Prospective investors in the Offer Shares should consider carefully all of the information set forth in this prospectus and, in particular, the following risks in connection with an investment in the Company. Our Group's business could be materially and adversely affected by any of these risks. The trading price of the Shares could decline due to any of these risks and you may lose all or part of your investment.

RISKS RELATING TO OUR GROUP

We rely on our major customers

During the Track Record Period, we entered into long-term terminal service contracts with (i) Celanese (Nanjing) for the provision of terminal and bulk chemical storage for Acetic Acid and Methanol for a term commencing on 1 April 2004 and extended for a period of fifteen years from 1 April 2007 to 31 March 2022 and shall automatically renew for successive one year period afterwards; (ii) Celanese Diversified for the provision of terminal and bulk chemical storage for Ethylene and VAM for a term commencing on 1 June 2006 and extended for a period of fifteen years from the respective commercial operation date of the facilities under the contract (which the commercial operation date for Ethylene facility is 1 July 2008 and the commercial operation date for VAM facility is 1 May 2008) and shall automatically renew for successive one year period afterwards; and (iii) Celanese Acetyl for the provision of terminal and bulk chemical storage for Acetic Anhydride for a term commencing on 20 March 2007 and extended for a period of fifteen years from the respective commercial operation date of the facilities under the contract which started from 15 April 2008 and shall automatically renew for successive one year period afterwards, respectively. Our long-term service contracts with Celanese (Nanjing), Celanese Diversified and Celanese Acetyl provided for a minimum contract sum subject to adjustment to be paid to us throughout the contract term. Major terms of the Celanese Contracts are set out in "Business – Our Business – Our business in Nanjing – Our relationship with Celanese" in this prospectus.

For each of the three years ended 31 December 2010, (i) revenue derived from Celanese (Nanjing), one of our major customers, accounted for approximately 56.9%, 44.4% and 48.1% of our total revenue, respectively; (ii) revenue derived from Celanese Diversified, one of our major customers, accounted for approximately 29.2%, 42.3% and 41.1% of our total revenue, respectively; and (iii) revenue derived from Celanese Acetyl, one of our major customers, 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 the Celanese Corporation; and (ii) our terminal services provided to them are essential to Celanese's operation 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. If any of these customers were to terminate its business relationship with us entirely or in breach of its obligations under the long-term contracts with us, there could be a risk that that we might not be able to obtain business from other customers to occupy these dedicated storage tanks or if we were to be 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 any of these customers for its breach of contract. As such, our operating results, financial condition and business would be harmed.

For each of the three years ended 31 December 2010, our top five customers (taking Celanese (Nanjing), Celanese Diversified and Celanese Acetyl as three individual customers), as measured by revenue, accounted for approximately 100%, 99.9% and 99.7% of our total revenue, respectively. For each of the three years ended 31 December 2010, our top five customers (taking Celanese (Nanjing), Celanese Diversified and Celanese Acetyl as a group and as our largest customer), in aggregate, accounted for approximately 100%, 100% and 100% of our total revenue, respectively. 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. We anticipate that we will continue to derive a significant portion of our revenue from our largest customer in the near future. Any termination of our business relationship with these customers or significant reduction in the throughput volume with any of these customers or any significant restriction in pricing terms for these customers or any the deterioration of the credibility of the customers could have a material adverse effect on our operating results and profitability.

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

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, our 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. The continuation of this non-wholly owned subsidiary and the cooperative arrangement between the shareholders are fundamental to our operations. If there is any change to, termination of, or any dispute arising from, our arrangements and co-operative relationship with Nanjing CIPC, there may have an adverse impact on our business operations, operating results and profitability.

Our business operations are subject to significant operational risks and other unforeseen risks that may not be fully covered by our insurance policies

In the course of providing our terminal and storage services, we load and discharge, store, handle and transport hazardous liquid chemical products such as Methanol, Acetic Anhydride, Acetic Acid, Phenol, VAM and Cryogenic Ethylene, etc. Due to diverse handling and storage requirements for different liquid chemical products, we are required to use dedicated pipelines for different liquid chemical products handled by us, which will further increase our operation cost, and any contamination of products may affect our reputation and our customers' confidence on our Group. In addition, some of these liquid chemical products are required to be stored and handled in a high temperature and high pressure condition. Improper handling of these hazardous materials can cause serious pollution, fires, explosions, personal injury and possible legal liability. Any accidents resulting from improper handling of these hazardous materials may cause serious health and safety issues, or significant damage to our facilities and terminals and may cause interruptions of our business. We may face compensation claims from any parties, including but not limited to, our customers or governments or other entities situated next to or adjacent to our terminals. Our operations are also subject to unforeseen risks. We cannot assure that we have maintained sufficient insurance coverage for the risks associated with the operation of our business. Further, we cannot guarantee that we will be successful in making an insurance claim under the insurance policies maintained by us or that the claimed proceeds will be sufficient to compensate the actual damages suffered or at all. Any of these events could adversely affect our business operations and financial condition and may harm our reputation, leading to litigation, government fines or penalties. Under any of these events, our existing insurance coverage may not cover the losses we may incur and we may be liable for the losses and damages.

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 revenue during the Track Record Period was substantially generated from our customers of long-term service contracts at our Nanjing terminal. Pursuant to such long-term service contracts, we are entitled to charge our customers with a minimum fixed contract sum, representing a monthly fixed fee and an operational fee on the minimum throughput volume. We are also entitled to charge such customers an additional operational fee if the actual throughput volume is higher than the minimum throughput volume. Such minimum fixed contract sum will be charged irrespective of the actual throughput volume used by our customers of long-term contracts. In consideration, we reserve facilities, including dedicated storage tanks and pipelines, for such customers and we are not able to utilise such facilities to serve other customers even if such facilities are vacant. As of the Latest Practicable Date, we had a total of 20 storage tanks at our Nanjing terminal and 15 of them, representing approximately 93.4% of the total designed capacity of storage tanks in Nanjning, had been reserved for customers of long-term contracts. In practice, if we are going to sign long term contract with a customer, we have to construct additional facilities. In general, it takes 18 months, subject to natures of chemical products, distance from our customers and such other factors, to construct the necessary facilities. As of the Latest Practicable Date, we had not secured any new projects. As such, our revenue growth in the coming year may have to rely on (i) the actual throughput volume in excess of the minimum throughput volume of liquid chemical products we handle of which we are entitled to charge our customers the excess throughput operational fee; or (ii) our new contracts with existing or new customers. During the Track Record Period, we did not record any excess throughput operational fee for (i) Acetic Acid and Methanol under the Celanese (Nanjing) Contract during the contract period from 1 April 2008 to 31 March 2009, respectively; and (ii) liquid chemical under the Celanese Diversified Contract and the Celanese Acetyl Contract.

In the circumstances, it remains uncertain that we will be able to secure new projects or the actual throughput volume of chemicals of customers will be in excess of the minimum throughput volume. Therefore, we may not be able to secure a strong revenue growth as that during the Track Record Period. Even if we are able to secure new projects shortly after the Latest Practicable Date, the projects may require the construction of various facilities and such projects' revenue contributions may not be able to be materialised in the near future.

Our operations are subject to HSE protection laws and regulations

Our operations are subject to relevant HSE protection laws and regulations promulgated by the state and local governmental authorities of the PRC, all of which are subject to change at any time. As advised by our PRC Legal Adviser, we complied with these HSE laws and regulations in all material aspects during the Track Record Period. However, amendments to existing or new laws or regulations may impose additional or more stringent requirements on us. In addition, compliance with such laws or regulations may require us to incur significant capital expenditures or other obligations or liabilities, which could have a material adverse effect on our business, financial condition and results of operations.

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

During the Track Record Period, the majority of our profit was derived from the operation of our terminal and storage business in Nanjing. As of the Latest Practicable Date, our terminal in Nanjing was 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. Hence, our Directors believe that we are well positioned to leverage the geographical advantage, the strong demand and substantial growth potential of liquid chemical products in Nanjing.

We are subject to PRC laws and regulations for our operations in the PRC. Any changes to the laws, regulations and policies governing the terminal and storage of liquid chemical business in China, including but not limited to the establishment of an additional industry park near the existing Nanjing Chemical Industry Park or the relocation of the Nanjing Chemical Industry Park or any restrictions on the liquid chemical industry in the PRC may have a material adverse effect on our terminal and storage of liquid chemical business and operations. For further details, please refer to "Regulations" in this prospectus. The administration and changes of these laws, regulations or procedures may adversely affect the efficiency of our operations which in turn may affect our operating results and profitability.

We cannot provide any assurance of the sustainability of growth in revenue and net profit

We achieved CAGR of approximately 24.6% and 27.5% for our revenue and net profit during the three years ended 31 December 2010. Further details are set out in "Financial Information" in this prospectus. The increase in the revenue and the net profit during the Track Record Period was mainly attributable to (i) the growth of our liquid chemical handling throughput volume; and (ii) having entered into additional service contracts for our terminal and storage services during the Track Record Period. There is no assurance that the revenue or the net profit attributable to equity holders of the Company will continue to grow at these rates in the coming years.

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

During the Track Record Period, we stored different types of chemicals at our storage tanks in Nanjing which include Methanol, Acetic Acid, Ethylene, VAM, Acetic Anhydride, Phenol and Propylene Oxide. The occupancy rate of our storage tanks in Nanjing remained at a high level of over 90% during each of the three years ended 31 December 2010. In view of our high occupancy rate, it is essential for us to further expand our operation to cope with the market demand.

As of the Latest Practicable Date, we were planning for the phase III facilities in Nanjing for further expansion of our terminal and storage services in Nanjing commencing from 2011 onwards. The total investment for these projects 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. In particular, as of the Latest Practicable Date, we had only completed the initial feasibility report and had applied to relevant governmental authorities for licences and government approvals for the third jetty under phase III facilities in Nanjing. In relation to the private railway system, we are currently examining the feasibility and our legal and financial obligations on such project and applications to relevant governmental authorities will be made in due course. As the development was still at an early stage, no details on the feasibility studies or analyses of the relevant legal, regulatory and geographical constraints in relation to the proposed plan could be provided as of the Latest Practicable Date. As such, our future expansion plan for the phase III facilities in Nanjing may not achieve our objectives and our future profitability could be materially and adversely affected.

According to the CNCC Report prepared by CNCC, 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 our counterparts. To the best knowledge of our Directors and as of the Latest Practicable Date, there were a total of 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. In relation to the two remaining chemical enterprises which require comprehensive terminal and storage services, they might have already entered into medium or long term service contracts with other service providers. As such, we may not be able to secure service contracts with such chemical enterprises in the near future. Our expansion may also be limited if the Nanjing Chemical Industry Park fails to attract new chemical enterprises which require comprehensive terminal and storage services for whatever reasons.

In addition, the number of customers under our future plan for the expansion of piped terminal is also limited by the restriction of pipeline transportation since it will be costly to construct dedicated pipelines to serve customers in remote areas. As such, it is a common industry practice for piped terminal service providers to provide terminal services to enterprises in the nearby areas. Therefore, we may not be able to secure new customers at nearby area for the expansion of our piped terminal.

We cannot guarantee that these projects, or any other expansion projects that are still in the planning stage, will be completed on time or within our original budgets. We cannot guarantee that we will be able to secure sufficient customers for our phase III facilities in Nanjing or any other expansion projects so as to fully utilise our intended terminal and storage capacity and to successfully achieve our objectives. We also cannot guarantee that we will be able to obtain all the required PRC government approvals for these projects to implement our plans or complete the construction on time. Our original budgets may be exceeded if there are any delays in the progress of these projects. Further, these expansion projects may not achieve the intended economic results or commercial viability, which in turn may adversely affect our business, financial condition and results of operations.

We may not be able to achieve our future plans

Our future plans as set out in "Future Plans and Use of Proceeds" in this prospectus are based on circumstances currently prevailing and the bases and assumptions that certain circumstances will or will not occur, as well as the risks and uncertainties inherent in various stages of development. Our future prospects must be considered in light of the risks, expenses and difficulties which may be encountered by us in our various stages of development of business. There can be no assurance that we will be successful in implementing our strategies or that our strategies, even if implemented, will lead to successful achievement of our objectives. If we are not able to implement our strategies effectively, our business operations and financial performance may be adversely affected.

Our operating results are affected by the performance of our customers

During the Track Record Period, we entered into the Celanese Contracts which guarantee us a minimum throughput volume and a minimum fixed contract sum during the contract period of the Celanese Contracts. However, portion of our profit was generated from the provision of terminal and storage of liquid chemical services to our customers who are manufacturers or traders of liquid chemical products especially under our spot service contracts, which in turn sell their products to their customers. If the performance of our customers deteriorates, they may no longer require our terminal and storage services. As a result, the demand of our services and our operating results could decline and our financial results may be adversely affected, in particular, upon the expiry of our long term service contracts with these customers.

Any breakdown of our information system may adversely affect our business operations

Our business operations rely on sophisticated information systems which enable us to manage and monitor our terminal and storage services efficiently and effectively. Our information systems facilitate convenient and direct data exchange with our customers and relevant government authorities which enable us to efficiently manage our storage operations and allow information to be exchanged electronically with our customers for loading/ discharging and delivery our liquid chemical products from our terminals and storage tanks and the Chinese customs for the procedures required for customs declaration. Any breakdown of our information systems 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

In order to achieve our goal to further strengthen our position as an integrated liquid chemical products terminal service provider in the PRC, we intend to invest heavily in the construction of terminal and storage infrastructure. Due to diverse handling and storage requirements for different liquid chemical products, we are required to construct dedicated pipelines for different liquid chemical products, which will further increase our investment cost. For our terminal and storage services, we are in the progress of the construction of additional terminal and storage tanks for the phase III facilities in Nanjing. For further details, please refer to "Business – Our Growth Strategies" in this prospectus. These future fixed assets will involve depreciation expenses which may in turn negatively 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 will require substantial capital expenditures to achieve our goal to further strengthen our position as the leading integrated liquid chemical product terminal service provider in the PRC. For further details, please refer to "Business – Our Growth Strategies" in this prospectus. Although we intend that a substantial portion of our capital expenditures will be financed by our net proceeds from the Global Offering in connection with our expansion plans, we may also require other sources of funding.

We also require substantial capital expenditures for the maintenance works and upgrading of our terminal infrastructure and facilities.

Our ability to arrange financing is dependent on various factors, including general economic and capital market conditions, credit availability from banks or other lenders, and applicable provisions of PRC tax, company and securities laws. We may not be able to obtain additional financing on acceptable terms or at all. In the event financing is not available or is available only on unacceptable terms, we may have to curtail our expansion plans and our businesses may be harmed.

We incurred net current liabilities as of 31 December 2008 and 2009

In order to implement our capital expenditure plans, we have incurred significant short-term borrowings during the Track Record Period. As a result, as of 31 December 2008 and 2009, we had net current liabilities of approximately HK$93.1 million and HK$54.5 million, respectively. We recorded net current assets of approximately HK$11.3 million as of 31 December 2010. However, we may incur net current liabilities in the future again. Our net current liabilities position exposes us to certain liquidity risks. Our future liquidity, the payment of other payables, and the repayment of outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash inflows from operating activities and adequate external financing.

Our terminal and storage services business in Tianjin and Ningbo are conducted through our Associated Entities and Jointly-controlled Entity and changes to, or termination of, our arrangements with our joint venture partners could have an adverse impact on our business operations

During the Track Record Period, our share of profits of Associated Entities and Jointly-controlled Entities amounted to approximately HK$8.1 million, HK$6.0 million and HK$8.0 million, respectively. The continuation of these Associated Entities and Jointly-controlled Entity is important to our operations. We cannot guarantee that our Associated Entities and Jointly-controlled Entities in relation to the operation of Ningbo Ningxiang, Ningbo Xinxiang, Tianjin Tianlong and Tianlong Haixiang will continue smoothly. As a result, we may not be able to control the management and growth of these businesses.

As our joint venture partners in our Associated Entities and Jointly-controlled Entities had not entered into any non-competition undertakings in favour of us, we cannot guarantee that such joint venture partners will not compete with us in the liquid chemical products terminal and storage business or that they have, or will continue to have, interests that are consistent with ours or that they will not terminate their cooperation arrangement with us. In addition, the terms of operation for Tianjin Tianlong, Tianlong Haixiang, Ningbo Ningxiang and Ningbo Xinxiang will expire on 27 August 2014, 4 June 2017, 19 October 2018 and 18 December 2018, respectively, and the extension may not be agreed by the respective shareholders or approved by the competent government authorities. If there is any change to, or termination of, our arrangements with our joint venture partners, there may have an adverse impact on our business operations, operating results and profitability.

Our success significantly depends on our ability to attract and retain key management

Our success depends to a significant degree upon the experience, expertise and continuity of our senior management personnel, most of whom have an in-depth understanding of our industry and operations and would be difficult to replace. Our senior management, including Mr. NG, our chairman, and Mr. TING Yian Ann, our chief executive officer and executive Director, are key to our success because of their expertise and experience in the industry, market development and expertise in managing our operations. In addition, the relationship and reputation that our management team has established and maintained with our customers contribute to our ability to maintain good relationship with customers. If we are unable to retain our key management, our growth and future success may be impaired and our financial condition could be adversely affected.

The landlord of our leased property may not have the right to lease the property to our Group

Tianjin Tianlong, as tenant, entered into a lease with respect to property numbered 9 in the valuation report under Appendix III to this prospectus with a floor area of approximately 1,013 sq.m, whereas the landlord of such property has not carried out the necessary procedures with the relevant authorities in the PRC required for leasing out the property. As a result, the landlord may not have the right to lease the property to our Group. We cannot guarantee that the use and occupation of the property will not be challenged by third party nor we can continuously occupy the property as our office and car parking space. We may be required to relocate our business activities carried out on such property and such relocation could adversely affect our financial condition and results of operations.

We rely on bank borrowings during the Track Record Period

We generally finance our operation with internally-generated cashflow and short-term and long-term bank borrowings provided by our principal bankers in the PRC and Hong Kong. As of 31 December 2008, 2009 and 2010, our debt-to-adjusted capital ratios, calculated as our Group's net debt borrowings at the end of the year divided by total adjusted capital at the end of the corresponding year were approximately 36.7%, 28.4% and 32.2%, respectively. Apart from using our operating cashflow to finance our operation, we may also require bank borrowings to support our operation and business development. There is no guarantee that the existing bank borrowings will be continued or new bank borrowings can be obtained. In the event that our bankers become reluctant to continue extending the existing bank borrowings or we are unable to obtain new borrowings from our bankers, our operation and financial position may be adversely affected. Further, the interest cost on the bank borrowings could impair our future profitability.

We rely on our connected persons for the provision of certain services

We entered into a number of continuing connected transactions with Nanjing CIPC, Ningbo Port, Tianjin Changlu and/or their respective associated entities, for the provision of various services, including utilities, property usage rights, pipeline usage, port loading and discharging, management services, safety management, storages and pipe racks services. Since Nanjing CIPC, Ningbo Port, Tianjin Changlu and/or their respective associated entities are our connected persons under the Listing Rules, the transactions entered into with them will constitute continuing connected transactions under the Listing Rules. Details of such continuing connected transactions are set forth in "Connected transactions" in this prospectus. If any of these connected persons were to terminate its business relationship with us entirely or in breach of its obligations under the continuing connected transaction contracts with us, there can be no assurance that we would be able to obtain services from other suppliers to replace their services originally provided to us, or if we were to be able to obtain such services, that it would be on commercially reasonable terms, or to successfully claim for damages against any of these connected persons for its breach of contract, our operating results, financial condition and business might be harmed.

We will be controlled by our Controlling Shareholders, whose interests may differ from those of our other Shareholders

Upon the completion of the Global Offering and the Capitalisation Issue, assuming the Over-allotment Option is not exercised at all, our Controlling Shareholders will beneficially own and control approximately 70.55% of our equity interest. Subject to our Articles of Association, our Controlling Shareholders will continue to have the ability to exercise a controlling influence over the management, policies and business of our Company through the power to nominate and elect board members, determine the timing and amount of dividend distributions, approve or disapprove significant corporate transactions such as mergers and acquisitions, and approve or disapprove annual budgets. Our Controlling Shareholders may cause us to enter into transactions or to make or refuse to make decisions that conflict with the best interests of our other Shareholders.

Our ability to pay dividend 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

Substantially all of our business operations are conducted through our subsidiaries, Associated Entities and Jointly-controlled Entities. Our ability to pay dividend is dependent upon the earnings of our subsidiaries and our Associated Entities and Jointly-controlled Entities and their distribution of funds to us, primarily in the form of dividends. The ability of these subsidiaries, Associated Entities and Jointly-controlled Entities to make distributions to us are subject to applicable legal and other restrictions, including the amount of distributable earnings, cashflow conditions, restrictions contained in articles of association of such companies and joint ventures (and, in particular, the Associated Entities and Jointly-controlled Entities), shareholders' arrangements, the company law and other arrangements. These restrictions could reduce the amount of distributions that we receive from our subsidiaries and joint ventures, which would restrict our ability to fund our business operations and to pay dividend to our Shareholders.

We cannot provide any assurance on the amount of future distributions

During the Track Record Period, we declared dividend of approximately HK$1.5 million, HK$6.4 million and HK$162.2 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 historical dividend and the above intention do not amount to any guarantee or representation or indication that we will declare and pay dividend in such manner in the future or declare and pay any dividend at all. Particulars of the dividend policy to be adopted by us following the Listing are set out in “Financial Information – dividend and distributable reserves – dividend and dividend policy” in this prospectus. There can be no assurance, and in fact it is not expected, that the amount of dividend declared by us in the future, if any, will be at the level declared and paid by us immediately prior to the Listing.

A change in our tax treatment may have a negative impact on the results of our operations

During the Track Record Period, we have been granted preferential tax treatment in the PRC. Pursuant to the tax document regarding the preferential tax treatment granted to Nanjing Dragon Crown issued by the national tax authority of Nanjing Yanjiang Industrial Development Zone on 10 October 2007, Nanjing Dragon Crown is entitled to preferential tax treatment with full tax exemption from PRC enterprise income tax (“EIT”) for the first five profitable years, commencing from 1 January 2007, and thereafter is entitled to a 50% deduction in EIT rate for the subsequent five years. Our effective tax rate for the three years ended 31 December 2008, 2009 and 2010 were approximately 4.8%, 5.6% and 6.4%, respectively.

As the PRC tax authorities granted such preferential tax rates pursuant to their discretionary authority, such preferential tax rates could be modified or cancelled. Our profit after taxation and financial position may be materially and adversely affected in the future in the event the preferential tax treatments are modified or cancelled. Any change in the preferential tax treatment in the PRC currently enjoyed by our PRC operations 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

Our competitors are domestic and international liquid chemical terminal service providers providing similar services. In Nanjing, we mainly compete with another domestic liquid chemical products terminal service provider which principally serving customers in the Nanjing Chemical Industry Park. In Ningbo, we face strong competitions from other terminal service providers and according to the CNCC Report, there were 15 independent terminal service providers with similar mode of our Nanjing terminal’s operation inside or near the seven major industry parks along the Yangtze River Delta region as of 30 September 2010. Our competitors may have greater access to financial resources, more experience in resource allocation, better ability in providing wider range of services and longer operating history. Some of our international competitors may also have better management and may utilise more advanced technology than we do. Our competitors may also adapt more quickly to evolving industry trends or changing market requirements than we do. In addition, following the PRC’s accession to the WTO, foreign companies enjoy the same preferential benefits as domestic companies in providing terminal services. The PRC government may in the future allow additional liquid chemical terminal service providers to enter the market that would in turn increase the level of competition faced by us.

Highly competitive market may result in potential decline in our revenue and increase in costs. We cannot guarantee that we will be able to compete effectively against our current and future competitors.

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

In accordance with PRC laws and regulations, we are required to maintain various licences, approvals and permits to operate our business and for the terminal, storage and handling of liquid chemical products. Such regulations include, without limitation, the Law of the PRC on Production Safety (中華人民共和國安全生產法), the Regulations on the Safety Management of Hazardous Chemicals (危險化學品安全管理條例), the Regulations on the Management of Port Operation (港口經營管理規定) and the Regulations on the Management of Hazardous Goods at Ports (港口危險貨物管理規定). Please refer to "Regulations" in this prospectus for details of the various licences, approvals and permits that we must obtain for our operations.

We are required to comply with such laws and standards in the course of our business, and the relevant regulatory authorities will also carry out regular inspections to ascertain our compliance with these applicable laws and regulations. As confirmed by our PRC Legal Adviser, except for the Sewage Discharge Permit of Nanjing Dragon Crown and the Hazardous Chemicals Storage Registration Certificate of Tianjin Tianlong which are under the process of renewal, details of which are set out in "Business – Licence, Permits and Regulations" of this prospectus, we have obtained the relevant licences, permits, approvals and certificates necessary to conduct our operations in the PRC and have complied in all materials respects with all applicable laws and regulations in the PRC since our establishment. Our PRC Legal Adviser is not aware of any practical legal obstacles for Nanjing Dragon Crown to obtain the renewed Sewage Discharge Permit and for Tianjin Tianlong to obtain the renewed Hazardous Chemicals Storage Registration Certificate. We are also required to renew our licences and permits periodically. Failure to pass these inspections, termination or failure to renew our licences and permits could result in having to temporarily or permanently suspend some or all of our operations, which could result in being unable to meet our contractual obligations. This may adversely affect our business, financial condition and results of operations.

Our business operation may be affected by weather conditions

During our normal course of operation, we need to load and/or unload liquid chemical products from vessels at our jetties located in Nanjing, Tianjin and Ningbo. Our terminal and storage services may be affected by the weather conditions of where our terminals are located, such as heavy fog, rains, wind, typhoon and strong waves. During the Track Record Period, our terminal services were affected by the weather condition on (i) four days, three days and six days at our terminal in Nanjing; (ii) 16 days, 15 days and 29 days at our terminal in Tianjin; and (iii) nil days, 58 days and 64 days at our terminal in Ningbo as a result of bad weather conditions, respectively. Our business operation may be affected by weather conditions which are beyond our control.

RISKS RELATING TO THE PRC

Substantially all of our business assets are located in China, and all of our revenue are derived from China. Accordingly, our results of operations, financial position and prospects are subject to a significant degree to the economic, political and legal developments in China.

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

A significant portion of our assets and our subsidiaries are located in China. In addition, some of our Directors and officers reside within China, and the assets of our Directors and officers may also be located within China. As a result, it may not be possible to effect service of process outside China upon some of our Directors and officers, including matters arising under applicable securities laws. Moreover, a judgement of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgements of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. Our PRC Legal Adviser, has advised us that China does not have treaties providing for the reciprocal enforcement of judgements of courts with Japan, the United Kingdom, the United States and most other western countries. As a result, recognition and enforcement in the PRC or Hong Kong of judgements of a court in these jurisdictions in relation to any matter not subject to a binding arbitration provision is subject to uncertainties.

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 outbreak of any severe contagious disease in China, if uncontrolled, could adversely affect the overall business sentiments and environment in China, which in turn may lead to slower overall GDP growth in China. As our sales are mainly derived from the domestic China market, any contraction or slow down in the GDP growth of China will adversely affect our financial condition, results of operations and future growth. The spread of any severe communicable disease in China may also affect the operations of our customers and suppliers, causing delivery disruptions which could in turn adversely affect our operating results and our Share price.

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

Our terminal facilities are all located in the PRC. The occurrence of fire, severe weather, flood, earthquake or other natural disasters could cause significant damage to our facilities in the PRC. Such damages may not be adequately covered by our insurance coverage and could adversely affect and disrupt our business operations and our results of 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

Our liquid chemical storage facilities consume substantial amount of electricity, water and diesel fuel. Certain parts of the PRC have been subject to power or water or diesel fuel shortages. During the Track Record Period, our business in Nanjing, Tianjin and Ningbo have not experienced any material power and/or water and/or diesel fuel shortages. We cannot assure that our terminals in the PRC will not experience any power and/or water and/or diesel fuel shortages in the future. Any power or water or diesel fuel shortages for a significant period of time may have an adverse impact on our business and adversely affect our results of operations and the price of our Shares.

During the Track Record Period, diesel fuel and utilities charges attributed to approximately 19.7%, 24.4% and 30.1% of our cost of services provided, respectively. Any shortages of power or water or diesel fuel or any substantial increase in the utilities charges could adversely affect our results of operations.

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

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of foreign exchange out of China. We derive substantially all of our revenue in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Our PRC subsidiaries must convert their RMB earnings into foreign currency before they may pay cash dividends to our Company or honour their foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current-account items may be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate governmental authorities is required when RMB is converted into foreign currencies and remitted out of China for capital-account transactions, such as the repatriation of equity investments in China and the repayment of the principal of loans denominated in foreign currencies. Such restrictions on foreign exchange transactions under capital accounts also affect our ability to finance our PRC subsidiaries. Subsequent to the Global Offering, we have the choice, as permitted by the PRC foreign investment regulations, to invest our net proceeds from the Global Offering in the form of registered capital or a shareholder loan into our PRC subsidiaries to finance our operations in China. Our choice of investment is affected by the relevant PRC regulations with respect to capital-account and current-account foreign exchange transactions in China. In addition, our transfer of funds to our subsidiaries in China is subject to approval by PRC governmental authorities in case of an increase in registered capital, and subject to approval by and registration with PRC governmental authorities in case of shareholder loans to the extent that the existing foreign investment approvals received by our PRC subsidiaries permit any such shareholder loans. These limitations on the flow of funds between our Company and our PRC subsidiaries could restrict our ability to act in response to changing market conditions.

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*)

The Ministry of Finance and the State Administration of Taxation of the PRC jointly issued, on 30 April 2009,《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*) (the "Notice 59"), which became effective retrospectively on 1 January 2008. Pursuant to the Notice 59 and relevant rules and regulations, the transfer of equity interests in certain PRC subsidiaries held by offshore subsidiaries of a group to other offshore subsidiaries of the same group may be subject to a 10% enterprise income tax on capital gains which may be determined as the difference between the fair value of the equity interest transferred and the cost of investment. On 10 December 2009, the State Administration of Taxation of the PRC issued《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*) (the "Notice 698"), which became effective retrospectively on 1 January 2008. The Notice 698 clarified how the capital gains should be calculated regarding the equity transfer of a resident enterprise by non-resident enterprises directly or indirectly. For transfers of equity interest in a PRC resident enterprise between related parties, the PRC tax authorities have the discretion to make adjustment to the taxable capital gains if the transfer price is deemed not being determined on an arm's length basis. In addition, if a non-resident foreign investor indirectly transfers equity interests in a PRC resident enterprise by selling equity interests in an offshore holding company which is located in a jurisdiction where tax rate is lower than 12.5% or offshore income is not taxable, it requires that the vendor of the foreign holding company (which holds, directly or indirectly, equity interest in a PRC resident enterprise) to make a submission to the PRC tax authorities within 30 days after signing of the equity transfer agreement, if certain conditions are met. The State Administration of Taxation of the PRC is entitled to redefine the nature of such indirect equity transfer and impose enterprise income tax on the seller of the foreign target company if it determines that such indirect transfer is carried out without reasonable commercial intention and evades enterprise income tax by abusing corporate structures.

During the year ended 31 December 2010 and up to the Latest Practicable Date, in preparation for the Global Offering, our Group underwent the Reorganisation. For further details of the Reorganisation, please refer to "History and Development" and "Reorganisation" in this prospectus.

However, it is currently unclear how the relevant PRC tax authorities will implement or enforce the above notices and whether such enterprise income tax on capital gains will be subject to any further change. In case we are required to pay the enterprise income tax on capital gains by the relevant PRC tax authorities, our tax liability may increase and our business, financial condition and operating results may be materially and adversely affected.

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

The value of RMB depends, to a large extent, on the PRC domestic and international economic, financial and political developments and governmental policies, as well as the currency's supply and demand in the local and international markets. Since 1994 till 2005, the conversion of RMB into foreign currencies, including the US$, were based on exchange rates set and published daily by the People's Bank of China in light of the previous day's inter-bank foreign exchange market rates in China and the then current exchange rates on the global financial markets. The official exchange rate for the conversion of RMB into the US$ was largely stable until July 2005. On 21 July 2005, the People's Bank of China revalued RMB by reference to a basket of foreign currencies, including the US$. As a result, the value of RMB appreciated by more than 2.0% on that day. Since then, the PRC central bank has allowed the official RMB exchange rate to float against a basket of foreign currencies. There can be no assurance that such exchange rate will not fluctuate widely against the US$ or any other foreign currency in the future. Since our income and profits are denominated in RMB, any appreciation of RMB will increase the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. Conversely, any depreciation of RMB will decrease the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. Fluctuation of the value of RMB will also affect the amount of our foreign debt service in RMB terms since we have to convert RMB into foreign currencies to service our indebtedness denominated in foreign currencies.

Interpretation of PRC laws and regulations involves uncertainty

Our core business is conducted within China and is governed by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be used as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree of uncertainty. Depending on the governmental agency or the presentation of an application or case to such agency, we may receive less favourable interpretations of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may cause difficulties in the enforcement of our entitlements under our permits, and other statutory and contractual rights and interests.

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

During the Track Record Period, most of our Company's operations are located in the PRC and all of our total revenue was derived from the PRC market. Our Directors anticipate that the PRC will continue to be a significant base where we operate our business in the near future. We are therefore susceptible to changes in the economic, political and social conditions of the PRC. The PRC economy has traditionally been a planned economy. Over the past two decades, the PRC government implemented economic and political reform measures in the PRC. Such reforms have resulted in significant economic and social advancement. The PRC government continues to play a significant role in regulating industries by imposing industrial policies. Any change in the economic and political situation in the PRC and policies adopted by the PRC government may affect our operations in the PRC and its performance and profitability.

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

Prior to the Global Offering, there has been no public market for our Shares. The initial indicative offer price range for our Shares as disclosed in this prospectus was the result of negotiations between us and the Sole Global Coordinator (for itself and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for the Shares following the Global Offering. We have applied for listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our Shares will not decline following the Global Offering. In addition, there can be no assurance that the Global Offering will result in the development of an active and liquid public trading market for our Shares. Furthermore, the price and trading volume of our Shares may be volatile. Factors such as the following may significantly affect the volume and price at which our Shares will trade:

- actual or anticipated fluctuations in our results of operations;
- reduction or restriction of financing means for our industry;
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry; and

- the operating and stock price performance of other companies, other industries and other events or factors beyond our control.

The securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially adversely affect the market price of our Shares.

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

Prior or subsequent to the publication of this prospectus, there has been or may be press and media coverage regarding us and the Global Offering, in addition to marketing materials published by us in compliance with the Listing Rules. We have not authorised any such press and media reports, and the financial information, financial projections, valuations and other information about us contained in such unauthorised press and media coverage may not truly reflect what is disclosed in this prospectus. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication, and accordingly do not accept any responsibility for any such press or media coverage or the inaccuracy or incompleteness of any such information. To the extent that any such information appearing in the press and media is inconsistent or conflicts with the information contained in this prospectus, we disclaim it, and accordingly you should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the information included in this prospectus.

RISKS RELATING TO STATEMENTS MADE IN THIS PROSPECTUS

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

Certain information and statistics contained in "Industry Overview" in this prospectus have been extracted and derived, in part, from various official government publications. Whilst reasonable care has been taken in the extraction, compilation and reproduction of such information and statistics, neither we, nor the Sponsor or the Sole Global Coordinator, nor any of our Company or our respective affiliates or advisers, nor any party involved in the Global Offering have independently verified such information and statistics derived from official government publications, and such parties do not make any representation as to their accuracy.

In addition, certain information and data contained in "Industry Overview" in this prospectus are derived from market data provided by CNCC. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or any fact has been omitted that would render such information untrue or misleading.

Our Directors have taken all reasonable care to ensure that the relevant facts are accurately reproduced from relevant sources. However, such information has not been independently verified by our Company, the Sponsor or the Sole Global Coordinator, the

Underwriters, their respective affiliates, directors and advisers or any other parties involved in the Global Offering. None of them makes any representation as to the accuracy of such information.

Forward looking statements may be inaccurate

Apart from the information in relation to the profit estimate, information in this prospectus contains certain forward-looking statements and information relating to our Group that are based on the belief of our Directors as well as assumptions based on the information currently available to them. In this prospectus, the words “believe”, “consider”, “expect”, and similar expressions, as they relate to our Company or us or our Directors, are intended to, among others, identify forward looking statements. Such statements reflect the current views of our Directors with respect to, among others, future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. Should one or more of these risks or uncertainties materialise, or should underlying assumptions are proved to be incorrect, our financial condition may be adversely affected and vary materially from those described herein as believed, considered, estimated or expected.