This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full set of this prospectus. Since this is only a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in our Shares.

There are risks associated with any investment. Some of the particular risks in investing in our Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our Shares.

OVERVIEW

We are a cement and clinker producer in Wujiang City, Suzhou Prefecture, which is situated in south Jiangsu Province. We are also the only cement producer in Suzhou Prefecture that employs NSP technology in our production process. NSP technology, which involves the pre-heating of raw materials before they are mixed and fed into the rotary kiln which in turn significantly enhances the efficiency of calcination and the forming of clinker for higher quality, has now become the most common technology in cement production technology in the PRC, contributing approximately 81% of the total clinker produced in 2010. Our principal products comprise ordinary Portland cement strength class 42.5 ("PO 42.5") and composite Portland cement strength class 32.5 ("PC 32.5"), though we also sell clinker as a by-product, all of which are generally sold to customers in Jiangsu Province, Zhejiang Province and Shanghai Municipality, respectively. We have the exclusive right to occupy and use a wharf adjoining to our production facilities which enables us to transport raw materials and cement of 10,000 tonnes per day by waterway transportation and affords our customers and suppliers a convenient and relatively inexpensive transportation access to us. For the three years ended 31 December 2009, 2010 and 2011, the total cement production volume of Suzhou Prefecture accounted for approximately 0.7%, 0.7% and 0.6% of the total cement production volume of the PRC respectively. For the two years ended 31 December 2010 and 2011, the cement production volume of Dongwu Cement accounted for approximately 43.4% and 40.9% of the total cement production volume of Wujiang City respectively.

OUR PRODUCTS

Our principal products are PO 42.5 and PC 32.5, which are sold in the form of bulk cement or under our registered trademark " ". Both PO 42.5 and PC 32.5 are used for general cement applications. PO 42.5 is used in the construction of residential and industrial buildings, as well as pre-cast works and structures that require short construction time such as bridges and roads. PC 32.5 is used in the construction of structures that do not require high strength such as low rise buildings, paving and mass concreting. Both our PO 42.5 and PC 32.5 products are of a substantially higher-grade quality than the PRC national standard.

We produce our principal product, cement, by (i) mixing limestone, silica, iron and aluminum which has been crushed and pounded to the size of small pebbles from rock sources; (ii) blending the raw mix in a blending chamber and small amounts of iron and aluminum will be added to act as flux during the firing process; (iii) storing the raw mix in a silo from where it is transported to the kiln pre-heater and then the kiln, where the raw mix will be heated gradually to 1,400 to 1,500 degrees Celsius, during which some of the secondary raw materials including clay, shale, sandstone, iron powder, will be added; (iv) clinker is formed by the end of the firing process, which is then cooled after leaving the kiln; and finally (v) grinding process of the clinker, during which addictives, such as gypsum, flyash and slag will be added to control the speed at which the cement is set and to aid grinding.

The tables below set out the breakdown of our revenue, average selling price, sales volume and production volume of our products during the Track Record Period and, where applicable, for the four months ended 30 April 2012 which is based on our management accounts:

Revenue of our products

	Year ended 31 December					
	2009		2010		2011	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
PO 42.5	107,623	36.9	160,603	45.2	224,551	48.4
PC 32.5	155,284	53.3	184,088	51.9	236,185	50.9
Clinker	28,715	9.8	10,259	2.9	3,309	0.7
Total	291,622	100.0	354,950	100.0	464,045	100.0

Average selling price of our products

	Year ended 31 December			Four months ended
	2009	2010	2011	30 April 2012
	RMB/tonne	*RMB/tonne*	*RMB/tonne*	*RMB/tonne*
PO 42.5	217.8	279.4	358.7	314.6
PC 32.5	193.4	234.0	302.4	260.7
Clinker	185.4	206.0	320.7	247.1

Sales volume and production volume of our products

	Year ended 31 December					
	2009		2010		2011	
	Production volume	Sales volume	Production volume	Sales volume	Production volume	Sales volume
			(thousand tonnes)			
PO 42.5	494.8	494.1	574.1	574.8	637.5	626.1
PC 32.5	810.8	803.0	790.3	786.6	790.6	781.1
Clinker	890.0	154.9	859.3	49.8	888.4	10.3

During the Track Record Period, our sales volume of clinker was much lower than our production volume because the clinker we produce is mainly used for our own cement production. Clinker, as our by-product, is typically only sold on a stand-alone basis to relieve the pressure on our inventories in our warehouses when the market demand for cement is weak. In 2010 and 2011, the market demand for cement was relatively high and therefore only a small amount of clinker was sold.

Our overall gross profit margin for the three years ended 31 December 2009, 2010 and 2011 was 7.9%, 13.9% and 26.4%, respectively. The table below sets out the gross profit margin of our cement and clinker during the Track Record Period and the four months ended 30 April 2012 (which is based on our management account):

	Year ended 31 December			4 months ended 30 April 2012
	2009	**2010**	**2011**	
Cement	8.8%	14.8%	26.3%	10.4%
Clinker	-0.5%	-15.4%	17.4%	-7.5%

Notes:

1. The gradual increase in our gross profit margin during the Track Record Period was mainly due to the increase in the average selling price of PC 32.5 in 2010 and the increase in the average selling price of PO 42.5 in 2011. Such an increase generated an increase in our revenue at a rate exceeding the increase in our cost of sales during the same period. We have also experienced an increase in the demand for our cement products due to the implementation of the energy consumption saving and emission control policies in the PRC. Such policies resulted in changes in the market supply and demand of cement in our market which benefited the sales of our cement products in such market while phasing out laggard cement production capacity by the PRC government.

2. During the Track Record Period, the clinker we produced was mainly used for our own cement production purpose whilst only some of our clinker was sold as a by-product when the market demand for cement decreased and remained weak for a temporary period due to unfavourable weather conditions such as continuous low temperature and wet weather, etc. For cost-effective purposes, we generally operate our clinker production facilities continuously. In the event that not all of the clinker was used for our cement production as a result of the temporary weak market demand for cement, our inventory level of clinker would accumulate and might reach a high level. In order to relieve the pressure of temporarily excessive inventories in our warehouses, we would sell clinker as a stand-alone product at a relatively low price in light of the said circumstances. As only a small portion of the clinker we produced was sold as a stand-alone product, the gross profit margin for clinker varied with the short term fluctuation in its selling price. It also explains why negative gross profit margin for clinker was recorded for the years ended 31 December 2009 and 2010.

3. For the year ended 31 December 2011, the market price of clinker increased significantly due to the strong market demand for both cement products and clinker. Benefiting from the increasing market price, the average price for clinker we sold has reached RMB320.7 per tonne, even higher than the average price for PC 32.5 products during the same period. Therefore, we were able to sell clinker at a positive gross profit margin.

Please refer to the paragraph headed "Our products" under the section headed "Business" in this prospectus for further details.

PRODUCTION FACILITIES

Our production facilities are located at Lili Town, Wujiang City, Suzhou Prefecture, Jiangsu Province, the PRC with a site area of approximately 182,000 sq.m.. Located in the area known as Golden Triangle of Yangtze, our production facilities enjoy the benefit of the exclusive use of an adjoining wharf situated on the Taipu River (太浦河) since December 2003. The wharf enables us to transport raw materials and cement of 10,000 tonnes per day by waterway transportation and affords our customers and suppliers convenient and relatively inexpensive transportation access to us. Our exclusive right to occupy and use the river bank and the adjoining wharf is subject to annual renewal by the relevant PRC authority. According to the Taipu River Waterway Construction Works Occupation Agreement (太浦河河道工程佔用合同), the Construction Works Occupation Permit (河道工程佔用證) and the applicable PRC laws, our exclusive right to occupy the river bank is subject to the following conditions: (i) payment of an annual fee of RMB180,000; (ii) no modifications or damages of the levee construction, especially the retaining walls; (iii) compliance with the applicable PRC laws and regulations; and (iv) annual inspection by Wujiang Waterway Administrative Bureau or when it requests. Since 2004, we have passed every annual inspection and have been able to obtain the occupation permit upon each renewal. Our existing occupation permit is valid until 28 October 2012.

As at the Latest Practicable Date, we had one production line employing a dry rotary kiln that possesses a production capacity of 775,000 tonnes of clinker per annum and two grinding mills that possesses a production capacity of 1,636,800 tonnes of cement per annum in total. The two grinding mills are for the production of both PC 32.5 and PO 42.5 cement products based on the production plan and market demand for each product.

Set out below is a table indicating our utilization rate for our production facilities during the Track Record Period:

	Year ended 31 December		
	2009	**2010**	**2011**
	%	%	%
Cement utilization rate	79.8	83.4	87.2
Clinker utilization rate	114.8	110.9	114.6

The utilization rate of our clinker production exceeded 100% during the Track Record Period due to our clinker production facility having been operated for 24 hours per day and over 310 days per year. We operated the clinker production equipment above its designated capacity as a result of (a) our production team possessing extensive experience in supervising the production process, thus enhancing its efficiency; and (b) our efforts in improving and upgrading our clinker production equipment and technologies regularly.

Our production facilities are equipped with the Distributed Control System (DCS) which ensures high efficiency, energy saving and optimized control via automation, and a residual heat recovery system which enables us to reduce our reliance on external electricity sources and therefore our production costs and save the amount of on-grid electricity consumed. DCS technology and the residual heat recovery system are commonly applied by major cement producers in the PRC.

In order to ensure compliance with the relevant PRC environmental laws, regulations and rules, our Group has installed a series of environmental friendly production facilities, such as electric dust precipitators etc., as well as implementing a series of internal policies and measures with a view to controlling our pollutant emission levels and ensuring the levels of such emissions comply with the national standard. For more details, please refer to the paragraph headed "Environmental Compliance and Pollution Controls" in the section headed "Business" in this prospectus. As confirmed by our PRC Legal Advisors, our Group has complied with all the relevant laws, regulations and rules regarding the pollutant emissions throughout the Track Record Period and up to the Latest Practicable Date. In order to cope with the PRC government's intention to implement more stringent atmospheric pollutant emission standards, in particular the NOx emission, against the cement industry, we may upgrade our production facilities, if necessary, and in such case, our production costs may be increased, which may have an adverse effect on our business, results of operations and financial condition. In case the PRC government promulgates more strict environmental laws, regulations, rules and/or policies in the future, such as policy against sulphur content in coal, we will take further actions, including but not limited to further upgrading our production facilities (if necessary). However, upgrading our production facilities may increase our production and operation costs which may cast a negative impact on our operation results and financial condition. Please refer to the paragraph headed "With the increasingly stringent PRC environmental regulatory framework, we may not be able to comply with relevant environmental regulations in the future on a cost-effective basis" in the section headed "Risk Factors" in this prospectus for further details.

As advised by our PRC Legal Advisors, throughout the Track Record Period and up to the Latest Practicable Date, our Group has obtained all necessary permits, approvals, consents, certificates and licenses required under the PRC laws and regulations in connection with the business of our Group and all of them are in full force and effect. In particular, we have obtained the necessary permits and approvals from the local Development and Reform Commission in respect of our production line. Furthermore, we have obtained the certificates issued by Wujiang Industrial and Commerce Authority, Wujiang Tax Authority and Wujiang Environmental Protection Authority recognizing our compliance with the relevant laws and regulations in terms of our business operation, tax and environmental compliance throughout the Track Record Period.

Further, as advised by our PRC Legal Advisors, Dongwu Cement is not an enterprise subject to the shut down policy under the Notice of State Council on Speeding up the Structural Adjustment to Industries with Surplus Production Capacity (《國務院關於加快推進產能過剩行業結構調整的通知》, the "Notice on Surplus Production Capacity"). Neither the production line nor the production capacity for cement of Dongwu Cement would be regarded as obsolete or of laggard production technologies pursuant to the "Notice on Further Strengthening the Elimination of Obsolete Production Capacities" (《關於進一步加強淘汰落後產能工作的通知》, "Notice on Obsolete Production Capacities") and the Notice on Surplus Production Capacity. Accordingly, our production line and the production capacity would not be subject to the elimination or phasing out arrangement as stipulated under the said two notices. All the PRC cement producers, whether state-owned or privately owned, are subject to and regulated by the Notice on Surplus Production Capacity and the Notice on Obsolete Production Capacities.

Please refer to the paragraph headed "Production Facilities" under the section headed "Business" in this prospectus for further details.

RAW MATERIALS AND ENERGY SUPPLY

The principal raw material for our production is limestone. We use coal and electricity to fuel our production process.

We procure our raw materials from a variety of different sources that are within easy access to our production facilities and they are transported to our production facilities mainly via waterway. We have a stable and reliable source of raw materials. We have 3 to 7 years' business relationship with our key suppliers. We also entered into a 5-year master contract with one of our suppliers to secure the limestone supply of approximately 3.5 million tonnes until the end of September in 2016, representing more than 50% of our limestone requirements over the same period. The price, volume and other terms shall be negotiated and agreed between our Group and the supplier on an annual basis in the form of supplementary agreements. Set out below is a table illustrating our key costs of sales for the three years ended 31 December 2009, 2010 and 2011 respectively:

	Year ended 31 December					
	2009		**2010**		**2011**	
	Total cost (RMB'000)	*% of our total costs of sales*	*Total cost (RMB'000)*	*% of our total costs of sales*	*Total cost (RMB'000)*	*% of our total costs of sales*
Raw materials	69,307	25.8	67,058	21.9	94,989	27.8
Coal	87,918	32.7	110,952	36.3	124,525	36.4
Electricity	48,402	18.0	49,559	16.2	55,603	16.3

During the Track Record Period, our costs of raw materials significantly increased due to an increase in the limestone purchase price. The increase in our costs for coal in 2010 was mainly attributable to the changes in the market demand and supply relationship.

During the Track Record Period, we used waste materials in our production of PC 32.5. All the waste materials we used are industry by-products or wastes or mineral wastes and are non-poisonous in nature. This has reduced our production costs and entitled us to claim a VAT refund for our PC 32.5 products. For the three years ended 31 December 2009, 2010 and 2011, we were awarded approximately RMB8.9 million, RMB8.7 million and RMB13.4 million respectively as VAT refunds, all of which were from the production of our PC 32.5 products. The VAT refund is commonly granted to cement products comprised of no less than 30% of waste materials as its ingredient.

Please refer to the paragraph headed "Raw materials and energy supply" and the paragraph "Use of waste materials in production process" under the section headed "Business" in this prospectus for further details.

CUSTOMERS

The table below sets forth the breakdown of our revenue by customer type during the Track Record Period:

Type of customers	Year ended 31 December 2009		2010		2011	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Construction developers	145,296	49.8	181,497	51.1	213,040	45.9
Ready-mixed concrete stations	101,701	34.9	137,483	38.7	208,888	45.1
Trading companies	32,282	11.1	16,246	4.6	15,536	3.3
Walk-in customers	12,343	4.2	19,724	5.6	26,581	5.7
Total	**291,622**	**100.0**	**354,950**	**100.0**	**464,045**	**100.0**

Depending on the type of customers, we will have different settlement terms. Set out below is a summary of the settlement terms and our credit terms agreed with our customers during the Track Record Period:

Type of customers	Settlement terms or credit terms
Construction developers	• Payment by cash or bank acceptance bills on or before delivery of our products which is applicable to approximately 90% of our construction developer customers. • For the remaining approximately 10% of these customers, we typically granted them credit periods of up to 60 days.

Ready-mixed concrete stations	•	The credit terms include (i) a revolving credit limit of between RMB1 million and RMB3.5 million with a credit period of up to 365 days, and (ii) any outstanding payables in excess of the said revolving credit limit with a credit period of between 0 to 30 days, save for one customer to whom we have granted a credit period of up to 180 days because of its background as a state-owned enterprise and also as a major concrete producer in Shanghai. Nevertheless, we have not granted this customer any revolving credit limit. Such long credit period is granted on a case-by-case basis based on the credibility and the transaction volume of the customers concerned.
Trading companies	•	Payment by cash or bank acceptance bills on or before delivery of our product.
Walk-in customers	•	Payment by cash or bank acceptance bills on or before delivery of our product.

Please refer to the paragraph headed "Customers" under the section headed "Business" in this prospectus for further details.

Our geographical markets

Our products are sold to customers in Jiangsu Province, Zhejiang Province and Shanghai.

During the Track Record Period and up to the Latest Practicable Date, our business covers Jiangsu Province, Zhejiang Province and Shanghai municipality with a primary focus on Wujiang City. Wujiang City accounted for approximately 49.3%, 51.8% and 60.1% of our total revenue for the three years ended 31 December 2009, 2010 and 2011 respectively. The table below sets forth the breakdown of our revenue by geographical markets:

	Year ended 31 December					
	2009		2010		2011	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Jiangsu	**157,504**	**54.0**	**199,971**	**56.3**	**288,111**	**62.1**
Wujiang	143,801	49.3	183,784	51.8	279,044	60.1
Suzhou (excluding Wujiang)	13,703	4.7	16,187	4.5	9,067	2.0
Zhengjiang	**65,458**	**22.5**	**64,486**	**18.2**	**107,785**	**23.2**
South Zhejiang (Taizhou, Zhoushan and Ningbo)	40,061	13.8	53,647	15.1	97,959	21.1
Jiaxing	25,397	8.7	10,839	3.1	9,826	2.1
Shanghai	**68,660**	**23.5**	**90,493**	**25.5**	**68,149**	**14.7**
Total	**291,622**	**100.0**	**354,950**	**100.0**	**464,045**	**100.0**

HIGHLIGHTS OF OUR COMPETITIVE STRENGTHS

1. We are an integrated cement and clinker producer in Suzhou Prefecture and we produce high quality products at competitive cost. We enjoy low production costs and produce high grade quality cement.

2. We enjoy the benefits of a convenient transportation network, including a wharf adjoining our production facilities with daily transportation capacity of 10,000 tonnes of raw materials and cement, which are situated on the banks of the Taipu River that flows through fifteen counties and towns in Jiangsu Province, Shanghai and Zhejiang Province. Most of our products are transported by waterway, which is an inexpensive method of transportation and is less expensive as compared with transportation by road.

3. We enjoy stable and long-term relationships with our customers and suppliers. Approximately 80% of our total revenue during the Track Record Period was derived from sales to customers with whom we have had business relationships for at least 3 years. In addition, we have maintained business relationships with our key suppliers of principal raw materials for a period of between 3 and 7 years. In particular, we entered into a 5-year master contract with a limestone supplier in Zhejiang Province which agreed to supply limestone of approximately 3.5 million tonnes since October 2011, representing more than 50% of our limestone requirements over the same period.

HIGHLIGHTS OF OUR STRATEGIES

1. We intend to strengthen our sales network and market position in our regional markets by implementing the following measures: (a) enhance our logistics system and capability by establishing our own entrepots at selected strategic locations in close proximity to the existing and new markets; (b) continue to strengthen the relationships with our construction developer customers, ready-mixed concrete station customers and selected trading companies with a view to increasing our sales; (c) consolidate our market position in Wujiang City; (d) increase our market penetration, in particular, the urban area of Suzhou Prefecture (excluding Wujiang City) and Shanghai Municipality; and (e) work on more large-scale government construction projects in Suzhou Prefecture and Shanghai Municipality.

2. We intend to expand our business to downstream industries by acquiring, or acquiring a majority stake in, a suitable ready-mixed concrete station located in Wujiang City in the second half of 2012. This will enable us to (a) expand our business into the production of concrete and mortar products and offer our customers a fuller range of products, (b) attract more construction developer customers in both public and private sectors, and (c) enhance our prospects of being awarded more public infrastructure projects.

3. We intend to enhance our brand and our corporate profile in all regional markets through increasing our marketing activities, such as upgrading our company catalogue, advertising through the mass media and participating in more government tenders.

4. We intend to further stabilize our limestone supply by entering into more long-term contracts with suitable limestone suppliers and quarry operators.

5. We intend to further enhance our operational efficiency and reduce our production costs by (a) providing regular training to our production staff, (b) reducing our energy consumption through innovation, and (c) upgrading our production equipment to ensure energy efficiency.

6. We intend to maintain our independence in view of our whole cement production line despite the PRC government's policy of encouraging consolidation of the cement industry.

SUMMARY FINANCIAL INFORMATION

The following tables set out a summary of the consolidated financial information of our Group during the Track Record Period which has been prepared in accordance with HKFRS issued by the Hong Kong Institute of Certified Public Accountants. This summary should be read in conjunction with the Accountant's Report of our Group as set out in Appendix I to this prospectus.

Summary Consolidated Statements of Comprehensive Income

	Year ended 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	291,622	354,950	464,045
Cost of sales	(268,592)	(305,619)	(341,923)
Gross profit	23,030	49,331	122,122
Operating profit	16,850	44,364	116,567
Profit before income tax	14,834	39,909	109,378
Income tax expense	(3,034)	(8,123)	(22,434)
Profit attributable to equity holders of the Company	11,800	31,786	86,944
Total comprehensive income for the year	14,484	33,440	82,606

Summary Consolidated Statements of Financial Position

	As at 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	263,516	245,425	192,113
Current assets	175,014	220,022	215,013
Total assets	**438,530**	**465,447**	**407,126**
Non-current liabilities	9,677	9,553	2,697
Current liabilities	199,943	176,916	164,487
Total liabilities	**209,620**	**186,469**	**167,184**
Net current (liabilities)/assets	**(24,929)**	**43,106**	**50,526**
Total equity	**228,910**	**278,978**	**239,942**

Summary Consolidated Statement of Cash Flows

The following table presents the cash flows of our Group for the three years ended 31 December 2011:

	Year ended 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Net cash (used in)/generated from operating activities	(12,884)	42,459	36,004
Net cash (used in)/generated from investing activities	(31,097)	(71,583)	110,639
Net cash generated from/(used in) financing activities	43,747	37,138	(123,461)

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$1.00 per Share	Based on an Offer Price of HK$1.28 per Share
Market capitalization of our Shares	HK$500.0 million	HK$640.0 million
Unaudited pro forma adjusted consolidated net tangible assets per Share	HK$0.70	HK$0.74

Notes:

1. The calculation of the market capitalization of our Shares is based on the assumption that 500,000,000 Shares will be in issue and outstanding immediately following the completion of the Global Offering and the Capitalization Issue and the Over-allotment Option is not exercised.

2. The unaudited pro forma adjusted consolidated net tangible assets per Share has been arrived at after the adjustments referred to in the section headed "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus and on the basis that 500,000,000 Shares will be in issue immediately following the completion of the Global Offering and the Capitalization Issue.

DIVIDEND POLICY

The declaration of dividends is subject to the discretion of our Directors. The amount of dividends actually declared and paid will also depend upon our Group's earnings and cash flow, financial condition, capital requirements, investment plans and any other conditions that our Directors may consider relevant. Any declaration and payment as well as the amount of dividends will also be subject to our Articles of Association and the applicable law.

On 12 May 2011, 12 September 2011 and 21 December 2011, Dongwu Cement declared and paid out dividends in the sum of RMB49,268,000, RMB29,444,000 and RMB42,930,000 respectively to its then shareholder, Far East International. However, our future declarations of dividends may or may not reflect our historical declarations of dividends.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$65.1 million (assuming an Offer Price of HK$1.14 per Share, being the mid-point of the indicative range of Offer Price), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering. Our Company will not receive any of the net proceeds from the sale of the Sale Shares.

Our Directors intend to apply the net proceeds from the Global Offering for the following purposes:

Amount of proceeds (% of total net proceeds from Global Offering)	Intended application of proceeds
HK$25.4 million (39%)	to acquire a suitable ready-mixed concrete station in Wujiang City
HK$17.6 million (27%)	to strengthen our sales network and enhance our logistics system and capability by establishing our own entrepots in Wujiang City at strategic locations in Wujiang City, urban Suzhou, Shanghai Chongming Island and Qingpu District in Shanghai, respectively
HK$16.9 million (26%)	to upgrade some of our production equipment and to acquire new cement production equipment for replacement of some older equipment
HK$5.2 million (8%)	as working capital and other general corporate purposes

For further details, please refer to the paragraph headed "Use of proceeds" under the section headed "Future plans and Use of Proceeds" in this prospectus.

LATEST DEVELOPMENT RELATING TO OUR GROUP SUBSEQUENT TO THE TRACK RECORD PERIOD

We continue to keep an eye on the development and opportunities in our business subsequent to the Track Record Period.

After 31 December 2011 and up to 30 April 2012, we continue to sell cement products to different types of customers, with sales volume totalling 198,678 tonnes (for PC 32.5 cement) and 153,753 tonnes (for PO 42.5 cement) respectively and with revenue of approximately RMB51.8 million (for PC 32.5 cement) and RMB48.4 million (for PO 42.5 cement) respectively. For the four months ended 30 April 2012, we had produced approximately 244,221 tonnes clinker which was mainly used for our own cement production, 176,602 tonnes of PC 32.5 cement and 156,267 tonnes of PO 42.5 cement and such production volumes were in accordance with our production plan. According to the estimate of the PRC government, the growth of FAI in 2012 will be slowed down which will likely lower the pace of property development and infrastructure construction and in turn result in a decrease in the market demand for cement in 2012. With the decrease in the market demand for cement, the average selling prices for our PC 32.5 cement and PO 42.5 cement dropped to RMB260.7 per tonne and RMB314.6 per tonne respectively for the four months ended 30 April 2012, which had been reduced by approximately RMB41.7 per tonne and RMB44.1 per tonne, or approximately 13.8% and 12.3% respectively as compared to the average selling prices of our PC 32.5 cement and

PO 42.5 cement for the year ended 31 December 2011. As a result of such drop in cement price, we recorded a total revenue of RMB103.5 million for the four months ended 30 April 2012 (based on our management accounts) whilst the gross profit margin of our cement products had reduced to 10.4% for the same period. We believe that the decrease in the selling prices of our cement is mainly due to a decrease in the market demand and therefore the overall decrease in the market prices for cement in Jiangsu Province, Zhejiang Province and Shanghai and more intense competition. On the other hand, the average costs for our key raw material (i.e. limestone) had increased from RMB38.5 per tonne respectively for the year end 31 December 2011 to RMB38.9 per tonne for the four months ended 30 April 2012, whilst the price of coal had decreased from RMB817.3 per tonne for the year end 31 December 2011 to RMB779.2 per tonne for the four months ended 30 April 2012. The decrease in the average selling prices of our products had resulted in a decrease in our gross profit margin for the four months ended 30 April 2012. **Based on the current information available to our Directors, we anticipate that our gross profit margin and net profit for the year ending 31 December 2012 will be significantly and adversely affected.**

As at 30 April 2012, the trade and bills receivable balance was RMB104.1 million, which has been reduced by RMB16.6 million when compared with the balance as at 31 December 2011. The reduction is caused by the reduction in bills receivables by RMB29.0 million and the increase in trade receivables by RMB12.4 million. The decrease in bills receivables was due to cash-in of bank acceptance bills upon their maturity. Total borrowings have increased by RMB5.6 million to RMB96.0 million as at 30 April 2012. Such increase in borrowings was caused by the increase in bank borrowings by RMB6.7 million and reduction in other borrowings by RMB1.1 million. The increase in bank borrowings was due to a bank loan of RMB6.7 million granted to us in January 2012. We have not experienced any difficulties in collecting the trade and bills receivable and obtaining new borrowings since 31 December 2011 and up to the Latest Practicable Date.

Given the situation mentioned above, subsequent to the Track Record Period and up to the Latest Practicable Date, there were material adverse changes in our financial or trading position or prospects. Nevertheless, we confirm that there has been no event since 31 December 2011 which would materially affect the financial information shown in the Accountant's Report of the Company set out in Appendix I to this prospectus.

We were not aware of any material adverse change in the legal frameworks as at the Latest Practicable Date.

HIGHLIGHTS OF THE RISK FACTORS

There are risks associated with any investment. Below only sets forth some of the selected particular risks relating to our business whilst more details are set out in the section headed "Risk Factors" in this prospectus. You should read that entire section carefully before you decide to invest in the Offer Shares.

Cement prices fluctuated significantly during the Track Record Period. For the four months ended 30 April 2012, we recorded a decline in our average selling prices for cement, which we believe was mainly due to the decrease in the market demand for cement in 2012. There is no assurance that we can maintain similar level of gross profit margin in light of the fluctuations in the average selling price of cement and our production costs. **Based on the current information available to our Directors, we anticipate that our gross profit margin and net profit for the year ending 31 December 2012 will be significantly and adversely affected.**

Since December 2003, the relevant PRC authority has granted to us the exclusive right to occupy a river bank, and a permit to use a wharf on the river bank which is adjacent to our production facilities. Such right is subject to annual inspection and the right to renew our use of the river bank is at the sole discretion of the Jiangsu Waterway Administration Bureau (吳江水利局). Our rights to occupy the river bank are also subject to other conditions. In the event that the relevant PRC authority does not renew our right to occupy and use the river bank, or if we make any modifications to or damage the levee construction, our right to occupy the river bank may be revoked by the relevant PRC authority. In such circumstances, we will not be able to utilize our fully automatic loading lines alongside the river bank and our costs for waterway transportation will be increased whereupon our business operations, financial condition and profitability would be adversely affected.

Besides, it may be difficult to maintain or manage our growth momentum at our previous growth rates or at all. In particular, our plan in entering into further long-term strategic agreements with limestone suppliers is subject to negotiations and any risk-reward tradeoff arrangement may strain our managerial, operational, technical and financial resources.

Moreover, the PRC government has recently promulgated regulations and notices encouraging the consolidation of the PRC cement industry. If the PRC government implements more stringent regulations and policies which are unfavourable to our current practice in the future, we may be required to make significant adjustment to our current or future development plans, which will increase our costs and divert our management resources and may in turn adversely affect our profitability, competitiveness and prospects.

Further, the PRC government currently has adopted various environmental policies to reduce the adverse effects of the cement industry on the environment. The PRC government may introduce new rules and regulations that impose more stringent controls over industrial pollution. In such circumstance, our business, results of operations and financial condition could be materially and adversely affected.