the term of the Celanese Contracts.

We offer a comprehensive range of terminal and storage of liquid chemical services ranging from loading and discharging of liquid chemical products at our jetties and storage of liquid chemical products at our tank farm and delivery of such products by utilising our dedicated pipelines and other basic terminal infrastructure. Through our own terminal facilities, including storage tanks, dedicated pipelines, jetties and the related exclusive coastline use right, we are able to enhance our ability to manage our operation cost and provide flexibility for our future business expansion. As of the Latest Practicable Date, we had three terminals, namely Nanjing terminal, Tianjin terminal and Ningbo terminal. The Nanjing terminal is operated by Nanjing Dragon Crown, our subsidiary, whereas (i) the Tianjin terminal is operated by Tianjin Tianlong and Tianlong Haixiang, our Associated Entities; and (ii) the Ningbo terminal is operated by Ningbo Ningxiang and Ningbo Xinxiang, our Jointly-controlled Entities. All our terminals in Nanjing, Tianjin and Ningbo are licensed to handle hazardous chemicals, including those classified as Category A Dangerous goods in national standards in the PRC. In addition, our jetties are authorised to allow both foreign and domestic vessels to load and discharge their products.

Our terminal in Nanjing is located inside the Nanjing Chemical Industry Park, which is the largest chemical industry park in the Yangtze River Delta region in terms of the actual production volume in 2009. Further information on the ranking of the 2009 actual production volume of the chemical industry parks in the Yangtze River Delta region is set forth in "Industry Overview – Chemical Storage and Logistics Industry" in this prospectus.

The Nanjing Chemical Industry Park occupies an area of approximately 45 km^2 and is located along the Yangtze River with a total coastline of 14 km. The Nanjing Chemical Industry Park is one of the major acetic acid production bases in the world, and also one of the leading production bases for ethylene, aromatics, caprolactam, raw materials for Polyurethanes, oil refining and differential mucilage glue fiber in the PRC. At present, a number of multinational chemical enterprises have established their production facilities in the Nanjing Chemical Industry Park.

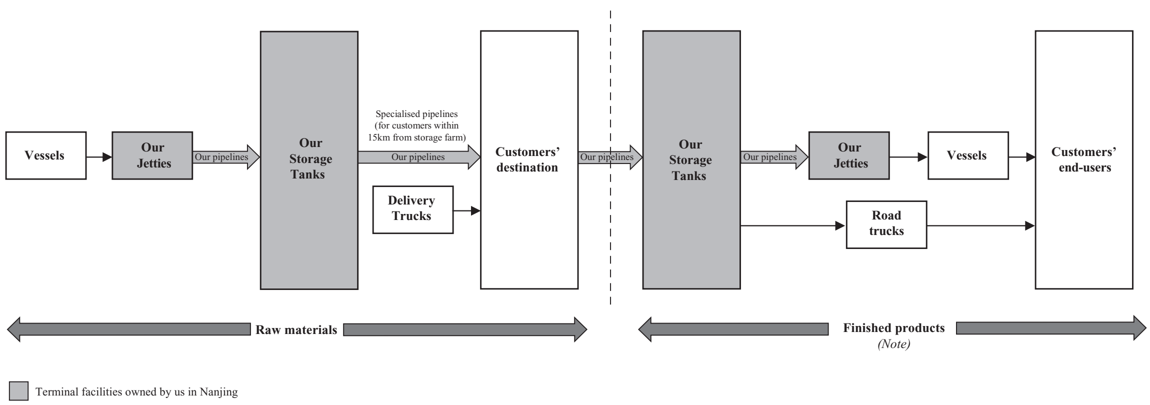
As the chemical terminal service industry is capital intensive and subject to strict PRC government approvals, HSE and licensing requirements, our Directors consider that our industry is characterised by a high entry barrier. According to the CNCC Report, as of 30 September 2010, there were only three independent terminal service providers inside the Nanjing Chemical Industry Park and our jetties' designed throughput capacity of 2.6 million metric tonnes is larger than that of our counterparts. Further information on the ranking of designed throughput capacity in the Nanjing Chemical Industry Park is set forth in "Industry Overview – Our Chemical and Storage Services" in this prospectus. To the best knowledge of our Directors and as of the Latest Practicable Date, there were more than 50 chemical enterprises located inside the Nanjing Chemical Industry Park. Among these chemical enterprises, six of them were chemical enterprises which required comprehensive terminal and storage services, including jetties, pipelines and storage tanks, for their liquid chemical raw materials and products. In relation to these six chemical enterprises, four of them, including Celanese (Nanjing), Celanese Diversified and Celanese Acetyl, are our customers. Celanese is one of the major chemical enterprises in the Nanjing Chemical Industry Park in terms of the total investment amount and sales in 2009. Being its service provider, we are able to secure a stable revenue from the Celanese Contracts. Our Nanjing terminal locates approximately 15 km away from the production facilities of Celanese. We enjoy a strategic location advantage over our competitors in the Nanjing Chemical Industry Park as we are in the shortest distance to Celanese among our competitors in the Nanjing Chemical Industry Park. In addition, we have constructed dedicated pipelines connecting our terminal to our customers' production bases inside the Nanjing Chemical Industry Park. Our dedicated pipelines allow bulk volume of chemical(s) to be delivered to our customers continuously in a safe, environmental friendly, efficient and cost effective manner. Also, dedicated pipelines can avoid product cross-contamination. Benefited from competitive advantages arising from the strategic location of our terminal and dedicated pipelines connecting with our customers' production bases in the Nanjing Chemical Industry Park, we have an advantage in serving customers inside the Nanjing Chemical Industry Park and various chemical customers nearby, as well as along the Yangtze River Delta region, which is one of the major liquid chemical consumption regions in the PRC.

Our Nanjing terminal is the key source to our revenue and profit. We established Nanjing Dragon Crown, our non-wholly owned subsidiary, in 2004. Nanjing Dragon Crown is owned as to 88.61% and 11.39% by DC Petrochemicals and Nanjing CIPC, respectively. During the Track Record Period, profit contributed by our Nanjing terminal amounted to approximately 89.3%, 94.6% and 91.1% of our total profit, respectively. According to the articles of associations of Nanjing Dragon Crown, the term of Nanjing Dragon Crown is for the period from 26 April 2004 to 25 April 2054, and may be extended as agreed by the shareholders of Nanjing Dragon Crown upon the approval by competent government authorities.

Apart from our operation in Nanjing, we, through our Associated Entities/ Jointly-controlled Entities, also provide terminal and storage services of liquid chemical products in Tianjin and Ningbo. Tianjin and Ningbo are major cities in the PRC having large growth potential for liquid chemical products. Our terminals located in Tianjin and Ningbo enjoy the high growth potential of these cities. The locations of our terminals in Tianjin and Ningbo are close to jetties, highway and rail tracks and are easily accessible by vessels, delivery trucks and/or railcars which allow efficient and safe transportation of the liquid chemical products to our customers' factories, production facilities or other destinations in a cost effective manner.

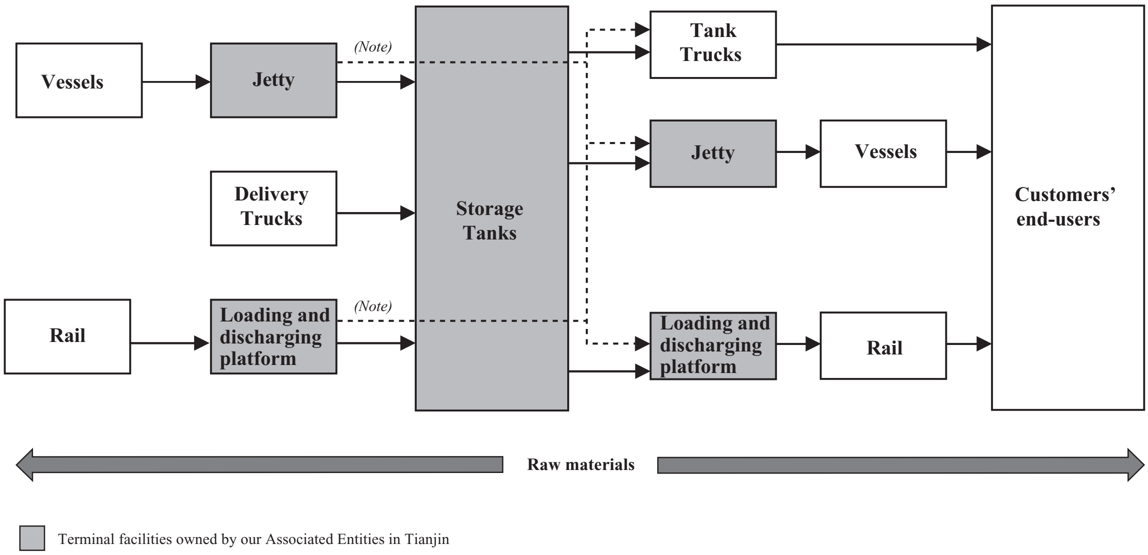
The following diagram illustrates the different logistics modes of our Nanjing, Tianjin and Ningbo terminals:

Nanjing terminal operated by our subsidiary



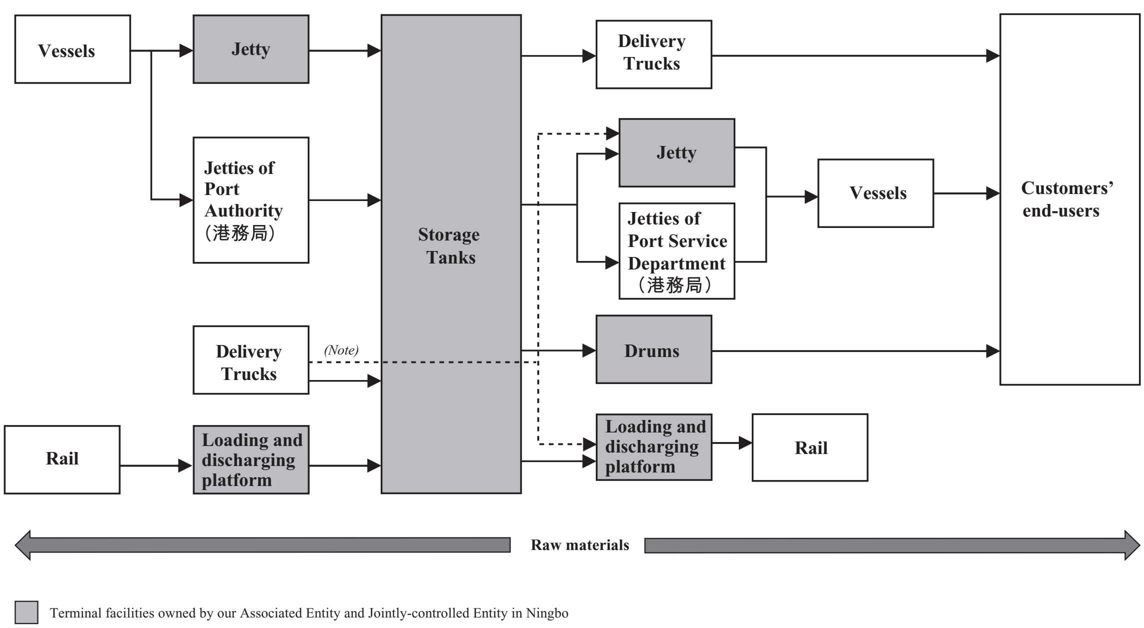
Note: In some cases, when liquid chemical(s) is/are delivered to our customers' factories or production facilities (as input raw material) and after processing such raw material input, our customers will further instruct us to deliver their finished products (another liquid chemical) to other destinations (their end-users). Upon receiving such instructions, the finished products (liquid chemical) will be transferred via dedicated pipelines into our storage tanks for storage and subsequently loading to road trucks and marine vessels inside our terminal for delivery to our customers' designated locations.

Tianjin terminal operated by our Associated Entities



Note: The handling of liquid chemicals in the Tianjin terminal may be delivered directly (i) from the jetty to tank trucks, another vessel at the jetty and/or rail; and (ii) from the rail to tank trucks and/or the jetty without involving the usage of storage tanks.

Ningbo terminal operated by our Associated Entity and Jointly-controlled Entity



Note: The handling of liquid chemicals in the Ningbo terminal may be delivered directly from delivery trucks to the jetty and/or the rail without involving the usage of storage tanks.

We may handle liquid chemical products through our jetties or through other delivery facilities, including pipelines, delivery trucks and/or rail. The following table provides an overview of liquid chemical products we handled through jetties or other delivery facilities in Nanjing, Tianjin and Ningbo during the Track Record Period:–

Terminals		Total actual throughput for the year ended 31 December 2008	2009	2010
		(metric tonnes)		
Nanjing terminal operated by our subsidiary	Jetties	750,400	926,600	1,419,260
	Other delivery facilities	100,200	314,800	382,340
	Total	850,600	1,241,400	1,801,600
Tianjin terminal operated by our Associated Entities	Jetty	311,400	242,100	267,700
	Other delivery facilities	–	–	5,300
	Total	311,400	242,100	273,000
Ningbo terminal operated by our Associated Entity/ Jointly-controlled Entity	Jetty	26,200	23,800	37,700
	Other delivery facilities *(Note)*	167,900	254,900	424,600
	Total	194,100	278,700	462,300

Note: Other delivery facilities in Ningbo include the jetty operated by Port Authority (港務局) in Ningbo.

The following table provides an overview of jetties in Nanjing, Tianjin and Ningbo:–

Jetties	Number of berth	Total designed berthing capacity *(Note 1)*	Total annual designed throughput capacity	Total annual actual throughput For the year ended 31 December			Utilisation rate *(Note 2)* For the year ended 31 December		
				2008	2009	2010	2008	2009	2010
		(dwt)	*(metric tonnes)*	*(metric tonnes)*			*(%)*		
Nanjing terminal operated by our subsidiary	2	25,000	2,600,000	750,400	926,600	1,419,260	28.9	35.6	54.6 *(Note 3)*
Tianjin terminal operated by our Associated Entities	1	3,000	301,600 *(Note 4)*	250,040 *(Note 5)*	164,100 *(Note 5)*	163,980 *(Note 5)*	82.9	54.4	54.4
Ningbo terminal operated by our Associated Entity/ Jointly-controlled Entity	1	3,000	100,000	26,200	23,800	37,700	26.2	23.8	37.7

Notes:

1. There were no changes to the designed berthing capacities of our jetties during the Track Record Period and as of the Latest Practicable Date.

2. The utilisation rate is calculated by our record of the annual actual throughput via jetties divided by (i) the total annual designed throughput capacity of jetties for the Nanjing terminal and Ningbo terminal in relation to the operating period; and (ii) the total annual adjusted designed throughput capacity of the jetty for the Tianjin terminal in relation to the operating period.

3. Based on the historical growth of the utilisation rate, it is expected that the utilisation rate of jetties at our Nanjing terminal will be further increased and it is necessary for us to construct an additional jetty to cope with our future growth.

4. The annual designed throughput capacity was 115,600 metric tonnes which was based on the assumption that the storage tank capacity in Tianjin was 16,000 m^3 and its turnaround was 8.5 times per year. Due to the growth of the storage tank capacity in Tianjin, the storage tank capacity in Tianjin has been increased to 24,900 m^3. In addition, since it is operated substantially under short-term spot rental service contracts, our Associated Entities in Tianjin could efficiently improve the turnaround of jetty facilities. As such, our Associated Entities in Tianjin have improved the annual designed throughput capacity of the jetty in Tianjin to 301,600 metric tonnes.

5. The designed throughput capacity of the jetty is calculated based on the storage tank capacity when the jetty was being constructed. During the Track Record Period, in relation to the Tianjin terminal, which was operated by our Associated Entities, the handling of liquid chemicals might be delivered directly without involving the usage of storage tanks. During the Track Record Period, in addition to the actual throughput passing through our jetty set forth above, the total actual throughput passing through our jetty without involving the usage of storage tanks in the Tianjin terminal amounted to approximately 61,360 metric tonnes, 78,000 metric tonnes and 103,720 metric tonnes, respectively.

The following table provides an overview of storage tanks in Nanjing, Tianjin and Ningbo:–

Storage tanks	Number of storage tanks			Total designed storage capacity			Total actual throughput			Types of liquid chemical products handled
	As of 31 December			As of 31 December			For the year ended 31 December			
	2008	2009	2010	2008	2009	2010	2008	2009	2010	
					(m^3)			(metric tonnes)		
Nanjing terminal operated by our subsidiary	20	20	20	152,000	152,000	152,000	850,600	1,241,400	1,801,600	Methanol, Acetic Acid, Cryogenic Ethylene, VAM, Acetic Anhydride, Phenol and Propylene Oxide
Tianjin terminal operated by our Associated Entities	15	15	15	24,900	24,900	24,900	250,000	164,100	169,290	ortho-xylene, para-xylene, VAM, Molten Sulphur, Sulphuric Acid, Phenol
Ningbo terminal operated by our Associated Entity/ Jointly-controlled Entity	12	12	12	29,000	29,000	29,000	167,200	185,700	250,900	adiponitrile, methanol, phenol, Dimethylformamide and Diethanolamine

Our Nanjing terminal is operated by our subsidiary. During the Track Record Period, the handling of liquid chemicals in our Nanjing terminal would necessarily involve the usage of our storage tanks. As such, the total actual throughput of our terminal facilities in Nanjing was the same as the total actual throughput of our storage tanks in Nanjing. The Tianjin terminal is operated by our Associated Entities and the Ningbo terminal is operated by our Jointly-controlled Entities. The handling of liquid chemicals in the Tianjin terminal and the Ningbo terminal might be delivered directly without involving the usage of storage tanks. As such, the total actual throughputs of terminal facilities in Tianjin and Ningbo were more than the total actual throughputs of storage tanks in Tianjin and Ningbo.

We regard safety, occupational health and environmental protection as our top priority. Over the years, we consistently apply and enforce stringent HSE policies in the course of our operations in accordance with the national and industry standards. Our policies also meet the standards imposed by our international and domestic customers. Further, to ensure that our staff are fully aware of and comply with our HSE policies, we provide regular trainings to all of our staff. We have also established relevant emergency action plans in case of any accidents in our production facilities. We are awarded the Certificate for Safety Production Standard Level II Enterprise by Jiangsu Administration of Work Safety in Nanjing on safety, occupational health and environmental matters and also awarded the Certificates of Compliance by Zhejiang Province of Work Safety on Chemical Enterprise Safety Standardisation in Ningbo for our achievement in maintaining high standard of safety measures. During the Track Record Period, since our HSE policies were in compliance with the national and industry standards as well as such standards imposed by our international and domestic customers, we had been able to maintain a high HSE standard which enables us building our well-established reputation as a reliable and safe liquid chemical terminal service provider.

We have achieved significant growth in our revenue and net profit during the Track Record Period. For the three years ended 31 December 2010, we recorded revenue of approximately HK$150.1 million, HK$198.5 million and HK$233.0 million, respectively. During the same periods, our net profit amounted to approximately HK$72.0 million, HK$101.9 million and HK$117.2 million, respectively. The substantial increases in revenue and net profit during the Track Record Period were mainly attributable to (i) the growing trend of the throughput of liquid chemical products handled by us; and (ii) the commencement of operation of our phase II facilities in Nanjing. Our phase I facilities in Nanjing was completed in 2007 and the operation for the Celanese (Nanjing) Contract commenced in April 2007 (for Acetic Acid and Methanol). Our phase II facilities in Nanjing was completed in 2008 and the operations for (i) the Celanese Acetyl Contract commenced in April 2008 (for Acetic Anhydride); and (ii) the Celanese Diversified Contract commenced in May 2008 (for VAM) and July 2008 (for Ethylene). In 2008, all of the Celanese (Nanjing) Contract, the Celanese Acetyl Contract and the Celanese Diversified Contract in aggregate contributed revenue of approximately HK$143.2 million, representing approximately 95.4% of our total revenue. In 2009 and 2010, all of the Celanese (Nanjing) Contract, the Celanese Acetyl Contract and the Celanese Diversified Contract were in full year operation and the total revenue contributed amounted to approximately HK$192.0 million and HK$228.3 million, representing approximately 96.7% and 98.0% of our total revenue, respectively.

Leveraging our specialised integrated terminal services, we are committed to becoming the leading provider of integrated terminal services for liquid chemical products in the PRC. We strive to capitalise on the development trend of the PRC liquid chemical market and continue to focus on the provision of terminal and storage services to leading liquid chemical manufacturers. We aim to maintain our established and long-term relationships with our customers, and strive to become the exclusive or primary liquid chemical terminal service provider for them.

RELATIONSHIP WITH CELANESE

Background

Our Directors consider that it is a common industry practice for industrial terminal service providers to sign long term service agreements, which specify the pricing terms of service, with their customers, mainly chemical product manufacturers. Through long term service agreements, terminal service providers can secure their return on substantial investment on the construction of jetties, storage tanks and/or dedicated pipelines. In addition, chemical product manufacturers can mitigate the risk of significant fluctuation in terminal service fee charged by service providers and ensure stable services provided by them. According to the CNCC Report, as of 30 September 2010, there were only three independent terminal service providers, including our Nanjing terminal, inside the Nanjing Chemical Industry Park. To the best knowledge of our Directors, the other two independent terminal service providers inside the Nanjing Chemical Industry Park have similar long-term contracts with their customers. In addition, the number of customers is limited by the restriction of distance since it will be costly to construct dedicated pipelines to serve customers in remote areas. Based on the capital and distance barriers, the Directors consider that piped terminal service providers generally provide services to a limited number of customers. To the best knowledge of our Directors and as of the Latest Practicable Date, there were more than 50 chemical enterprises located inside the Nanjing Chemical Industry Park. Among these chemical enterprises, six of them were chemical enterprises which required comprehensive terminal and storage services, including jetties, pipelines and storage tanks, for their liquid chemical raw materials and products. In relation to these six chemical enterprises, four of them, including Celanese (Nanjing), Celanese Diversified and Celanese Acetyl, were our customers. In addition to our Nanjing terminal, there were two other independent terminal service providers inside the Nanjing Chemical Industry Park. These two other independent terminal service providers provided terminal services to the remaining two chemical enterprises inside the Nanjing Chemical Industry Park which required comprehensive terminal and storage services. As the Nanjing Chemical Industry Park is still expanding its business operation, it is expected that more chemical enterprises will expand their operations or establish their foundations inside the Nanjing Chemical Industry Park. Our Directors consider that such chemical enterprises will be our major potential customers for the future expansion of our Nanjing terminal.

During the Track Record Period, we entered into long-term terminal service contracts with Celanese for the provision of terminal and bulk chemical storage for various liquid chemical products.

For each of the three years ended 31 December 2010, (i) revenue derived from Celanese (Nanjing) accounted for approximately 56.9%, 44.4% and 48.1% of our total revenue, respectively; (ii) revenue derived from Celanese Diversified accounted for approximately 29.2%, 42.3% and 41.1% of our total revenue, respectively; and (iii) revenue derived from Celanese Acetyl accounted for approximately 9.2%, 10.0% and 8.8% of our total revenue, respectively. Since (i) Celanese (Nanjing), Celanese Diversified and Celanese Acetyl are all subsidiaries to Celanese Corporation; and (ii) our terminal services provided to them are essential to Celanese's operations in Nanjing as a whole, Celanese (Nanjing), Celanese Diversified and Celanese Acetyl, if considered as a group and in aggregate, accounted for approximately 95.4%, 96.7% and 98.0% of our total revenue, respectively, during the Track Record Period. In addition, apart from Celanese (Nanjing), Celanese Diversified and Celanese Acetyl, we, excluding our Associated Entities and Jointly-controlled Entity, had a total of two, three and four customers during the Track Record Period whereas we, including our Associated Entities and Jointly-controlled Entity, had a total of 67, 74 and 59 customers during the Track Record Period.

The Celanese Contracts comprise the Celanese (Nanjing) Contract, the Celanese Diversified Contract and the Celanese Acetyl Contract. For each of the three years ended 31 December 2010, the Celanese Contracts contributed approximately HK$143.2 million, HK$192.0 million and HK$228.3 million of revenue for our Group, which accounted for more than 90% of our revenue during each of the three years ended 31 December 2010. Our Directors consider that terms under the Celanese Contracts are on normal commercial terms and in the ordinary business of our Group and which are similar to those of our Group's other independent and long-term customers.

Pursuant to each of the Celanese Contracts, we are entitled to charge Celanese a monthly fee. In effect, under each of the Celanese Contracts, we are entitled to charge each of Celanese (Nanjing), Celanese Diversified and Celanese Acetyl a monthly fixed fee, which is calculated with reference to our estimated return of our investments in constructing terminal facilities which is not adjustable. In addition to the monthly fixed fee, we are also entitled to charge each of Celanese (Nanjing), Celanese Diversified and Celanese Acetyl an operational fee, which is calculated with reference to the minimum throughput volume stated under the Celanese Contracts. If the actual throughput is in excess of the minimum throughput volume, any such volume shall be charged at an excess throughput rate. The minimum throughput volume and the actual throughput volume refer to the throughput volume of our Group's terminal facilities in Nanjing, including jetties, dedicated pipelines, storage tanks and the associated facilities. In addition, the operational fee is subject to an annual adjustment with reference to changes of consumer price index, utilities charges and wages under a pre-determined formula during the contract term, pursuant to which the adjusted operational fee can mirror the changes in such expenses. The operational fee of the Celanese Contracts is determined on a yearly basis and the adjustment terms will only adjust the operational fee. The following formula summarises the monthly contract sum under the Celanese Contracts:–

Monthly contract sum = Monthly fixed fee + Monthly operational fee

Whereas:–

Monthly operational fee = the higher of

(i) minimum throughput volume x operational fee rate OR

(ii) minimum throughput volume x operational fee rate + excess throughput volume x excess operational fee rate

For each of the three years ended 31 December 2010, the annual fixed contract sums of the Celanese Contracts were approximately RMB123.3 million, RMB155.9 million and RMB157.2 million, respectively, which accounted for more than 75% of our revenue during each of the three years ended 31 December 2010.

The term of each of the Celanese (Nanjing) Contract, Celanese Diversified Contract and Celanese Acetyl Contract is as follows:–

	Celanese (Nanjing) Contract	Celanese Diversified Contract	Celanese Acetyl Contract
Date of contact:	1 April 2004	1 June 2006	20 March 2007
Commencement date of commercial operation:	1 April 2007	1 July 2008 (for Ethylene) and 1 May 2008 (for VAM)	15 April 2008
Expiry date *(Note)*:	31 March 2022	30 June 2023 (for Ethylene) and 30 April 2023 (for VAM)	14 April 2023
Chemicals handled:	Acetic Acid and Methanol	Ethylene and VAM	Acetic Anhydride

Note: The term of each of the Celanese (Nanjing) Contract, Celanese Diversified Contract and Celanese Acetyl Contract shall automatically be renewed for successive one year period upon its expiry. Either party to each of the Celanese Contracts may terminate the Celanese Contract by giving the other party at least twenty-four months written notice, of which shall be effective no earlier than the end of each of the 15 year contract period and the successive period after the 15 year contract period. Either party to each of the Celanese Contracts may also give written notice of its intent to terminate the Celanese Contract in the event of a material breach of the Celanese Contract by the other party. It was further agreed by the parties to the Celanese Diversified Contract that Celanese Diversified may terminate the Celanese Diversified Contract at any time after the tenth anniversary of the Ethylene commercial operation date by providing to us not less than twelve months prior written notice of termination and by paying us the termination fee.

During the Track Record Period, except for the throughput volume of Methanol for the contract period from 1 April 2008 to 31 March 2009, the actual throughput volume of Acetic Acid and Methanol were in excess of their minimum throughput volumes under the Celanese (Nanjing) Contract. The actual throughput volume of Methanol for the contract period from 1 April 2008 to 31 March 2009 did not meet the minimum throughput volume because of the global financial crisis in the fourth quarter of 2008 and the first quarter of 2009 which led to a significant decline in the demand for Methanol during the said period.

In relation to Ethylene and VAM under the Celanese Diversified Contract and Acetic Anhydride under the Celanese Acetyl Contract, we recorded increasing trends of their actual throughput volumes. However, since their operations were still at the early stage of development, their actual throughput volumes did not meet the specified minimum throughput volumes under their respective contractual years during the Track Record Period.

We charged Celanese, in addition to monthly fixed fees, operational fees based on the minimum throughput volumes for such liquid chemical products which did not meet the minimum throughput volumes during the relevant periods. Under this arrangement, we are able to achieve a sustainable and predictable earnings during the terms of the Celanese Contracts notwithstanding Celanese may not be able to meet the specified minimum throughput volumes. If the actual throughput volume is higher than the minimum throughput volume, we are able to charge additional operational fees in accordance with the excess operational fee rate as specified under the Celanese Contracts.

For each of the three years ended 31 December 2010, the annual fixed contract sums of the Celanese Contracts were approximately RMB123.3 million, RMB155.9 million and RMB157.2 million, respectively. Since commercial operations of our terminal and storage services for Ethylene and VAM under the Celanese Diversified Contract only commenced on 1 July 2008 and 1 May 2008, respectively, whereas the commercial operation of our terminal and storage services for Acetic Anhydride under the Celanese Acetyl Contract commenced on 15 April 2008, our aggregate revenue from the Celanese Contracts during the financial year ended 31 December 2008 was lower than the annual fixed contract sum of RMB157.2 million because contributions from Celanese Diversified Contract and Celanese Acetyl Contract for the year ended 31 December 2008 were not recorded on full year basis.

Except for (i) adjustment terms in Celanese Contracts relating to annual adjustments to be made on changes of consumer price index, utilities charges and wages during the contract term; and (ii) normal and standard adjustment terms, including parties' mutual consent and force majeure circumstances, there are no other terms in each of the Celanese Contracts to revise the monthly fixed contract sum payable by Celanese to us.

Under the Celanese Contracts, if Celanese expands the production capacity of its manufacturing facility, we may be required to construct additional storage tanks for Celanese. Such provision is to facilitate the future cooperation opportunity between Celanese and us and we have reserved adequate land use rights at our Nanjing terminal to facilitate such expansion. Details of the future cooperation, including the timing for the expansion, are to be negotiated and there are no provisions as to the legal consequence of non-compliance if we are not able to reach a final consensus. Our Directors have been in discussion with the management of Celanese on its future plan from time to time. However, as of the Latest Practicable Date, there was no confirmed indication under the expansion provision of the Celanese Contracts.

Further details of the Celanese Contracts are set out in "Business – Our Business – Our business in Nanjing – Our relationship with Celanese" in this prospectus.

Factors mitigating the reliance on Celanese

Our Directors considered that our Group is capable of maintaining its revenue in the future despite our reliance on Celanese because of (i) the long-term nature and fee structure of the Celanese Contracts which enable us to achieve a sustainable and predictable operating cash inflow during the term of the Celanese Contracts; and (ii) the reputation of Celanese Corporation as a leading and global integrated producer of chemicals and advanced materials as well as its financial strength as illustrated in its financial reports which indicate the ability of Celanese to fulfill its obligations under the Celanese Contracts. While the Directors consider that it would be difficult to predict whether the chemical industry is on a downward or upward trend, the long-term nature and fee structure of the Celanese Contracts and the reputation of Celanese could shelter our Group from the fluctuation of market.

We intend to cooperate with Nanjing CIPC for further development of terminal and storage services in Nanjing. As of the Latest Practicable Date, we were negotiating with Nanjing CIPC for the development of phase III facilities in Nanjing. Our Directors expect that the whole project of phase III facilities in Nanjing can be completed by the second quarter of 2014. We intend to construct our third jetty at our terminal located in the Nanjing Chemical Industry Park. The construction of our third jetty, which will be equipped with the necessary facilities for handling Cryogenic Ethylene and be capable of accommodating large vessels up to 20,000 dwt and with an additional throughput capacity of approximately one million metric tonnes, is scheduled for completion by the fourth quarter of 2013 according to the currently anticipated timetable. Upon completion of the phase III facilities in Nanjing, our Nanjing terminal will have a total of three jetties. Further, we intend to construct our dedicated railway system linking our tank farm located in the Nanjing Chemical Industry Park to the private railway system of the Nanjing Chemical Industry Park. Rail connection to our terminal with the Nanjing Chemical Industry Park will be constructed and our Directors expect that the rail connection will be completed by the third quarter of 2012. Our proposed development of phase III facilities in Nanjing, including our third jetty at our Nanjing terminal, is for projects with chemical enterprises inside the Nanjing Chemical Industry Park and various chemical customers nearby, as well as along the Yangtze River Delta region. Such chemical enterprises include Celanese but it is expected that a majority of the projects will be with other chemical enterprises. With the completion of the development of phase III facilities in Nanjing, it is expected that our reliance on Celanese can be mitigated accordingly.

The total investment for phase III facilities in Nanjing is expected to amount to approximately HK$437 million which will be funded through (i) the proceeds arising from the Global Offering; and (ii) our internal resources and/or project financing. Please refer to "Business – Our Growth Strategies" and "Financial Information – Capital Expenditure" in this prospectus for further information. However, as of the Latest Practicable Date, we had not entered into any legally binding cooperation agreement with Nanjing CIPC for the development of phase III facilities in Nanjing. Further details of the project, including the throughput volume of phase III facilities in Nanjing, have not yet been finalised. We cannot guarantee that phase III facilities in Nanjing, which are still at the planning stage, will be completed on time or within our original budgets. Further details of such risk factor has been set forth in "Risk factors – Risks relating to our Group – If our major expansion plans and projects are not completed within our anticipated time frame or budgets or our major expansion plans and projects do not achieve our objectives, our future profitability could be materially and adversely affected" in this prospectus.

As of the Latest Practicable Date, out of our 20 storage tanks at the Nanjing terminal, 13 of them were reserved for Celanese during the term of the Celanese Contracts. If Celanese was to terminate its business relationship with us entirely or in breach of its obligations under the Celanese Contracts, there could be a risk that we might not be able to obtain business from other customers to occupy these dedicated storage tanks or if we were able to obtain such business, it might not be on commercially reasonable terms, or we might not be able to successfully claim for damages against Celanese for its breach of contract. As such, our operating results, financial condition and business would be harmed. However, our Directors consider that our Group is able to secure new storage contracts as dedicated storage tanks for Celanese can be widely applied to different corrosive and non-corrosive products. Our Directors further consider that, leveraging our competitive strengths, details of which are set forth in "Business – Our competitive strengths" in this prospectus, our Group is able to procure customers for our storage tanks if Celanese ceases to use our terminal services for whatever reasons.

In addition, Nanjing Dragon Crown has recently entered into a non-binding memorandum of understanding (the "**Business MOU**") with an Independent Third Party (the "**Potential Customer**") in the Nanjing Chemical Industry Park in relation to Nanjing Dragon Crown's provision of terminal and storage services of Cryogenic Ethylene, which is a raw material for the production of Ethylene Oxide. According to the Business MOU, the Potential Customer would establish its production plant of Ethylene Oxide with an annual production capacity of 60,000 metric tonnes in the Nanjing Chemical Industry Park and it was expected to commence operation in September 2011. Pursuant to the Business MOU, the Potential Customer intends to engage Nanjing Dragon Crown as the terminal service provider for Cryogenic Ethylene for a period of ten years upon signing of the formal agreement. It is expected that the minimum annual throughput volume of Cryogenic Ethylene to be handled by Nanjing Dragon Crown will be approximately 50,000 metric tonnes. As of the Latest Practicable Date, no formal agreement had been signed. In addition, since the Business MOU only set out the preliminary information of the project, further details, including the pricing structure, had not yet been determined.

OUR COMPETITIVE STRENGTHS

We believe that our historical success and the foundation for future growth can be attributed to our principal competitive strengths as follows:

- Well-established integrated terminal service provider specialised in the storage and handling of liquid chemical products in the PRC
- Entrenched relationships with high quality customers
- Sustainable and predictable earnings secured by long term service contracts
- Early mover advantage in market with high growth potential and good reputation
- Consistently achieve the national and industry standards on HSE requirements
- Stable and experienced management team

OUR GROWTH STRATEGIES

Leveraging our competitive strengths and with the business objective to become one of the leading integrated liquid chemical terminal service providers in China, we plan to pursue the following growth strategies:

- Further expansion on our existing terminal and storage business
- Replicate our success in Nanjing to other coastal regions in China
- Enhance operational efficiency and cost competitiveness through vertical integration
- Enhance service portfolio
- Increase our equity interests in our non-wholly owned subsidiary, Associated Entities and Jointly-controlled Entities

INVESTMENTS IN OUR ASSOCIATED ENTITIES AND JOINTLY-CONTROLLED ENTITIES WERE NOT CONSOLIDATED IN OUR FINANCIAL STATEMENTS

The table below sets out the percentage of equity interests of our Associated Entities and Jointly-controlled Entities after the Reorganisation:

Name of Associated Entities/ Jointly-controlled Entities	Name of owner	Percentage interest of the owner
Tianjin Tianlong	Ocean Access *(Note 1)*	65%
	Tianjin Changlu	22.5%
	Dagu Investments	7.5%
	Tianjin Waizong	5%
Tianlong Haixiang	Tianjin Tianlong *(Note 2)*	100%
Ningbo Xinxiang	Dragon Source *(Note 1)*	60%
	Ningbo Port	40%
Ningbo Ningxiang	Dragon Bussan *(Note 3)*	60%
	Ningbo Port	40%

Notes:

1. Ocean Access and Dragon Source are both indirect wholly-owned subsidiaries of our Company.

2. Tianlong Haixiang is wholly-owned by Tianjin Tianlong and since Tianjin Tianlong is our Associated Entity, Tianlong Haixiang is also considered as our Associated Entity.

3. Before the Dragon Bussan Reorganisation, the shareholding interests of Dragon Bussan were held by DC Investments (60%), Mitsui & Co., Ltd. (24%) and Mitsui & Company (Hong Kong) Limited (16%). After the completion of the Dragon Bussan Reorganisation, Dragon Bussan became an indirect wholly-owned subsidiary of our Company.

The major terms of the joint venture agreements governing the relationship among our joint venture parties in Tianjin Tianlong, Ningbo Xinxiang and Ningbo Ningxiang are as follows:–

	Tianjin Tianlong	Ningbo Xinxiang	Ningbo Ningxiang
Duration	28 August 1993 to 27 August 2014	19 December 2003 to 18 December 2018	20 October 1993 to 19 October 2018
Board representation	Our Group could appoint four out of the seven directors to the board	Our Group could appoint three out of the five directors to the board	Our Group could appoint three out of the five directors to the board

	Tianjin Tianlong	Ningbo Xinxiang	Ningbo Ningxiang
Voting rights	A quorum requires the presence of at least six out of the seven nominated directors and board resolutions relating to financial and operating policies require unanimous votes of all directors present at board meetings voting for the resolution	A quorum requires the presence of at least two-third of the total directors and board resolutions relating to financial and operating policies require two-third votes out of all directors present at board meetings voting for the resolution	A quorum requires the presence of at least two directors from each shareholder and board resolutions relating to financial and operating policies require 80% votes out of all directors present at board meetings voting for the resolution
Profit sharing ratio	In accordance with their respective equity interests	In accordance with their respective equity interests	In accordance with their respective equity interests
Termination	(1) In case of any force majeure issues or deficit for several consecutive years that result in the impossibility of the company's operation, the agreement can be terminated upon an unanimous vote by all directors (2) In case of any non-performance of obligations or a material deviation from the purpose of the company's operation by a party, the non-breaching party can terminate the agreement and claim compensation from the breaching party, or otherwise continue the company's operation and the non-breaching party can claim compensation from the breaching party (3) In case of any partial non-performance of obligations by a party, the breaching party shall make relevant compensation to the company	(1) In case of any force majeure issues or deficit for several consecutive years that result in the impossibility of the company's operation, the agreement can be terminated upon an unanimous vote by all directors (2) In case of any non-performance of obligations or a material deviation from the purpose of the company's operation by a party, the non-breaching party can terminate the agreement and claim compensation from the breaching party, or otherwise continue the company's operation and the non-breaching party can claim compensation from the breaching party (3) In case of any partial non-performance of obligations by a party, if the breaching party does not resolve the breaching issue within 15 days upon receiving a notice from the non-breaching party, the non-breaching party can terminate the agreement and claim compensation from the breaching party	In case of the situations such as (1) any substantial breach of the agreement which has not been resolved within 60 days, (2) an aggregate deficit of over 100% of the registered capital, (3) deficit of over 50% of the registered capital for three consecutive years, (4) winding up/bankruptcy of the company or any party, (5) any transfer of shares without the other party's approval, (6) confiscation of the company's material assets, (7) no achievement of the operation purpose, (8) enactment of new laws that materially affect the company's operation, or (9) force majeure issues lasting for over 120 days, any party can send to the other party a notice for the termination of the agreement. Upon receiving the notice, if all parties cannot resolve the problem within two months, the party who sent the notice has the right to sell the shares it holds in the company to the other party. If no agreement is achieved between the parties regarding the transfer, the company shall be dissolved

There are no provisions in relation to measures to resolve dead-lock resolution under the joint venture agreements.

Other rights and obligations of joint venture parties to Tianjin Tianlong, Ningbo Xinxiang and Ningbo Ningxiang are general and comparable to other standard and typical joint venture agreements.

Our investments in Tianjin Tianlong, Ningbo Xinxiang and Ningbo Ningxiang were not consolidated into our financial statements because quorum of board resolutions in these entities requires the presence of directors nominated by our joint venture partners.

Tianjin Tianlong is considered as our Associated Entity because we can exercise a significant influence, but not a joint control, in Tianjin Tianlong as its quorum requires six out of the seven nominated directors to be present whereas, apart from the four directors nominated by our Group, board resolutions can be made with any two of the other three directors nominated by the other three shareholders instead of an unanimous votes of all directors nominated by all shareholders in Tianjin Tianlong, unless the board resolutions are relating to financial and operating policies which require unanimous votes of all directors present at the board meeting voting for the resolution.

Tianlong Haixiang is an entity established in the PRC wholly-owned by Tianjin Tianlong. Since Tianjin Tianlong is our Associated Entity, Tianlong Haixiang is also considered as our Associated Entity.

Ningbo Xinxiang is considered as our Jointly-controlled Entity because Ningbo Xinxiang is jointly controlled by our joint venture partner and us on the basis that (i) there are only two shareholders in Ningbo Xinxiang and its quorum requires the presence of at least two-third of the total directors and (ii) board resolutions relating to financial and operating policies require two-third votes out of all directors present at the board meeting voting for the resolution whereas our Group could only appoint three out of the five directors to the board. As such, in effect, the quorum requires the presence of at least one director nominated by each shareholder in Ningbo Xinxiang.

Before the Dragon Bussan Reorganisation, Dragon Bussan was considered as our Associated Entity because we could exercise a significant influence, but not a joint control, in Dragon Bussan as its quorum required four out of the five nominated directors to be present whereas, apart from the three directors nominated by our Group, board resolutions can be made with any one of the other two directors nominated by the other two shareholders instead of an unanimous votes of all directors nominated by all shareholders in Dragon Bussan. Since Ningbo Ningxiang was held as to 60% by Dragon Bussan, Ningbo Ningxiang was also considered as our Associated Entity before the Dragon Bussan Reorganisation. Pursuant to the Dragon Bussan Reorganisation, Dragon Bussan became our indirect wholly-owned subsidiary whereas the equity interests of Ningbo Ningxiang are held as to 60% by Dragon Bussan and 40% by Ningbo Port. Pursuant to the Dragon Bussan Reorganisation, Ningbo Ningxiang became our Jointly-controlled Entity because Ningbo Ningxiang is jointly controlled by our joint venture partner and us on the basis that (i) there are only two shareholders in Ningbo Ningxiang and its quorum requires the presence of at least two directors from each shareholder and (ii) board resolutions relating to financial and operating policies require 80% votes out of all directors present at the board meeting voting for the resolution whereas Dragon Bussan could only appoint three out of the five directors to the board. As such, in effect, the quorum requires the presence of at least one director nominated by each shareholder in Ningbo Ningxiang.

HISTORICAL FINANCIAL INFORMATION

The consolidated financial data set forth below presents the summary consolidated financial information of the Group for the three years ended 31 December 2010. The financial information contained herein and in the Accountants' Report in Appendix I in this prospectus has been prepared in accordance with HKFRS. Investors should read these selected financial data together with Appendix I in this prospectus and discussion under the subsection headed Our Management's Discussion and Analysis in "Financial Information" in this prospectus.

Consolidated statements of comprehensive income

	Year ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	150,095	198,547	233,024
Cost of services provided	(55,709)	(75,600)	(89,583)
Gross profit	94,386	122,947	143,441
Other Income	1,078	6,023	11,817
Administrative expenses	(9,557)	(14,033)	(29,094)
Finance costs	(18,295)	(12,913)	(8,930)
Share of profits of:			
Associates	6,525	3,854	5,305
Jointly-controlled Entities	1,527	2,101	2,654
Profit before tax	75,664	107,979	125,193
Tax	(3,643)	(6,043)	(8,036)
Profit for the year	72,021	101,936	117,157
Exchange differences on translation of foreign operations	24,934	1,333	19,819
Total comprehensive income for the year	96,955	103,269	136,976
Profit for the year attributable to:			
The owner of the Company	60,447	85,304	96,745
Non-controlling interests	11,574	16,632	20,412
	72,021	101,936	117,157

	Year ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Total comprehensive income attributable to:			
The owners of the Company	81,767	86,294	114,550
Non-controlling interests	15,188	16,975	22,426
	96,955	103,269	136,976

Consolidated statements of financial position

	As of 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	566,866	544,984	541,742
Prepaid land lease payments	33,078	41,378	41,906
Goodwill	–	–	1,210
Interests in associates	33,791	32,486	23,148
Interest in jointly-controlled entities	6,645	7,223	25,780
Prepayments, deposits and other receivables	–	–	7,132
Total non-current assets	640,380	626,071	640,918
CURRENT ASSETS			
Inventories	1,820	1,808	2,416
Accounts receivable	25,123	35,329	45,152
Due from a non-controlling shareholder	4,871	208	–
Prepayments, deposits and other receivables	14,932	2,079	10,008
Cash and bank balances	18,527	23,249	46,611
Total current assets	65,273	62,673	104,187
CURRENT LIABILITIES			
Other payables and accruals	22,832	25,154	35,511
Due to a director	2,462	1,996	–
Interest-bearing bank loans	133,057	88,504	56,472
Due to the former ultimate holding company	–	186	249
Tax payable	–	1,342	629
Total current liabilities	158,351	117,182	92,861
NET CURRENT ASSETS/(LIABILITIES)	(93,078)	(54,509)	11,326
TOTAL ASSETS LESS CURRENT LIABILITIES	547,302	571,562	652,244

	As of 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	95,202	76,862	162,188
Due to the former ultimate holding company	257,729	198,906	–
Deferred tax liabilities	3,680	8,307	6,730
Total non-current liabilities	356,611	284,075	168,918
Net assets	190,691	287,487	483,326
EQUITY			
Equity attributable to the owners of the Company			
Issued share capital	27,342	27,342	83
Reserves	115,480	195,230	437,839
	142,822	222,572	437,922
Non-controlling interests	47,869	64,915	45,404
Total equity	190,691	287,487	483,326

DIVIDEND AND DIVIDEND POLICY

During the Track Record Period, the dividend distributed by the companies now comprising our Group amounted to approximately HK$1.5 million, HK$6.4 million and HK$162.3 million, respectively.

Pursuant to resolutions of our Directors dated 3 November 2010, 18 November 2010 and 29 November 2010, DC Petrochemicals, Dragon Source and Dragon Bussan declared special cash dividend of HK$131 million (to DC Investments and Mr. TING Yian Ann), HK$1.38 million (to Mr. NG) and US$1 million (as to 40% for Quick Response and 60% for DC Investments) to their respective shareholders as of the dates of the respective resolutions. Except for the US$0.4 million distributed to Quick Response, all of the aforesaid dividend were distributed outside our Group. The above special cash dividend was fully settled by the end of November 2010.

The special cash dividend was declared out of our Group's retained profit, which was generated by shareholders' equity and management efforts of our existing Shareholders during the Track Record Period. Therefore, our Directors consider the special dividend represented an investment return to our existing Shareholders due to their past contributions to our Group during the Track Record Period.

Although our working capital position of the Group decreased immediately after the full payment of the special dividend, our Directors confirm that it did not have any material adverse impact to our Group's business operations and financial position.

Save for the above, no dividend was approved or declared by our Company during the Track Record Period and up to the Latest Practicable Date.

Following the Listing, subject to the relevant law and the Articles, we, through a general meeting, may declare dividends in any currency but no dividend shall be declared in excess of the amount recommended by our Board. The Articles provide that dividends may be declared and paid out of our profit, realised or unrealised, or from any reserve set aside from profits which our Directors determine is no longer needed. With the approval of the Shareholders, we may also declare dividend out of a share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law. Future dividend payments will also depend upon the availability of dividend received from our subsidiary in the PRC. In the PRC, the laws require that dividend be paid only out of the net profit calculated according to the PRC accounting principles, which differ in many aspects from HKFRS and accepted accounting principles in other jurisdictions. The PRC laws also require companies (including foreign investment 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 in the PRC may also be restricted if they incur debts or losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiary in the PRC may enter into in the future.

Subject to the availability of our cash and distributable reserves, investment requirements, our cashflow and working capital requirements and the approval of our Shareholders, our Directors currently intend to declare and recommend dividend amount to approximately 40% of the annual distributable profit, if any, from ordinary activities starting from the first full financial year ending 31 December 2012 subsequent to the Global Offering.

USE OF PROCEEDS

Assuming an Offer Price of HK$1.20 per Offer Share (being the midpoint of the indicative Offer Price range of HK$1.0 to HK$1.40 per Offer Share), the net proceeds from the Global Offering, after deducting the underwriting fees and estimated expenses payable by us in connection with the Global Offering, are estimated to be approximately HK$301.8 million. Our Directors presently intend to apply the net proceeds as follows:

Development of phase III facilities in Nanjing

1. approximately HK$143.0 million is expected to be applied to fund the construction of 10 spherical storage tanks and other associated facilities at our terminal located in the Nanjing Chemical Industry Park, of which six of them are spherical storage tanks dedicated for storage of propylene with an aggregate storage capacity of 15,000 m^3; and four of them are spherical storage tanks dedicated for storage of butylene and butadiene with an aggregate storage capacity of 10,000 m^3. Spherical storage tanks are pressurized storage tank which are used to store special liquefied gas chemicals. Liquefied gas chemicals are in a gaseous state under normal temperature and pressure. Under higher pressure, these chemicals will undergo a phase change and will be in a fluid state for ease of storage, handling and pumping. The total investment is anticipated to be approximately HK$230 million. The shortfall will be financed by our internal resources and/or project financing. As spherical storage tanks are specially designed for special liquefied gas chemicals, we will only build those storage tanks after securing long term contracts with our customers. Leveraging our competitive advantages in serving chemical enterprises inside the Nanjing Chemical Industry Park and nearby regions along the Yangtze River Delta region, we do not foresee any major difficulty in securing customers for such new storage tanks. Based on the currently anticipated timetable, the construction of all spherical storage tanks are scheduled for completion by the fourth quarter of 2013, details of which are set out in "Business – Our growth strategies – Further expansion on our terminal and storage business" in this prospectus. Through the construction of the above spherical storage tanks, we can meet customers' increasing demands for full spectrum of special liquid chemical terminal services which in turn, broaden our revenue bases and strengthen our storage capability;

2. approximately HK$50.0 million is expected to be applied to fund the construction of our third jetty at our terminal located in the Nanjing Chemical Industry Park. The construction of our third jetty, which will have necessary facilities for handling Cryogenic Ethylene and be capable of accommodating large vessels up to 20,000 dwt, is scheduled for completion by the fourth quarter of 2013 based on

the currently anticipated timetable. The total investment is anticipated to be approximately HK$80.5 million, of which approximately HK$44.8 million as construction cost for mooring barge and water side infrastructure; and approximately HK$35.7 million as construction cost for other associated facilities of our third jetty. The shortfall will be financed by our internal resources and/or project financing. Details of which are set out in "Business – Our Growth Strategies – Further expansion on our terminal and storage business" in this prospectus;

3. approximately HK$42.9 million is expected to be applied to fund the construction of our dedicated railway system linking our tank farm located in the Nanjing Chemical Industry Park to the private railway system of the Nanjing Chemical Industry Park. The total investment is anticipated to be approximately HK$69 million, of which (i) approximately HK$34.5 million as the construction cost for railway; (ii) approximately HK$20.7 million as the construction cost for the rail loading/unloading platforms and associated facilities; and (iii) approximately HK$13.8 million as the relevant land acquisition cost. The shortfall will be financed by our internal resources and/or project financing. Based on the currently anticipated timetable, the construction of the above dedicated railway system is expected to be completed by the third quarter of 2012, details of which are set out in "Business – Our Growth Strategies – Further expansion on our terminal and storage business" in this prospectus;

4. approximately HK$35.7 million is expected to be applied to fund the construction of nine general purpose storage tanks with an aggregate storage capacity of 18,000 m^3 and other associated facilities at our terminal located in the Nanjing Chemical Industry Park. General purpose storage tanks are used to store ordinary liquid chemicals which are in fluid state under normal temperature and pressure. The total investment is anticipated to be approximately HK$57.5 million. The shortfall will be financed by our internal resources and/or project financing. Based on the currently anticipated timetable, the construction is expected to be completed by the third quarter of 2012, details of which are set out in "Business – Our Growth Strategies – Further expansion on our terminal and storage business" in this prospectus. Through the construction of the above storage tanks, we can strengthen our storage capacity of liquid chemicals in order to capture new spot and term terminal business;

General working capital

The balance of approximately HK$30.2 million as our general working capital.

In the event the Offer Price is set at the high end of the indicate Offer Price range, being HK$1.40 per Offer Share, the net proceeds from the Global Offering (assuming that the Over-allotment Option is not exercised) will increase to HK$355 million. We intend to apply the additional net proceeds to (i) finance the development of phase III facilities in Nanjing; and (ii) finance our plan to increase our equity interests in our non-wholly owned subsidiary, Associated Entities and Jointly-controlled Entities, details of which are set forth in "Business – Our Growth Strategies – Increase our equity interests in our non-wholly owned subsidiary, Associated Entities and Jointly-controlled Entities" in this prospectus.

In the event the Offer Price is set at the low end of the indicate Offer Price range, being HK$1.0 per Offer Share, the net proceeds from the Global Offering (assuming that the Over-allotment Option is not exercised) will decrease to HK$248 million. The amount of net proceeds proposed to be used to fund the development of phase III facilities in Nanjing will be reduced proportionally after the full utilization of the Company's general working capital for the above purposes. The shortfall will be financed by our internal resources and/or project financing.

Should the Over-allotment Option be exercised in full (assuming an Offer Price of HK$1.20 per Offer Share, being the mid-point of the indicative range of Offer Price), the Company will receive additional net proceeds of approximately HK$48 million. The Directors intend to apply the additional net proceeds to general working capital by increasing the amount of which to up to 10% of the aggregate net proceeds from the Global Offering; and the remaining additional net proceeds to (i) finance the development of phase III facilities in Nanjing; and (ii) finance our plan to increase our equity interests on our non-wholly owned subsidiary, Associated Entities and Jointly-controlled Entities.

To the extent that the net proceeds from the Global Offering are not immediately required for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term deposits with licensed banks and authorised financial institutions in Hong Kong and/or the PRC for so long as it is in our best interests. We will also disclose the same in the relevant annual report(s).

RISK FACTORS

Our Directors consider that there are certain risks involved in our Group's operations and industry, the details of such risks are set out in "Risk Factors" in this prospectus. The risks can be broadly categorised as follows:

Risks relating to our Group

- We rely on our major customers
- Our terminal and storage services business in Nanjing is conducted through our non-wholly owned subsidiary and changes to, termination of, or any disputes arising from, our arrangements with the other shareholder could have an adverse impact on our business operations
- Our business operations are subject to significant operational risks and other unforeseen risks that may not be fully covered by our insurance policies
- Our future revenue growth relies on our ability to secure new projects and the actual throughput volume in excess of the minimum throughput volume under long-term service contracts with our customers
- Our operations are subject to HSE protection laws and regulations
- Changes to laws, regulations and government policies governing our terminal and storage of liquid chemical products business in the PRC may have a material adverse effect on our business and operations
- We cannot provide any assurance of the sustainability of growth in turnover and net profit
- If our major expansion plans and projects are not completed within our anticipated time frame or budgets or our major expansion plans and projects do not achieve our objectives, our future profitability could be materially and adversely affected
- We may not be able to achieve our future plans
- Our operating results are affected by the performance of our customers
- Any breakdown of our information system may adversely affect our business operations
- Our future development will require substantial investment in the construction of terminal infrastructure, which may cause us to incur higher depreciation costs, thus affect our profitability
- We may not be able to obtain sufficient funding for our planned capital expenditures, the maintenance works and upgrading of our terminal infrastructure and facilities and other corporate needs, which could hinder our business growth

- We incurred net current liabilities as of 31 December 2008 and 2009
- Our terminal and storage services business in Tianjin and Ningbo are conducted through our Associated Entities and Jointly-controlled Entities and changes to, or termination of, our arrangements with our joint venture partners could have an adverse impact on our business operations
- Our success significantly depends on our ability to attract and retain key management
- The landlord of our leased property may not have the right to lease the property to our Group
- We rely on bank borrowings during the Track Record Period
- We rely on our connected persons for the provision of certain services
- We will be controlled by our Controlling Shareholders, whose interests may differ from those of our other Shareholders
- Our ability to pay dividends and utilise cash resources in our subsidiaries, Associated Entities and Jointly-controlled Entities is dependent upon the earnings of, and distributions by, our subsidiaries, Associated Entities and Jointly-controlled Entities
- We cannot provide any assurance on the amount of future distributions
- A change in our tax treatment may have a negative impact on the results of our operations

Risks relating to the industry

- We face increasing competition from both domestic and foreign companies, which may affect our market share and profit margins
- We require various permits, approvals and licences for the operation of our business and for the terminal, storage and handling of liquid chemical products in China. The termination of or failure to renew any or all of these licences, approval and permits could adversely affect our business and operations
- Our business operation may be affected by weather conditions

Risks relating to the PRC

- It may be difficult to effect service of process upon us or our Directors or executive officers who live in China or to enforce against them in the PRC judgements obtained from non-PRC courts
- The outbreak of any severe contagious diseases in China, if uncontrolled, could adversely affect our results of operations and the price of our Shares

- The occurrence of fire, severe weather, flood, earthquake or other natural disasters could cause significant damage to our facilities in the PRC and disrupt our business operations

- Power or water or diesel fuel shortages or any substantial increase in the utilities charges in the PRC could adversely affect our results of operations and the price of our Shares

- Changes in PRC foreign exchange regulations may adversely affect our business operations

- We may be subject to the PRC taxation pursuant to《關於企業重組業務企業所得稅處理若干問題的通知》(the Notice on Issues Concerning Process of Enterprise Income Tax in Enterprise Restructuring Business*) and《關於加強非居民企業股權轉讓所得企業所得稅管理的通知》(the Notice on Strengthening the Management on Enterprise Income Tax for Non-resident Enterprises Equity Transfer*)

- Fluctuations in the value of RMB may adversely affect our business and the value of distributions by our PRC subsidiaries

- Interpretation of PRC laws and regulations involves uncertainty

- Changes in the PRC's political, economic and social conditions, laws, regulations and policies may have an adverse effect on us

Risks relating to the Global Offering

- There has been no prior public market for the Shares and the liquidity and market price of the Shares may be volatile

- We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering

Risks relating to statements made in this prospectus

- Certain facts and statistics included in this prospectus may not be relied upon

- Forward looking statements may be inaccurate

STATISTICS FOR THE GLOBAL OFFERING

Audited consolidated net profit attributable to the owners of the Company for the year ended 31 December 2010	HK$96.7 million
Unaudited pro forma consolidated earnings per Share *(Note 1)*	87.9 cents

	Based on an indicative Offer Price per Share of HK$1.0	**Based on an indicative Offer Price per Share of HK$1.4**
Market capitalisation of the Shares *(Note 2)*	HK$1,100 million	HK$1,540 million
Unaudited pro forma adjusted consolidated net tangible assets per Share *(Note 3)*	HK$0.62	HK$0.72

Notes:

(1) The unaudited pro forma consolidated earnings per Share is calculated based on the audited consolidated net profit attributable to the owners of the Company for the year ended 31 December 2010 and a total of 1,100,000,000 Shares will be issued immediately upon the Listing, and without taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option or the option which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or repurchased by the Company.

(2) The calculation of market capitalisation is based on 1,100,000,000 Shares expected to be in issue following completion of the Global Offering and the Capitalisation Issue, without taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or the option which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the paragraphs under "Unaudited Pro Forma Financial Information" in Appendix II in this prospectus and on the basis of 1,100,000,000 Shares in issue immediately upon completion of the Global Offering and the Capitalisation Issue but without taking into account of any Shares which may be allotted and issued upon exercise of the Over-allotment Option or the option which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company.