This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As the following is only a summary, it does not contain all the information that may be important to you and you should read the prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk factors" of this prospectus. You should read that section carefully before making any decision to invest in the Offer Shares.

Various expressions used in this summary are defined in the section headed "Definitions" of this prospectus.

OVERVIEW

We are a functional fabric and innerwear manufacturer established in the PRC, offering various types of functional fabrics and innerwear for infants, toddlers as well as adults. We manufacture functional and customised fabrics for major lingerie and apparel brands including *Triumph*, *Wacoal*, *Embry Form*, *Maniform* (曼妮芬), *Aimer* (愛慕), *Miiow* (猫人) (previously known as *Maoren*), *Sunlaura* (桑扶蘭) and *VANCL* (凡客誠品), and innerwear products on an OEM basis for major apparel brands including *Outdoor*, *Ito-Yokado* (伊藤洋華堂), *Pigeon*, *Lee*, *Puma*, *DKNY*, *Carter's* and *Orsay*. Our products are mainly sold to (i) the sourcing agents, who then resell to the renowned apparel brands; (ii) the wholesaler, who then resell to retail shops and department stores; and (iii) brand owners directly. To the best of the knowledge of our Directors, we are not aware of any relationship (apart from normal business relationship) between the brand owners and their respective sourcing agents as well as between the wholesaler and its end customers.

We have established a business model integrated with fabric and innerwear manufacturing and sale. We are vertically integrated and highly mechanised, as featured by the following production processes: (i) fabric weaving and knitting; (ii) fabric dyeing and finishing; (iii) fabric printing; and (iv) innerwear cutting and sewing. Our vertically integrated operations allow us to factor in the specific requirements of our customers in each production process. We are therefore able to offer our customers greater flexibility in their order specifications in the textile supply chain.

Our fabrics feature a variety of colours and patterns, and by combining different fibre mixtures, cotton counts and knitting methods, they could satisfy the specifications and functional requirements set by our customers. We make use of functional and chemical fibres, i.e. yarns having special functions such as temperature regulation or moisture absorption, to produce fabrics with such functions. We have also been licensed by Outlast, a worldwide company involved in the research, development, design and marketing of phase-change materials, to manufacture and sell certain Outlast's fabrics which comprise microencapsulated phase-change materials coated fabrics or fibres in China. During the Track Record Period, sales of fabrics accounted for approximately 17.4%, 13.3%, 31.9% and 32.8% of our revenue respectively.

In addition, we use our own fabrics in the manufacture of innerwear products, with a growing focus on utilising our functional fabrics for innerwear. Sales of innerwear products contributed to approximately 82.6%, 86.7%, 68.1% and 67.2% of our revenue respectively during the Track Record Period.

Based on the confirmations given by the sourcing agents, our fabrics and innerwear products sold to them are used by relevant brand owners they represent. For our innerwear products, they were labelled or packed with the packaging materials bearing the names and/or logos of the relevant brands provided by the respective sourcing agents or brand owners.

Our production facilities are based in Zhucheng, Shandong, the PRC with an aggregate gross floor area of more than 52,000 sq.m. as at the Latest Practicable Date. Equipped with modern production facilities, our annual production capacity of innerwear was approximately 18.6 million pieces and our annual production capacity of fabrics was approximately 4,000 tons as at the Latest Practicable Date. During the Track Record Period, our revenue grew from approximately RMB136.2 million in 2008 to approximately RMB378.3 million in 2010, representing a CAGR of approximately 66.7%.

We focus on overseas markets for our innerwear products. During the Track Record Period, export sales of our Group amounted to approximately RMB116.1 million, RMB162.6 million, RMB229.4 million and RMB95.0 million respectively, representing a CAGR of approximately 40.6% from 2008 to 2010 and contributed to approximately 85.3%, 83.4%, 60.6% and 67.8% respectively of our revenue during the Track Record Period.

We plan to expand and upgrade our production facilities and capacities in order to enhance our strength in developing and manufacturing functional fabrics, which, our Directors believe, offer higher profit margin. It is our strategy to maintain our continuing focus on the Japanese market and expand further in the PRC and overseas markets. We will also build up our ODM capability so as to strengthen our research and development ability for developing products to be marketed under our own brand "UTEX". In this way, our Group strives to grow into one of the leading Chinese functional fabric and innerwear manufacturers for major international apparel brands.

Our Directors believe that our close proximity to the ports in Qingdao, Shandong, the PRC, allows us to benefit from the efficient logistics infrastructure available in Qingdao, which was ranked the ninth largest port in the world in terms of container traffic by the American Association of Port Authorities in 2009.

EARTHQUAKE IN JAPAN

We sell both fabrics and innerwear products to our Japanese customers. During the Track Record Period, our revenue generated from sales to the Japanese market contributed approximately 84.4%, 82.4%, 51.9% and 56.0% of the total revenue of our Group respectively. As at 30 June 2011, trade receivables due from our Japanese customers amounted to approximately RMB4.7 million, representing approximately 14.8% of our total trade receivables, and all of which have been settled as at the Latest Practicable Date.

In March 2011, Japan was hit by the Higashi Nihon Daishinsai (東日本大震災), which was caused by a 9.0-magnitude earthquake occurred in the Tohoku district, northeast of Japan. The earthquake triggered destructive tsunami which struck the northeastern coast of Japan, and led to an explosion at the nuclear power plant in Fukushima, Japan, leading to a public concern on possible nuclear meltdown and radiation leakage. The catastrophe has caused extensive damage and more than 10,000 deaths, and the estimated economic loss is up to approximately US$300 billion. Our Group has inquired with our Japanese customers as to the impact of the catastrophe on them. Based on the latest information obtained by our Directors, our Japanese customers, being either brand owners, their respective sourcing agents, or the wholesaler (or its end customers which are retail shops and department stores), have not suffered significant loss or damage. Since the occurrence of the catastrophe, we have not received any cancellation of orders from our Japanese customers and have not experienced any material fluctuation in the aggregate volume of orders from them. We also have not received any request from our Japanese customers for deferral of payment to us or any indication as to their inability to pay any amount due to us. In addition, we made enquiries with our major Japanese customers shortly after the earthquake, none of these customers claimed that they suffered from serious damage from the earthquake as their major operations are not in the northeastern part of Japan. Based on the above, our Directors are of the view that our sales to the Japanese customers and the recoverability of the trade receivables from them will not be significantly adversely affected in the near future. Our sales to Japanese customers for the six months ended 30 June 2011 amounted to approximately RMB78.4 million, increased by approximately 37.9% from RMB56.9 million for the corresponding period in 2010.

For a summary of the situation of, and orders from, our major Japanese customers since the earthquake, please refer to the section headed "Business — Earthquake in Japan — Situation of and orders from our major Japanese customers since the earthquake" of this prospectus.

Our Directors expect that the economy of Japan will remain uncertain until the nuclear crisis is settled and the redevelopment plan of the affected area is drawn up. The pace of such recovery is also unclear. Our Directors consider that as the products we sell to our Japanese customers comprise mainly innerwear, which is basic household goods, the demand for our products may increase or decrease at the recovery stage. If the recovery of the Japanese economy is slow which leads to substantially fewer orders from our Japanese customers, our business and financial performance could be materially adversely affected.

Although we have not experienced any significant decreased orders (as compared with those in 2010) or any deferred payment from our major Japanese customers due to the Higashi Nihon Daishinsai, we can give no assurance that we will be able to maintain our sales volume to our Japanese customers at the same level as we had during the Track Record Period, or that we will be able to recover all the trade receivables from them, which can be affected by other factors such as our product mix and the financial condition of our Japanese customers.

We also cannot assure that there will not be any aftershocks, further natural disasters or catastrophes, or any government actions in Japan which are all beyond our control. These may result in material impact on our Japanese customers, which may adversely affect the volume of their orders, and consequently our revenue and profits. Any other detrimental change in the economic, political and social conditions, legal and regulatory requirements or decrease of demand in this market may adversely affect our financial results.

LIQUIDITY AND CAPITAL RESOURCES

We had positive operating cash flow of approximately RMB33.1 million and RMB49.1 million for the years ended 31 December 2008 and 2009 respectively, but a negative operating cash flow of approximately RMB4.8 million for the year ended 31 December 2010, which was primarily due to the increases in inventories and trade receivables to cater for our Group's business expansion. The increase in inventories, in particular, the levels of raw materials and work-in-progress was attributable to the additional procurement of certain raw materials as a cost control strategy based on our management's expectation on continuous price increase in raw materials in the near future and increase in work-in-progress to satisfy customers' orders which were due after year end. Trade receivables increased significantly as a result of the increase in sales to domestic customers and a new US customer (through a sourcing agent) who normally settled their payments longer than our Japanese customers. We also recorded a negative operating cash flow for the six months ended 30 June 2011 of approximately RMB11.6 million, which was mainly due to the increase in inventories to cater for our Group's production and delivery of products during the third quarter of 2011. For details of the operating cash flow, please refer to the section headed "Financial Information — Liquidity and capital resources — Net cash generated from (used in) operating activities" of this prospectus.

During the Track Record Period, we funded our growth principally from equity and shareholders' funding as well as net cash generated from our operations and interest-bearing borrowings. Our Directors confirmed that we did not experience any liquidity problems during the Track Record Period and have never experienced any difficulty in meeting our obligations to repay interest-bearing borrowings when they became due. As at 30 June 2011, we had total cash and bank balances of approximately RMB16.7 million. The cash and bank balances are required to finance our working capital and part of our capital expenditure plans in light of our continuing growth and expansion plan.

Our Group estimates that capital expenditures for the two years ending 31 December 2011 and 2012 will be approximately RMB18 million and RMB65 million respectively. Our planned future capital expenditures mainly include the purchase of additional production facilities and construction of factories. We expect to fund these expansion plans with bank financing, cash flow from our operations and the net proceeds to be received by us from the Share Offer.

The actual amounts of expenditures incurred may vary from the estimated amounts of expenditures for a variety of reasons, including changes in market conditions and other factors. Our ability to obtain additional funding required for increased capital expenditure in the future is subject to a variety of uncertainties including the future results of our operations, financial condition and cash flows, and economic, political and other conditions in the PRC.

As at 31 October 2011, being the latest practicable date for ascertaining our indebtedness position, we had in total approximately RMB135.3 million banking facilities available, of which approximately RMB85.3 million had been utilised. Our loans generally range from 1 year to 3 years, and are denominated mainly in RMB.

It shall be noted that due to the recent European debt crisis and the credit crisis in Wenzhou, Zhejiang Province, the PRC, the liquidity available in the market may be adversely affected, which may consequently affect our ability to obtain bank loans at a reasonable interest rate in the future. As at the Latest Practicable Date, the Directors were not aware of any cancellation or slowing down of orders, default payment by the customers or any difficulties in obtaining banking facilities.

In addition, despite the economic downturn in the fourth quarter of 2011 may pose a downward pricing trend for our products, our Directors expect that our Group's revenue and gross profit for the year ending 31 December 2011 will be in line with year 2010. However, given the estimated increases in administrative expenses mainly attributable to certain one-off listing expenses incurred in 2011, we expect that the net profit of our Group for the year ending 31 December 2011 would be less than that for the year ended 31 December 2010.

We believe that the proceeds to be received by us from the Share Offer, together with our current cash and bank balances, our lines of credit and net cash generated from our operating activities will be sufficient to meet our capital commitments and anticipated cash needs for working capital, capital expenditures, business expansion, investments and debt repayment for at least the next 12 months commencing from the date of this prospectus.

COMPETITIVE STRENGTHS

We believe the following competitive strengths allow us to achieve sustainable growth of our business:

- Vertically integrated operations
- Advanced and environmental-friendly production facilities
- Established relationships with key customers
- Experienced management team and advanced management system
- In-house fabrics development and testing department
- Strategic location in Shandong, the PRC

For further details of our competitive strengths, please refer the section headed "Business — Competitive strengths" of this prospectus.

BUSINESS STRATEGIES

Our principal business strategies are:

- Focus on producing high profit margin products and developing innovative products with high added value
- Upgrade and expand our production facilities and ERP system, and improve our production processes to reinforce our one-stop solutions
- Enhance our new high-tech fabrics development capability
- Extend our spring/summer collections of fabrics and innerwear products

- Develop our ODM capacity and commence production of high-end fabrics using our brand name "UTEX"

- Market expansion into the PRC and overseas markets

- Enhance collaboration with suppliers

For further details of our business strategies, please refer the section headed "Business — Business strategies" of this prospectus.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth the summary consolidated financial information of our Group. We have derived the consolidated financial information for the Track Record Period from our financial statements set forth in the Accountants' Report in Appendix I to this prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this prospectus, including the related notes.

Our consolidated financial information was prepared in accordance with HKFRSs.

Selected information of consolidated comprehensive income statements

	For the year ended 31 December			For the six months ended 30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(audited)*
Revenue	136,188	194,912	378,289	101,357	140,158
Cost of sales	(102,519)	(127,496)	(272,644)	(72,784)	(93,516)
Gross profit	33,669	67,416	105,645	28,573	46,642
Other income and gains	372	533	3,896	367	110
Selling and distribution expenses	(4,443)	(5,846)	(10,391)	(2,388)	(3,973)
Share-based payment	—	—	—	—	(5,800)
Administrative expenses	(15,777)	(17,720)	(27,984)	(12,174)	(23,536)
Finance costs	(4,371)	(3,646)	(4,761)	(2,099)	(2,777)
Profit before tax	9,450	40,737	66,405	12,279	10,666
Income tax expense	(2,002)	(9,125)	(12,934)	(2,786)	(6,549)
Profit for the year/period	7,448	31,612	53,471	9,493	4,117

Revenue by products

The following table sets out the breakdown of our revenue by fabrics and innerwear products during the Track Record Period:

	For the year ended 31 December						For the six months ended 30 June			
	2008		2009		2010		2010		2011	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Fabric products										
— General fabrics	23,640	17.4	13,773	7.1	19,911	5.3	8,084	8.0	13,141	9.4
— Functional fabrics	—	—	12,065	6.2	100,692	26.6	27,585	27.2	32,804	23.4
Subtotal	23,640	17.4	25,838	13.3	120,603	31.9	35,669	35.2	45,945	32.8
Innerwear products										
— General innerwear	112,548	82.6	95,218	48.8	121,005	32.0	41,518	41.0	38,181	27.2
— Functional innerwear	—	—	73,856	37.9	136,681	36.1	24,170	23.8	56,032	40.0
Subtotal	112,548	82.6	169,074	86.7	257,686	68.1	65,688	64.8	94,213	67.2
Grand Total	136,188	100.0	194,912	100.0	378,289	100.0	101,357	100.0	140,158	100.0

Revenue generated from sales of fabrics included sales of our general and functional fabrics sold to third parties during the Track Record Period. General fabrics mainly represented fabrics made with pure cotton yarns, while functional fabrics included smart thermal insulation, water resistant, moisture control, anti-microbial and/or anti-odour fabrics made with synthetic yarns.

Revenue generated from sales of innerwear products mainly consisted of sales of men's and women's innerwear, including t-shirts, vests, long-sleeves pullovers, men's briefs and boxer briefs, women's panties, long johns; and also toddlers' and infants' bodysuits and bibs, on an OEM basis. According to our management, these innerwear products can be further classified into two categories, namely general innerwear comprising mainly innerwear made with cotton fabrics, and functional innerwear comprising mainly innerwear made with functional fabrics that incorporate features such as smart thermal insulation, water resistance, moisture control, anti-microbial and/or anti-odour, respectively.

Our customers are mainly (i) sourcing agents; (ii) wholesaler; or (iii) brand owners. Our Directors believe that it is common for brand owners to conduct the fabric procurement and innerwear manufacturing process through sourcing agents and such sourcing agents generally play a key role in selecting fabrics suppliers and garment manufacturers, and thus our long-term and stable business relationships with the sourcing agents of the apparel brands is a critical factor to succeed in our industry and help drive our sales. Apart from our sales to sourcing agents, we also sell some of our innerwear products directly to brand owners, or to the wholesaler, whose end customers are retail shops and department stores.

Set out below is the breakdown of the revenue of our Group sold to brand owners and sourcing agents/wholesaler respectively during the Track Record Period:

	For the year ended 31 December						For the six months ended 30 June			
	2008		2009		2010		2010		2011	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Sourcing agents/ wholesaler	136,188	100.0	193,740	99.4	355,612	94.0	101,143	99.8	134,102	95.7
Brand owners	—	—	1,172	0.6	22,677	6.0	214	0.2	6,056	4.3
Total	136,188	100.0	194,912	100.0	378,289	100.0	101,357	100.0	140,158	100.0

Revenue by geographical locations

The following table shows the breakdown of our revenue by markets during the Track Record Period:

	For the year ended 31 December						For the six months ended 30 June			
	2008		2009		2010		2010		2011	
Countries	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
	(audited)		*(audited)*		*(audited)*		*(unaudited)*		*(audited)*	
Japan	114,974	84.4	160,595	82.4	196,443	51.9	56,869	56.1	78,428	56.0
The PRC (including Hong Kong)	20,040	14.7	32,289	16.6	148,896	39.4	44,488	43.9	45,159	32.2
The US	—	—	—	—	30,249	8.0	—	—	14,552	10.4
Others *(Note)*	1,174	0.9	2,028	1.0	2,701	0.7	—	—	2,019	1.4
Total	136,188	100.0	194,912	100.0	378,289	100.0	101,357	100.0	140,158	100.0

Note: Others include sales made to Canada, Spain, Israel and Korea.

STATISTICS OF THE SHARE OFFER

	Based on the Offer Price of HK$0.80
Market capitalisation[1]	HK$304 million
Pro forma adjusted net tangible assets per Share[2]	HK$0.499
Pro forma price/earnings multiple[3]	4.8 times

Notes:

1. The market capitalisation does not take into account any Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the Share Option Scheme.

2. The unaudited pro forma adjusted net tangible assets per Share is arrived at after making the adjustments set forth in the section headed "Financial information" of this prospectus and on the basis of a total of 380,000,000 Shares in issue and expected to be issued upon completion of the Share Offer but does not take into account any Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of our Shares referred to in the paragraph headed "Resolutions in writing of all the Shareholders passed on 19 August 2011 and 8 November 2011" in Appendix V to this prospectus. No account has been taken of the interests which may have been received on the estimated net proceeds to be received by us from the Share Offer.

   Appendix II to this prospectus sets forth the calculation of the unaudited pro forma adjusted net tangible assets per Share.

3. The calculation of the pro forma price/earnings multiple is based on the Offer Price of HK$0.8 and the earnings per Share on a pro forma basis for the year ended 31 December 2010 and the assumed number of Shares outstanding as set forth in note 2 above.

DIVIDEND POLICY

The amount of any dividends to be declared in the future will depend on, among others, our Group's results of operations, available cashflows and financial condition, operating and capital requirements, the amount of distributable profits based on the HKFRSs, the Articles of Association, the Companies Act, applicable laws and regulations and any other factors that our Directors deem relevant. The payment of dividends may also be limited by legal restrictions and agreements that our Group may enter into in the future.

Subject to the factors described above, we currently intend to recommend at the next annual general meeting of our Company an annual dividend of approximately 30% of our consolidated profit attributable to equity holders of our Company for the period beginning from the Listing Date and ending on 31 December 2011. The aforementioned annual dividend should not be viewed as an indication of the amount of dividends that our Company may declare or pay in the future.

USE OF PROCEEDS

Our Directors intend to apply the net proceeds to be received by us from the Share Offer to finance our capital expenditure and business expansion, strengthen our capital base and improve our overall financial position.

We estimate that we will receive net proceeds from the Share Offer of approximately HK$38.4 million, after deducting the underwriting commissions and estimated expenses payable by us in relation to the Share Offer.

Assuming that we receive the estimated net proceeds as described above, we currently intend to use the net proceeds to be received by us from the Share Offer as follows:

- as to approximately 50%, or HK$19.2 million, for upgrading and expanding our manufacturing equipment and production plants to enhance our production efficiency (please refer to the section headed "Business — Production — Production facilities and capacity — Expansion" for further details of our Group's expansion of equipment);

- as to approximately 20%, or HK$7.7 million, for expanding the sales of our fabrics products in the PRC market and the sales of our innerwear products in the overseas market by establishing and reinforcing the sales channels in these markets and participating in trade exhibitions;

- as to approximately 10%, or HK$3.8 million, for developing high-margin and innovative products and for enhancement of our new high-tech fabrics development capability;

- as to approximately 10%, or HK$3.8 million, for developing our ODM capability and for promoting our brand name "UTEX"; and

- the remaining net proceeds for funding our general working capital and other general corporate purposes.

To the extent that the net proceeds to be received by us from the Share Offer are not immediately required for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term deposits with licensed banks and/or authorised financial institutions in Hong Kong and/or the PRC for so long as it is in our best interest.

RISK FACTORS

We consider that there are certain risks involved in our business and operations and in connection with the Share Offer. Such risks can be categorised into (i) risks relating to our business; (ii) risks associated with our industry; (iii) risks associated with the PRC; and (iv) risks relating to the Share Offer. These risks are set out in the section headed "Risk factors" of this prospectus, the headings of which are as follows:

Risks relating to our business:

- We rely on sales to the Japanese market and any natural catastrophes happening in Japan or significant change in the economic, political and social conditions, legal and regulatory requirements or decrease of demand in this market may adversely affect our financial results.
- Our operating results may be adversely affected by increases in the prices of yarn and other raw materials we use in our production processes.
- We rely on our key management team.
- We have not entered into long-term sales agreement with most of our customers.
- We rely on a stable supply of labour at reasonable cost.
- We rely on a stable supply for our raw materials.
- We rely on our production facilities.
- We rely on a few major customers.
- We relied on bank and other borrowings during the Track Record Period and may continue to depend on bank borrowings in the near future for our operations.
- We had negative operating cash flow for the year ended 31 December 2010 and for the six months ended 30 June 2011, and failure to exercise tight credit and inventory control may adversely affect our operating cash flows.
- We had net current liabilities as at 31 December 2008 and 2009.

- We may not be able to sustain our rapid business growth in the future.

- It may be difficult to effect service of process upon us or our Directors or senior officers who reside in the mainland China or to enforce against them in the mainland China any judgments obtained from non-PRC courts.

- Our business and reputation may be affected by product liability claims, litigation, complaints or adverse publicity.

- Our insurance coverage may not be sufficient to cover the risks related to our operations and losses.

- We could be involved in intellectual property disputes.

- We did not fully contribute to the mandatory social insurance and housing provident fund.

Risks associated with our industry:

- We operate in a highly competitive industry and we may lose market share if we do not compete successfully.

- Our industry has historically experienced seasonality, which we expect to continue. This could cause our operating results to fluctuate.

- The fabric and innerwear products manufacturing business requires rapid and effective response to the fast changing fashion trends.

- Stringent environmental protection requirements could affect our business.

- Changes in occupational health and safety rules or regulations or human rights laws may adversely affect participants in the fabric and innerwear products manufacturing industry.

- Increased inspection procedures and tighter product safety laws as well as import and export controls could increase the operating costs of our Group and cause disruption to our business.

- Import quotas, higher tariffs or other trade barriers imposed by Japan, the United States, the European Union or other WTO member nations on the textile industry may have a material adverse impact on our results of operations.

Risks associated with the PRC:

- Uncertainty in the PRC legal system may make it difficult for us to predict the outcome of any disputes that we may be involved in.
- Our results and financial position are highly susceptible to changes in political, economic and social conditions of the PRC as our revenue is mainly derived from our operations in the PRC.
- The preferential tax treatment enjoyed by our Group during the Track Record Period has ended.
- Future movements in exchange rates may adversely affect our financial position and results of operation.
- Restriction on currency conversion may limit our ability to remit dividends and affect our business.
- Any increase in interest rates in the PRC may materially affect our results.
- The outbreak of any severe contagious diseases in the PRC, if uncontrolled, could affect the financial performance and prospects of our Group.
- Payment of, and tax exemptions on, dividends are subject to restriction under the PRC laws.
- Enforcement of judgments obtained from non-PRC courts may be difficult.
- PRC regulations may limit our ability to make additional capital contributions to our subsidiaries in the PRC.
- The new PRC Labour Contract Law may have an impact on our Group's operations and our labour costs may increase as we may be liable to fines and penalties for any material breach of the new law.
- Acts of God, acts of war and other disasters could affect our business.

Risks relating to the Share Offer:

- There has been no prior public market for the Shares.
- The market price of the Shares may be volatile.
- Concentrated ownership and our Controlling Shareholders may exert substantial influence over us and may not act in the best interests of our independent Shareholders.

- Investors will experience dilution of pro forma adjusted net tangible asset value because the Offer Price is higher than our net tangible book value per Share and may also experience dilution if we issue new Shares in the future.

- There may be dilution of shareholding as a result of additional issue of Shares in the future.

- Our historical financial information may not represent future performance, which may affect our future dividend policy.

- We cannot guarantee the accuracy of the statistics and industry information that are derived from various official sources.