An investment in our Shares involves various risks. You should consider carefully all the information set out in this prospectus and, in particular, the risks and uncertainties described below before making an investment in the Shares. The occurrence of any of the following events could harm us. If any of these events occur, the trading price of the Shares could decline and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We operate in a highly competitive industry, and our business, financial condition and results of operations may be materially and adversely affected if we are unable to compete effectively.

We face intense competition in each of our business segments because both the pharmaceutical retail and distribution industries in the PRC are highly fragmented and competitive. Our key competitors, which include large national and regional retailers and distributors of pharmaceutical and healthcare products in our target markets, as well as internet-based retailers and distributors, may have substantially greater resources than we do, such as financial, managerial or technical resources or stronger sales or marketing capability, and they may be willing to accept lower profit margins on their products. In addition, the PRC government has removed restrictions prohibiting foreign investors from holding controlling interest in any pharmaceutical sale and distribution enterprise of a certain operating scale. As a result, more foreign competitors may enter the markets where we currently operate.

We cannot assure you that we will be able to distinguish our products from our competitors', expand our market coverage, build up our brand reputation, or maintain our market share or profit margin in either our retail or distribution business. If we are unable to compete effectively against our existing or new competitors, our business, financial condition and results of operations may be materially and adversely affected.

Our revenue has been significantly dependent on sales in Northeast and Northern China and any decrease in sales in Northeast or Northern China would materially and adversely affect our business, financial condition and results of operations.

We derive the majority of our revenue from Northeast and Northern China, in particular Heilongjiang province. In 2010, 2011 and 2012 and the six months ended 30 June 2013, revenue derived from Northeast and Northern China amounted to RMB370.9 million, RMB783.6 million, RMB1,195.2 million and RMB609.7 million, respectively, accounting for 78.6%, 82.7%, 84.5% and 80.6%, respectively, of the total revenue from our distribution business. Furthermore, all the revenue of our pharmacies was derived from Northeast China during the same periods.

If our sales in Northeast or Northern China decline due to any reasons, some of which may be unforeseeable and beyond our control, our financial condition and results of operations could be adversely affected. Such reasons include, but are not limited to, changes in laws and regulations governing the pharmaceutical industry as promulgated by the national, provincial or local government, changes in local consumer preference and spending patterns, economic downturns in the regions, natural disasters and significant man-made incidents.

Due to the limited geographic coverage with respect to our businesses, we may not be able to effectively manage increased costs or absorb potential losses resulting from region-wide adverse events. Such events may materially and adversely affect our business, financial condition and results of operations.

We rely on suppliers to supply all of our pharmaceutical products, including our Licensed Products, and failure to maintain our business relationships with them may adversely affect us.

We do not engage in the manufacture of pharmaceutical products. All of the pharmaceutical products we sell and distribute are supplied by either pharmaceutical distributors or manufacturers, including Licensed Product manufacturers through licensing arrangements. As at Latest Practicable Date, we had engaged five Licensed Product manufacturers to manufacture 371 types of Licensed Products.

We typically enter into agreements with suppliers, including Licensed Product manufacturers, for a term of three to five years. Although our agreements are generally renewable, we may lose key suppliers, including Licensed Product manufacturers, to our direct competitors, or such key suppliers may decide to directly sell their products under their own brands. During the Track Record Period, certain of our pharmaceutical product suppliers were our related parties. Procurement from related parties accounted for 9.1%, 5.5%, 5.3% and 6.9% of our total procurement in 2010, 2011, 2012 and the six months ended 30 June 2013, respectively. Please see *"Financial Information – Indebtedness – Related-party Transactions/Indebtedness"* for further details of our transactions with related parties. We cannot assure you that we will be able to maintain business relationships with our suppliers or Licensed Product manufacturers on favourable terms, or at all. Failure to do so may materially and adversely affect our supply chain and our business, reputation, financial condition and results of operations.

We have limited or no control over our suppliers and the quality of the products supplied to us. If their performance does not meet our expectations, we could be exposed to liabilities and our business operations and reputation could suffer.

We have limited or no control over their operations and product quality. Our suppliers, including our Licensed Product manufacturers, may not be able to provide us with quality products in a timely manner and sufficient quantities at a commercially acceptable price. In addition, our suppliers may not always provide us with products free of defects and that meet our quality standards. During the Track Record Period, we had one incident of product recall, which related to defective medical capsules provided by a supplier. The manufacturer and the supplier voluntarily initiated a recall and provided replacement capsules to us free of charge. As a result of our proactive publicity and guidance in response to the product recall, the incident did not have a material adverse effect on our sales, results of operations, business or reputation. In addition, we were not subject to any product liability claim because of the incident. However, we cannot assure you that similar incidents will not occur in the future, nor that such incidents will not materially and adversely affect us. If the products provided by our suppliers are defective, of poor quality, or fail to meet our customers' expectations, we will need to find suitable replacement products, which may lower our profit margins and result in delays to our customers. There can be no assurance that we will be able to find suppliers operating at a standard acceptable to us.

Our suppliers are also subject to extensive laws and regulations. If our suppliers violate applicable laws and regulations, our reputation or procurement may be materially and adversely affected. In addition, we may be exposed to liabilities for defective goods provided by our suppliers and Licensed Product manufacturers, which may damage our reputation.

Similarly, we do not have control over our distribution customers. We implement policies to limit downstream competition between our distribution customers, such as by limiting the number of such customers and setting uniform prices for our Licensed Products and products with exclusive distribution rights in a particular region, as well as periodically reviewing whether such distribution customers are adhering to such prices. However, there can be no assurance that our distribution customers will not experience intense competition with each other, which may harm their prospects and in turn reduce their demand for our products.

We do not own the trademarks we use to market our Licensed Products and if we cannot continue to use such trademarks, our business, financial condition and results of operations may be materially and adversely affected.

We currently sell and distribute our Licensed Products under the Licensed Brands, namely, "Yushi" (御室), "Kangyisheng" (康醫生), "Shequyisheng" (社區醫生) and "Taoqimao" (淘氣貓). "Yushi" (御室) was licensed to us by Chengde Yushi; "Kangyisheng" (康醫生) was licensed to us by Heilongjiang Baitai; and "Shequyisheng" (社區醫生) and "Taoqimao" (淘氣貓) were licensed to us by Jiamusi Jinmeng. Each of Chengde Yushi, Heilongjiang Baitai and Jiamusi Jinmeng is a connected person of our Company as the controlling shareholder of each company is an associate of our Chairman, Mr. Jin. Pursuant to the licensing agreements, we have the exclusive right to use the Licensed Brands. Each of our current licensing agreements with Chengde Yushi, Heilongjiang Baitai and Jiamusi Jinmeng, for which we will make one-time payments of RMB7.8 million, RMB8.75 million and RMB2.95 million, respectively, became effective on 1 July 2013 for a term of three years and is renewable upon expiry at the consent of both parties. Please see "*Connected Transactions – Non-exempt Continuing Connected Transactions and Application for Waivers*" for further details on our past and current licensing agreements. Gross profit from the sales of Licensed Products accounted for 16.0%, 13.8%, 13.4% and 12.5% of our total gross profit in 2010, 2011 and 2012 and the six months ended 30 June 2013, respectively.

We cannot assure you that we will be able to renew the licensing agreements at similar terms or terms acceptable to us upon expiry. In addition, our Licensed Product manufacturers may charge us excessive premiums for using the licensed trademarks. If we are unable to continue to use the licensed trademarks for our Licensed Products, we may need to find alternative trademarks to market our products, which will be time-consuming and costly. In addition, our customers may have developed brand loyalty to the licensed trademarks and may continue to purchase such products from our competitors. We may need to re-establish customer brand awareness in respect of alternative trademarks that we use to market our Licensed Products. Either situation could adversely affect the sales of our Licensed Products and materially and adversely affect our business, financial condition and results of operations.

Some of our retail pharmacies may be unprofitable due to, among other reasons, poor locations, ineffective marketing and advertising or inefficient matching of our product offerings with local demand.

The success of our retail pharmacies depends on a number of factors, including but not limited to, the location, our reputation and brand image in the respective area, competition, the effectiveness and sufficiency of our marketing, advertising and promotional efforts, and our ability to match our product offerings with local demand. As at the Latest Practicable Date, we operated 791 pharmacies, primarily in Northeast China. We cannot assure you that all of our pharmacies will remain profitable going forward, or that pharmacies that we will open or acquire in the future will be as profitable as anticipated.

Additionally, closing down unprofitable pharmacies may incur significant costs, such as penalties due to early lease termination and losses from discounted liquidation of our excess equipment, supplies and inventories. Having a substantial number of pharmacies operating with low profit margins or even losses may materially and adversely affect our business, financial condition and results of operations.

We may fail to sufficiently and promptly respond to rapid changes in the PRC pharmaceutical industry as a result of PRC government policies and regulations, medical treatment needs and customer preferences, which could adversely affect our business, financial condition and results of operations.

The PRC pharmaceutical industry is subject to extensive government regulation and supervision, and additional rules and regulations may be implemented in the future. PRC government policies and regulations may lead to, among other things, (i) increased costs and lower profit margins for us, (ii) price controls over our products and (iii) limitations on the types and amount of products that we sell. Any of the above may require us to rapidly adapt our business operations to remain competitive and profitable.

In addition, changes in medical treatment needs may also arise. For example, there may be periodic outbreaks of certain diseases, such as avian flu, or discovery of new diseases, both of which would require the immediate availability of large amounts of corresponding treatment products. As we do not manufacture our own products, we must rely on suppliers to supply us with such products in the quantities and quality that we require. We cannot assure you that we will be able to respond to emerging trends by adjusting our product offerings in a timely manner, or at all.

Furthermore, our customers' preferences and purchasing patterns with respect to pharmaceutical and healthcare products may change rapidly. We must identify customer preferences and adapt our product offerings to such preferences in a timely manner. We must also monitor general sales trends, new product developments (such as new Licensed Products) and other conditions in the PRC pharmaceutical market. Our customers may not respond favourably to our products due to various reasons, including but not limited to, price, perceived shortcomings in safety or efficacy, ineffective marketing or obsolete products.

If we are unable to sufficiently and promptly respond and adapt to any of the above circumstances, our competitors may capture significant opportunities with respect to new products and markets or we may have sizable inventories that may be difficult to move and costly to handle. The occurrence of either of these events may materially and adversely affect our business, financial condition and results of operations.

We may not be able to maintain our historical growth rates or profit margins, and our results of operations may fluctuate significantly.

You should not rely on our historical operating results as an indication of our future performance. From 2010 to 2012, our revenue grew from RMB858.6 million to RMB2,326.3 million, representing a CAGR of 64.6%, and our net profit grew from RMB122.5 million to RMB227.4 million, representing a CAGR of 36.2%. Our revenue grew by 49.5% from RMB974.5 million for the six months ended 30 June 2012 to RMB1,457.0 million for the six months ended 30 June 2013, while our net profit grew by 118.0% from RMB75.3 million to RMB164.0 million, respectively, for the same periods. Our operating results may fluctuate significantly as a result of many factors which are outside of our control. These factors include:

- the success of our marketing and brand building efforts;
- the timing and market acceptance of new products by us or our competitors;
- fluctuations in demand for our products as a result of changes in our or our competitors' pricing policies;

- our relationship with suppliers of High-gross-margin Products;
- the amount of rental expenses incurred by our retail pharmacies; and
- the amount and timing of capital and other expenditures relating to the maintenance and expansion of our businesses.

These and other factors may slow or stall our revenue and profit growth, and may also cause our operating results to fluctuate significantly, which may result in substantial volatility in the trading price of our Shares or difficulties in predicting our operating results.

Our business and expansion plans require significant working capital and capital investments, and we may not be able to obtain the necessary capital at acceptable terms, or at all.

Our business growth strategies are capital intensive and we require substantial investment to sustain and expand our operations. During the Track Record Period, our capital expenditures have been primarily financed by proceeds raised from private financing in 2011 and cash generated from our operations. In the future, we intend to fund our capital expenditures and acquisitions through net proceeds from the Global Offering, proceeds raised from the Pre-listing Investments, and cash generated from our operations. Prior to the Listing, we expect the balance of the interest-free, unsecured shareholder's loan received through the Pre-Listing Investments to be fully settled through conversion into equity. As a result, if we raise funding through bank borrowings or issuances in the debt capital markets, which we may consider if suitable opportunities arise, we may incur higher finance costs going forward than those incurred during the Track Record Period. However, we cannot assure you that we will be able to secure sufficient additional funding for planned capital expenditures. In particular, the availability of external funding is subject to various factors, some of which are beyond our control, including the prevailing market conditions, government policies and regulations, the availability of credit, interest rates and investors' or lenders' perception of our business and our future results of operations. Our inability to obtain sufficient funding in a timely manner or on terms that are acceptable to us may materially and adversely affect our business, financial condition and results of operations.

We may not be able to successfully identify acquisition targets, complete acquisitions or integrate the acquired businesses.

Historically, we have successfully expanded our business operations through acquisitions and may continue to do so in the future. Our major acquisitions included Hebei Yanxiao and Sui Hua in 2011, and Harbin Hongqi and Wei Kang in 2012. Together with other acquired companies, these companies contributed 45.2% and 34.0% of our total revenue and gross profit in 2012, respectively. Please see *"History and Reorganisation – Major Acquisitions"* for further details regarding our past major acquisitions.

Acquisitions in general involve numerous risks and uncertainties, including but not limited to:

- the suitability of the acquired targets;
- our ability to complete acquisitions on acceptable terms;
- the availability, terms and costs of financing required to make an acquisition;

- delays in securing or inability to secure necessary governmental approvals and third-party consents;

- potential unforeseen or hidden liabilities of our acquired targets;

- our failure to deliver the expected synergies, to achieve the intended objectives or benefits, or to generate sufficient revenue to recover the costs and expenses of an acquisition;

- potential impairment of acquired goodwill or other intangible assets; and

- potential dilution of our earnings per share or decreases in our margins due to the lower profitability of acquired businesses.

In addition, we may experience difficulties in integrating the acquired businesses and personnel with ours due to differences in business models and cultures. The acquired business may not achieve our internal performance targets. Our management's time and attention may be diverted from other business concerns and we may experience difficulties in retaining key employees and customers of the acquired business. In addition, we may incur higher capital expenditure and integration costs than we initially anticipated.

We may undertake further acquisitions of independent retail pharmacies and distributors. We cannot assure you that we will be successful in realising all of the anticipated benefits in the acquisitions that we have made or will make in the future. The occurrence of any of the above may materially and adversely affect our business, financial condition and results of operations.

We may face difficulty managing our expansion into new markets and such difficulty may materially affect our results of operation.

Our plan to expand the geographical coverage of our retail and distribution businesses may involve investments in our sales and marketing network and acquisitions of suitable targets in other regions in the PRC, which may strain our financial, managerial and operational resources. Historically, we have primarily operated in the provinces of Heilongjiang, Jilin, Liaoning and Hebei. Given suitable opportunities, we may consider expanding our operations into other parts of the PRC or by other kinds of commercial channels.

As at the Latest Practicable Date, we have opened three retail pharmacies in Hong Kong. We plan to utilise our platform in Hong Kong to introduce suitable high-end products into the PRC and to achieve integration between our Hong Kong and our PRC operations. In addition, we plan to launch an e-commerce pharmaceutical retail business in cooperation with third party e-commerce service providers.

Should we choose to expand into other provinces or regions, or provide our products through such new commercial channels, we cannot assure you that we would be able to overcome challenges posed by such new markets, including different customer preferences, supplier practices and regulatory environment. As a result, we may not be able to manage such growth in a cost effective manner or maintain our profit margins. Failure to effectively manage our growth could have a material adverse effect on our business, financial condition and results of operations and could jeopardise our ability to implement our business strategies and maintain our market position.

Historically, we did not have direct control over our contracted pharmacies and any non-compliance of applicable PRC laws and regulations by our contracted pharmacies in the past may materially and adversely affect our reputation, business, financial condition and results of operations.

We had, in the past, entered into arrangements with contracted pharmacy operators, Independent Third Parties, who were granted the rights to operate pharmaceutical retail businesses as our branch pharmacies under our retail pharmaceutical brands. The economic benefits of these contracted pharmacies all belonged to these operators, as we did not have financial or operational control over these contracted pharmacies. We sold our products to these contracted pharmacies on similar terms with other distributors. In 2010, 2011 and 2012, our sales to our contracted pharmacies generated revenue of RMB41.9 million, RMB83.5 million and RMB86.2 million, respectively.

We required all of the contracted pharmacy operators to follow our operation policies and standards. However, because the contracted pharmacy operators were Independent Third Parties and their staff were not our employees, we did not have control over them. As a result, contracted pharmacy operators might have engaged in practices not in compliance with our policies or standards, including, but not limited to, providing sub-standard products or customer service, failing to comply with premise safety requirements, failing to adhere to product quality control measures and failing to maintain internal and financial controls. These actions may lead to non-compliance with the applicable PRC laws and regulations, which may in turn materially and adversely affect our reputation, business, financial condition and results of operations because the contracted pharmacies were operated under our retail pharmaceutical brands.

As at 30 June 2013, we had acquired the businesses of all of our contracted pharmacies and commenced running them as our self-operated pharmacies. Moreover, we have not permitted any new contracted pharmacies to open under our retail brand. Please see "*Business – Retail Business – Retail Operations – Our pharmacies – Contracted pharmacies*" for details. As at the Latest Practicable Date, we were not aware of any material non-compliance with applicable PRC laws and regulations by any of our contracted pharmacies in the past.

We may incur losses and our reputation may be adversely affected by potential product liabilities arising from product defects or recalls or misuse by end-users of certain products that we sell or distribute.

Our business is exposed to risks associated with the sale and distribution of pharmaceutical products, such as selling and distributing unsafe, defective or counterfeit products and product spoilage during transportation or in storage. Under PRC laws and regulations, pharmaceutical product manufacturers have strict liability for substandard or defective products. While we do not manufacture pharmaceutical products, if we promote, sell and distribute such products, our reputation and customers' perception of our product safety can also be damaged. Further, under PRC laws and regulations, we have the right to recover from the relevant manufacturers any compensation that we are required to make to our customers or end users in connection with a product liability claim. However, we cannot assure you that we will be able to recover all or any amount from these manufacturers. In addition, we may be required to recall defective products or take other remedial measures. Furthermore, customers may institute product liability claims against us. Any of these actions could lead to considerable expense, negatively affecting our business and financial performance as a whole.

Product liability claims may arise from defective products, product recalls, insufficient or improper labelling of products, inadequate or misleading warnings or disclosures relating to side effects or improper consumption of the product by end-users. Product liability claims may also arise when our in-store pharmacists, who owe a duty to warn the customers, improperly fill prescriptions, issue prescriptions without proper qualifications or provide incorrect or incomplete advice as to usage and potential negative side effects of products. Moreover, because we sell and distribute a large portion of our pharmaceutical products under our Licensed Brands, injuries that occur due to defects or use or misuse of any of our Licensed Products may result in negative perceptions as to the safety of our Licensed Products or of our retail pharmacies themselves. Any claims against us, regardless of their merits, could damage our reputation and consumer confidence in our products, and strain our financial resources in addition to consuming the time and attention of our management.

Third parties may infringe upon our intellectual property rights, or we may be subject to claims of alleged infringement on the intellectual property rights of others.

Our trademarks and other intellectual properties are important to our business operations. We rely on trademark and copyright laws and confidentiality agreements with our employees, suppliers and business partners to protect our intellectual property rights. However, it may be possible for third parties to obtain and use our intellectual property without authorisation. Any unauthorised use of our intellectual property by third parties may materially and adversely affect our business and reputation.

Conversely, we may be subject to claims of alleged infringement or violations of the intellectual property rights of others. During the Track Record Period, we did not have any claims against us of violations of third party intellectual property rights. However, we cannot assure you that this will not occur in the future. An adverse determination in any such litigation or proceeding to which we may become a party could cause us to (i) pay damage awards, (ii) seek licences from third parties, (iii) pay ongoing royalties, (iv) redesign our product offerings, or (v) be restricted by injunctions. Any litigation or proceeding involving us, with or without merit, may be costly and unpredictable, and cause a material and adverse effect on our business, financial condition and results of operations.

Some of our landlords did not provide us with proofs of property rights and we did not register any of our lease agreements, both of which may materially and adversely affect our rights to use such properties.

As at the Latest Practicable Date, we leased almost all of our office space, warehouses and pharmacies from third parties. Some of our landlords did not provide us with the relevant land use right certificates, building ownership certificates and/or real estate certificates. If any of our leases were terminated as a result of challenges by third parties or failure of the lessors to renew the leases upon expiration, we may need to seek alternative premises and incur additional costs relating to such relocations.

Due to uncertainty in the interpretation and implementation of the applicable PRC laws, we have not registered any of our lease agreements. Our PRC legal advisors, Commerce & Finance Law Offices, have advised us that, with respect to these properties, we may be ordered to rectify such non-registration within a certain time limit, and if we are unable to do so, we may be subject to fines of up to RMB10,000 for each of the unregistered lease agreements. Please see "*Business – Other Aspects of Our Business – Properties – Leased Properties*" for further details. The occurrence of any of these events could materially and adversely affect our business operation and results of operation.

Delays in delivery by Independent Third Party logistics providers or our own logistics team may affect our sales and damage our reputation.

We rely on a number of Independent Third Party logistics providers and our own logistics team for the transportation and delivery of our pharmaceutical products to our distribution customers and some of our pharmacies. We also bear the costs of such product delivery. Our pharmaceutical products are delivered from our storage warehouses to the designated warehouses of our customers or our pharmacies. The services provided by these logistics providers or our own logistics team could be interrupted by unforeseen events which could delay delivery. Delays, damages or losses during delivery may occur for various reasons beyond our control, including poor handling by logistics providers, transportation bottlenecks, adverse weather conditions, natural disasters, social unrest and labour strikes, which may result in loss of revenue and damage to our reputation. In addition, any significant increase in the cost of transportation, such as increased fuel cost, will increase our operating expenses.

A portion of the pharmaceutical products sold and distributed by us is subject or may become subject to government price controls or other price restrictions in the PRC.

A portion of the pharmaceutical products sold and distributed by us is included in the National or Provincial Medical Insurance Drugs Catalogues, and the maximum retail prices of such products are subject to government price controls in the form of fixed retail prices or retail price ceilings. As at 30 June 2013, our pharmaceutical products subject to price controls under the National or Provincial Medical Insurance Drugs Catalogues accounted for a total of 6.9% of our revenue.

In addition to fixed or maximum retail prices, products included in the National or Provincial Medical Insurance Drugs Catalogues may also be subject to downward price adjustments as the PRC government aims to make pharmaceutical products more affordable to the general public. Although the maximum retail prices are generally above our retail prices, we cannot assure you that it will always be the case. Should the PRC government significantly reduce the fixed retail prices or the retail price ceilings applicable to our products, we may have to reduce the prices of such products or remove them from our product portfolio, either of which may materially reduce our revenue and profitability.

In November 2009, NDRC, MOH and the Ministry of Human Resources and Social Security of the PRC jointly issued the Opinion on Reform of Pricing System of Pharmaceuticals and Medical Services (改革藥品和醫療服務價格形成機制的意見), pursuant to which NDRC indicated that it would strengthen its intervention in the pricing of pharmaceutical products and announce market price information on pharmaceutical products. As a result, our ability in setting prices for our pharmaceutical products is significantly limited. If there are additional price controls or government-mandated price regulations with respect to any of the existing or future products that we sell or distribute, our business, financial condition and results of operations may be materially and adversely affected.

Our success depends on the continued service of our senior management team.

Our success depends on the continued service of our senior management team. The expertise, industry experience and contributions of our executive Directors and other members of our senior management are crucial to our success. In particular, our Chairman, Mr. Jin, has over 20 years of experience in the PRC pharmaceutical industry and is currently the vice chairman of China Medical Pharmaceutical Materials Association (中國醫藥物資協會). Meanwhile, our senior management team also has over ten years of industry experience on average. If one or more of our key management members becomes unable or unwilling to continue their service with us, we may not be able to replace them with persons of comparable experience and expertise within a reasonable period of time and at a cost acceptable to us, or at all. Further, if any of our key management members joins a competitor, we may lose our technical know-how, customers and suppliers. In addition, the implementation of our business strategies and expansion plans may be adversely affected.

Our success also depends on our ability to attract and retain qualified and skilled managerial, financial, sales and marketing and other personnel. We cannot assure you that we will be able to hire and retain a sufficient number of qualified and skilled personnel to develop and grow our business. The inability to attract and retain a sufficient number of such skilled personnel could limit our plan to expand our retail and distribution network. In addition, intense competition for these individuals could cause us to offer higher compensation and other benefits in order to attract and retain them and consequently affect our financial condition and results of operations.

Our centralised procurement platform may not help us achieve anticipated savings and may place additional burdens on the management of our supply chain.

We process all of our subsidiaries' product procurement requests through a centralised procurement platform. We believe this platform can reduce our cost of sales as a result of economies of scale in our procurement process. However, we may not be successful in achieving the anticipated economies of scale because of the increases in the complexity of tracking inventory, inventory handling, transportation costs and burdens on the management of our supply chain. Furthermore, we may not be successful in achieving the expected cost savings from the renegotiation of certain supplier contracts due to the nature of the products covered by those contracts and the market position of the related suppliers. If we cannot successfully reduce our costs through centralising procurement, our profitability would be materially and adversely affected.

We may not be able to maintain proper inventory levels for our operations.

We consider a number of factors when we manage the inventory levels for our retail and distribution operations, including costs of holding inventory, our product portfolio, the preferences and purchasing trends of our customers and our goal of prompt delivery of products in sufficient quantity in response to customer demand. In 2010, 2011, 2012 and the six months ended 30 June 2013, our inventory turnover days were 45.8, 42.5, 43.2 and 43.6, respectively. The volatile economic environment and rapidly evolving demand and preferences of our customers present significant challenges towards making accurate projections of optimal inventory levels. Inventory levels in excess of customer demand may result in inventory write-downs, expiration of products or low liquidity that are difficult to move. Conversely, if we underestimate customer demand for our products or if our Licensed Product manufacturers or suppliers fail to deliver sufficient quantities of products to us in a timely manner, we may experience loss of sales and reputational damage. For example, in 2011 and 2012, it took approximately six months in average to adjust the product mix in our newly acquired pharmacies to cater to the local demand. As a result, it took additional time for us to bring the profitability of such acquired pharmacies up to our group profitability standard. Furthermore, due to our rapid expansion, our inventory levels have increased accordingly, resulting in increased inventory costs. We cannot assure you that we will be able to maintain proper inventory levels for our operations at all times and such failure may have a material adverse effect on our business, financial condition and results of operations.

We may suffer losses for which we have limited or no insurance coverage.

Our business operations are subject to a number of operational risks, some of which are beyond our control. We maintain general business insurance, such as property insurance. However, in line with industry practice, we do not currently maintain product liability insurance for any of the products that we distribute and sell. Accordingly, in the event of a successful product liability claim against us, we will be liable for damages and may be ordered to suspend or cease our retail and distribution businesses by the relevant government authorities. This may result in negative publicity and a loss of customer confidence and goodwill, which could lead to a reduction in sales, cancellation of major contracts or cessation of our business.

Moreover, our promotional and marketing activities include certain free medical services, which consist of (i) free medical consultations in the form of basic health checkups, such as blood pressure screening, for customers enrolled in our membership programme and (ii) free injection services for immunization products purchased in our pharmacies. Basic health check ups are provided by our employees who have had previous training in such services or third party professionals. Injection services are provided by certain hospitals with which our Group has entered into a service agreement. Please see "*Connected Transactions – Exempt Continuing Connected Transactions – 1. Medical services agreement*" for further details on the free injection services. Prior to 2012, we also offered free medical consultations in the form of basic consultation for common ailments at a limited number of pharmacies. Since free medical consultations only include the most basic services, we have not been, and do not anticipate that we will become, subject to any claims for medical malpractice in connection with providing such consultations. Similarly, we have not been subject to any claims in connection with the free injections services, and our agreement with the hospitals supplying free injections provides that such hospitals are fully liable for any malpractice in connection with such services. As a result, we are not able to insurance to cover malpractice claims for our free medical services. However, we cannot assure you that no claims will arise from such services in the future.

In addition, our pharmaceutical retail and distribution businesses may be affected by potential business interruptions caused by transportation delays, natural disasters, civil or labour unrest or other events, for which we do not have any insurance coverage as is customary in the PRC pharmaceutical industry. Loss or liability arising from interruptions to our business operations caused by any such events will have a material adverse effect on our business, financial condition and results of operations. There are certain types of losses and liabilities, such as those caused by acts of God or man-made disasters, for which we cannot obtain insurance at a reasonable cost, or at all.

Furthermore, we have not purchased any insurance to cover risks relating to the Contractual Arrangements, primarily because (i) such coverage is generally not readily obtainable from insurance providers and (ii) the considerable uncertainties with respect to such coverage render determining reasonable premiums impracticable. We believe that the risk of incurring substantial losses in connection with our Contractual Arrangements is not significant. For further details, please see "*– Risks Relating to Our Corporate Structure and the Global Offering – If the PRC government finds that the agreements that establish the structure for operating our Business in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to adverse consequences.*" However, there can be no assurance that we will be able to continue to operate our Contractual Arrangements, and if such risk materializes, we may suffer substantial losses for which we do not have insurance coverage.

In the event that we incur substantial losses or liabilities and our insurance does not adequately cover such losses or liabilities, or at all, our business, financial condition and results of operations may be materially and adversely affected.

We may experience increases in rental and/or labour costs, which would materially and adversely affect our business and results of operations.

We operate a substantial portion of our business on properties that we lease in various cities in China and in Hong Kong, for which we enter into lease agreements of varying terms. The rental rates for such properties are generally subject to market forces and while most are fixed rate leases, there can be no assurance that we will be able to renew our leases on favourable terms or at all, which may require us to pay higher rental costs to retain or move our business operations.

In addition, while we believe we have a satisfactory working relationship with our employees, we remain subject to the risk of labour disputes and adverse employee relations. We may also have difficulty recruiting and retaining skilled employees, such as retail pharmacists. Furthermore, our labour costs may increase for various reasons, such as changes in PRC labour laws. These potential disputes, adverse relations, and increases in labour costs could result in work stoppages or other events that could disrupt our business operations, which could materially and adversely affect our business, financial condition and results of operations.

We rely on information and data management systems in managing our operations and any system failures or deficiencies may have a material adverse effect on our business, financial condition and results of operations.

We utilise electronic information systems to rapidly obtain, process, analyse and manage data on our operations. We use these systems to, among other things, monitor the daily operations of our business and maintain operating and financial data for compilation of management and financial reports, which are critical to maintaining our efficiency and competitiveness. Any system setback or failure, or other damage from unforeseen events, which causes delays or interruptions to the input, retrieval and transmission of data could disrupt our operations. We cannot assure you that our information system recovery plan can effectively resolve all system failures, or that we will be able to restore our operational capacity in a timely manner to avoid disrupting our business. In addition, if the capacity of our information systems fails to meet the increasing needs of our expanding operations, our ability to expand may be constrained. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

If we fail to develop and maintain effective internal controls and monitoring systems, we may be unable to report our results in an accurate or timely manner.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be harmed. However, due to the inherent limitations in the design and implementation of our internal control system, we cannot assure you that our internal control system will be able to identify, prevent and manage all risks. If we identify material weaknesses in our internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the trading price of our Shares could be negatively affected.

In addition, we are in the process of designing, implementing, and testing the internal control over financial reporting, which is time consuming, costly, and complicated. Moreover, we cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations, which could have a negative effect on the trading price of our Shares.

RISKS RELATING TO OUR INDUSTRY

The PRC pharmaceutical industry is highly regulated, and the regulatory framework, requirements and enforcement trends may constantly change.

The PRC pharmaceutical industry is subject to extensive government regulation and supervision. We are governed by various national, regional and local regulatory regimes in all aspects of our operations, including approvals and certificates required for pharmaceutical distributors and retailers, and pricing of pharmaceutical products. Violations of these laws, rules and regulations may constitute a criminal offence under certain circumstances, and could also have a material adverse effect on our business, reputation, financial condition, results of operations and prospects. In addition, we cannot assure you that the legal framework, approval and certification requirements and enforcement trends in the PRC pharmaceutical industry will not change, or that we will be successful in responding to such changes. Such changes may result in increased costs of compliance and operational delays in bringing non-compliant operations into compliance, which could adversely affect our business, financial condition and results of operations.

All pharmaceutical retail and distribution companies in the PRC are required to obtain certain permits and licences from various PRC governmental authorities. As a pharmaceutical distributor and retailer, we are required to obtain GSP certifications along with certain other key permits and licences, such as pharmaceutical operation permit and medical device operation permit. These permits and licences held by us are generally valid for a certain period and are subject to periodic renewal and reassessment by the relevant PRC governmental authorities. The reassessment criteria are subject to reviews and may change from time to time and generally become more stringent.

During the Track Record Period, we have failed to obtain or renew certain licences or permits as required under applicable PRC laws and regulations. Specifically, some of our subsidiaries and pharmacies have not, for certain reasons, been able to obtain a valid GSP certificate, medical device operation permit or health food hygiene permit. We are in the course of obtaining or renewing such licences and permits, and where applicable, have followed up with the relevant authorities to obtain their approvals or certifications. Please see "*Business – Other Aspects of Our Business – Legal and compliance matters*" for further details.

Going forward, we intend to apply for the renewal of permits, licences and certifications when required by applicable laws and regulations. However, we cannot assure you that we will be able to obtain or renew all such permits, licences and certifications presently outstanding or in the future, and any failure or inability to do so could result in fines, confiscation of income or assets, suspension of business operations, and in severe cases, criminal penalties and loss of a subsidiary or pharmacy's pharmaceutical operation permit, which in turn could severely disrupt our business, and prevent us from continuing to carry on our operations.

Any changes in the standards used by governmental authorities in considering whether to renew or reassess our business licences, permits and certifications, as well as any enactment of new regulations that may restrict the conduct of our business, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our profitability and prospects. Furthermore, if the interpretation or implementation of existing laws and regulations changes, or new regulations come into effect, so as to require us to obtain any additional permits, licences or certifications that were previously not required for our business, we cannot assure you that we will be able to fully comply with the new requirements in a timely manner, or at all.

In order to retain or renew our permits, licences and certificates required for the distribution and sale of our pharmaceutical products, we are subject to regular inspections, examinations or inquiries by the regulatory authorities. In the event that any of our products or facilities fails such inspections, our business, profitability and reputation may be negatively impacted.

Our business may be adversely affected by product recalls, defects, scandals or any other incident that may have a negative impact on the reputation and public perception of the pharmaceutical industry as a whole.

Incidents that reflect doubt as to the quality or safety of pharmaceutical products manufactured, distributed or retailed by other participants in the pharmaceutical industry, including our competitors, have been, and going forward may continue to be, subject to widespread media attention. Such incidents may damage the reputation of both the parties involved as well as the pharmaceutical industry as a whole, even if such parties or incidents have no relation to us, our suppliers or our customers. For example, in March 2010, certain vaccines, produced by a party unrelated to us and which we did not sell or distribute, were improperly stored and handled, causing deaths and illness in Shanxi Province. As a result, negative publicity arising from this incident caused a temporary suspension on the sales of those vaccine and adversely affected the business and results of operation of the suppliers and distributors of those vaccines.

Similarly, the pharmaceutical industry may be negatively impacted by incidents not related to product quality or safety. For example, in July 2013, the PRC Ministry of Public Security announced that, GlaxoSmithKline had allegedly funnelled a substantial amount of money to individual government officials, doctors, hospitals and others in connection with the promotion and sales of its drugs. The ongoing investigation has resulted in multiple arrests, including some of GlaxoSmithKline's executives in China. Although none of the findings or allegations involve us or, to our knowledge, our suppliers or distribution customers, the incident has received widespread negative media coverage and may lead to public distrust of the pharmaceutical industry as a whole in the near future. As a result of the GlaxoSmithKline scandal, or any other past or future incident involving a pharmaceutical industry participant with or without any relation to us, we may experience reduced demand for our pharmaceutical products, which may have a material adverse effect on our business, reputation, financial condition and results of operations.

Any non-compliance with the anti-bribery and anti-corruption laws by our employees or parties who have a business relationship with us may materially and adversely affect our business operation.

Our industry is subject to anti-bribery and anti-corruption laws and regulations. In the PRC, where we operate substantially all of our business, we must strictly comply with the regulations set forth by PRC criminal laws and other applicable regulations, which prohibits companies and their intermediaries from making improper payments to government officials or other parties for the purpose of obtaining or retaining business. While we have internal controls and procedures in place to monitor internal and external compliance with anti-corruption laws, regulations and policies, we cannot assure you that such internal controls and procedures will always protect us from violations committed by our employees or other parties with whom we have a business relationship. If our employees or other parties are found or alleged to be in violation of anti-corruption regulations, we may face or be involved in fines, lawsuits, loss of permits and licences, store closures, and loss of key personnel, as well as damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

Counterfeit products in the PRC pharmaceutical market may compete with our products or damage our brand and reputation, and cause a material adverse effect on our business, financial condition and results of operations.

Certain pharmaceutical products distributed or sold in the PRC pharmaceutical market may be counterfeits which are manufactured without proper licences or approvals and fraudulently mislabelled with respect to their content and brand. Such counterfeit pharmaceutical products are generally sold at lower prices than authentic pharmaceutical products due to their lower production costs, and in some cases are very similar in appearance to the authentic pharmaceutical products. Counterfeit pharmaceutical products may or may not have the same chemical content as their authentic counterparts, and some may be diluted with unsafe ingredients. The PRC regulatory control and enforcement system on the counterfeit pharmaceutical products will not be able to completely eliminate the production and sale of counterfeit pharmaceutical products. Any illegal sale of counterfeit pharmaceutical products by others using the brand names, logos or trademarks that we use to market our products may subject us to negative publicity, reputational damage, fines and other administrative penalties or even result in litigation against us.

Furthermore, high profile scandals involving counterfeit products, products containing unsafe ingredients and other substandard products in the PRC pharmaceutical industry may generate negative consumer perceptions of all pharmaceutical products in general, and may severely harm the reputation and brand names of companies like us. In addition, consumers may buy counterfeit pharmaceuticals that are in direct competition against our authentic pharmaceutical products, whether branded with our own name or otherwise. As a result of these factors, the continued proliferation of counterfeit pharmaceutical products in the PRC may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our pharmaceutical products may be removed or excluded from the National or Provincial Medical Insurance Drugs Catalogues.

Eligible participants in the governmental basic medical insurance programme, who purchase drugs listed in the National or Provincial Medical Insurance Drugs Catalogues are entitled to reimbursement from the social medical insurance fund. As a result, such drugs are more competitive in terms of price, and hospitals and end-users in the PRC frequently order them to utilise the reimbursement scheme. At the same time, drugs removed or excluded from the National or Provincial Medical Insurance Drugs Catalogues may be less attractive to our customers due to the lack of reimbursement for the purchase costs of such drugs.

The PRC central and provincial governmental authorities select medicines for the National and Provincial Medical Insurance Drugs Catalogues based on a variety of factors, including treatment requirements, frequency of use, effectiveness and price, and they may also from time to time review and adjust the National or Provincial Medical Insurance Drugs Catalogues. As at 30 June 2013, 6.9% of our revenue was derived from products included in the National or Provincial Medical Insurance Drugs Catalogues. We cannot assure you that our existing products that are listed in the National or Provincial Medical Insurance Drugs Catalogues will continue to be included. If any of our existing pharmaceutical products are removed from any of the National or Provincial Medical Insurance Drugs Catalogues or new major products that we launch in the future are not included in them, our sales of such affected products may significantly decline, which in turn will materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE PRC

Changing economic, political and social conditions or government policies in the PRC could affect our business and prospects.

All of our operating assets are located in the PRC and all of our revenue will be derived from our operations in the PRC. Our results of operations and prospects are subject, to a significant degree, to economic, political and social conditions or government policies in the PRC.

The PRC government exercises significant control over the economic growth of the PRC through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatments to particular industries or companies. In recent years, the PRC government has implemented measures emphasising the utilisation of market forces in economic reforms, the reduction of state ownership of productive assets and the establishment of better corporate governance in business enterprises. These economic reform measures may be adjusted or modified, or applied inconsistently from industry to industry, or across different regions of the country. We cannot predict whether changes in the PRC economic, political and social conditions and government policies will have any material adverse effect on our business or industry.

Uncertainties in the PRC legal system may have a material adverse effect on us.

We conduct all of our business and operations in the PRC and are therefore subject to PRC laws, rules and regulations. Our PRC subsidiaries are generally also subject to laws, rules and regulations applicable to foreign investments in the PRC and, in particular, laws, rules and regulations applicable to wholly foreign-owned enterprises. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference by the courts but have limited value as legal precedents. Since the late 1970s, the PRC government has significantly enhanced PRC legislation and regulations to provide protections to various forms of foreign investments in the PRC. However, the PRC is still developing a fully integrated legal system, and recently enacted laws and regulations may not sufficiently address all relevant aspects of economic activities in the PRC, or may even conflict with other laws and regulations. As many of these laws, rules and regulations are relatively new, and because of the limited volume of published decisions, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and may not be as consistent or predictable as in other more developed jurisdictions. Such uncertainty may materially and adversely affect our business, financial condition and results of operations.

Compliance with the PRC Labour Contract Law and other labour-related regulations may increase our operating expenses and may adversely affect our business and results of operations.

On 29 June 2007, the PRC National People's Congress enacted the PRC Labour Contract Law (the "**Labour Contract Law**"), which became effective on 1 January 2008 (amended on 28 December 2012 and implemented on 1 July 2013). The Labour Contract Law formalises, among other things, workers' rights concerning overtime hours, social insurance and layoffs, the execution, performance, modification and termination of labour contracts, the clauses of the labour contracts and the role of trade unions.

As the Labour Contract Law has been enforced for only a short period of time, there is significant uncertainty as to its potential impact on our business and results of operations. The implementation of the Labour Contract Law may increase our operating expenses, in particular our costs of human resources and our administrative expenses. In the event that we decide to significantly modify our employment or labour policy or practice, or reduce the number of our employees for cost purposes, the Labour Contract Law may also limit our ability to do so, and it may materially and adversely affect our business and results of operations.

According to the Regulations on the Administration of Housing Fund, a local managing center of the housing fund may require us to make contribution to the employee housing fund up to a certain amount. As at 30 June 2013, our total housing fund outstanding amounted to RMB10.1 million, of which we had made a provision for the full amount. We have not made such contribution because there is uncertainty regarding the interpretation of the contribution requirement. Up to the Latest Practicable Date, we had not received any notifications or directives from the relevant authorities requiring our contribution to the housing fund. However, we cannot assure you that none of the local managing centers of the housing fund will order us to make such contribution in the future. The maximum amount of potential fine levied by relevant authorities for a company which does not make such contribution when requested is RMB50,000.

In addition, the Social Insurance Law of the PRC (the "**Social Insurance Law**") was promulgated on 28 October 2010 and became effective on 1 July 2011. The implementation of the Social Insurance Law could increase our staff costs and expenses associated with social insurance payable in the PRC. Moreover, we are in the process of complying with the relevant requirements under the Social Insurance Law. As at 30 June 2013, our social insurance outstanding amounted to RMB13.8 million, of which we had made a provision for the full amount. If the social insurance authority finds us in violation of the Social Insurance Law, we may be ordered to make such contribution with an overdue payment. There remains uncertainty as to its implementation and interpretation by the PRC governmental authorities and its potential impact upon our business, results of operations and financial condition.

Future fluctuations in foreign exchange rates and government control in currency conversion may adversely affect our results of operations and financial condition as well as our ability to remit dividends.

A substantial proportion of our turnover and expenditure is denominated in Renminbi, which is currently not a freely convertible currency. We will require Hong Kong dollars for dividend payments (if any) to the Shareholders. The value of the Renminbi is subject to changes in the PRC government's policies and depends to a large extent on the domestic and international economic and political developments as well as supply and demand in the local market. For instance, in the PRC since 1994, the conversion of the Renminbi into foreign currencies, including the Hong Kong dollar and US dollar, has been based on rates set by the PBOC.

Since 1994, the official exchange rate for the conversion of Renminbi to US dollars has generally been stable. The PRC government, however, has, with effect from 21 July 2005, reformed the exchange rate regime by moving into a managed floating exchange regime based on market supply and demand with reference to a basket of currencies. On 21 July 2005, this revaluation resulted in the Renminbi appreciating against the US dollar and the Hong Kong dollar by approximately 2% on that date. On 23 September 2005, the PRC government widened the daily trading band for the Renminbi against non-US dollar currencies from 1.5% to 3.0% to improve the flexibility of the new foreign exchange system. On 20 June 2010, the PBOC announced that it intends to further reform the Renminbi exchange rate regime by enhancing the flexibility of the Renminbi exchange rate. On 16 April 2012, the PBOC enlarged the previous floating band of the trading prices of the Renminbi against the US dollar in the inter-bank spot foreign exchange market from 0.5% to 1% in order to further improve the managed floating Renminbi exchange rate regime based on market supply and demand with reference to a basket of currencies.

Should there be significant changes in the exchange rates of the Hong Kong dollar against the Renminbi, our ability to make dividend payments in Hong Kong dollars may be adversely affected. This may in turn adversely affect our financial condition and results of operations. In addition, any significant change in the exchange rate of the Renminbi against the Hong Kong dollar could adversely affect the amount and value of our dividends, which would be funded by Renminbi but paid in Hong Kong dollars.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases in the PRC may have a material adverse effect on us.

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases may materially and adversely affect our business and results of operations. We are unable to forecast the potential impact of any outbreak of epidemic or contagious disease. Because of the nature of our business, the outbreak of certain contagious diseases could increase the demand for certain pharmaceutical products, which may increase our sales. However, it is also possible that any such outbreak might disrupt our operations. The PRC government may seize our supply if there is a severe emergency. In addition, if any of our employees is identified as a possible source of any epidemic or serious disease, we may be required to quarantine the employees who are suspected of being infected and others who have come into contact with those employees.

Moreover, China has experienced natural disasters such as earthquakes, floods and droughts in the past few years. For example, in May 2008 and April 2013, Sichuan Province experienced earthquakes with reported magnitudes of over 7.0 on the Richter scale. Furthermore, since the beginning of 2010, severe droughts have occurred in Southwestern China, resulting in significant economic losses in this area.

Although we and our major suppliers do not conduct business operations in the vicinity of the areas most heavily impacted by the above events, there can be no assurance that future occurrences of such events, or the measures taken by the PRC government or other countries in response to such events, will not seriously disrupt our operations or those of our customers, which may have a material adverse effect on our business, financial condition and results of operations.

PRC regulations relating to loans to and direct investment by offshore holding companies in PRC entities may affect our ability to use the net proceeds of the Global Offering to contribute additional capital or make loans to our PRC subsidiaries.

We are an offshore holding company conducting our operations in the PRC through our PRC subsidiaries. In utilising the net proceeds we expect to receive from the Global Offering for the purposes described in "*Future Plans and Use of Proceeds*", we may make loans or additional capital contributions to our PRC subsidiaries.

Any loan to a subsidiary which is treated as a foreign invested enterprise under the PRC law is subject to PRC regulations and foreign exchange loan registrations. We may also finance a subsidiary by means of capital contributions. These capital contributions must be approved by the MOFCOM or its local counterpart.

We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, or at all, with respect to future loans or capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the net proceeds from the Global Offering to capitalise or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Failure by the Shareholders or beneficial owners who are PRC residents to make any required applications and filings pursuant to regulations relating to offshore investment activities by PRC residents may prevent us from distributing profits and could expose us and our PRC resident Shareholders to liabilities under PRC law.

The Circular Concerning Relevant Issues on the Foreign Exchange Administration of Raising Funds through Overseas Special Purpose Vehicles and Investing back in the PRC by Domestic Residents (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) ("**Circular 75**") promulgated by SAFE on 21 October 2005 became effective on 1 November 2005. Circular 75 requires PRC residents with direct or indirect offshore investments, including overseas special purpose vehicles, to file a "Registration Form of Overseas Investments Contributed by Domestic Individual Residents" (境內居民個人境外投資外匯登記) and register with SAFE and also to update SAFE's records within 30 days of any major change in capital, including increases and decreases of capital, share transfers, share swaps, mergers or divisions. Failure to register may result in the prohibition of distributions or contributions from capital reductions, share transfers or liquidations, from PRC entities to the relevant offshore entity in which the PRC resident has a direct or indirect investment.

Due to the uncertainty concerning the reconciliation of the notices with other approval requirements, it remains unclear how the SAFE Circular and any future legislation concerning offshore or cross-border transactions will be interpreted, amended and implemented by the relevant PRC government authorities. To the best of our knowledge, as at the Latest Practicable Date, our PRC Shareholders with offshore investments in the Group had registered with SAFE as to their offshore investments. Any failure by our PRC Shareholders to register with SAFE or update SAFE's records may result in the prohibition of distributions or contributions from capital reductions, share transfers or liquidations of our PRC subsidiaries and may affect our ownership structure, acquisition strategy, business operations and ability to make dividend payments to the Shareholders.

We are subject to scrutiny by the PRC tax authorities and a finding that we owe additional taxes could have a material adverse impact on our net income and the value of your investment.

Under PRC laws, arrangements and transactions among related parties may be challenged by the PRC tax authorities. If any of the transactions we have entered into among our consolidated entities or with related parties are challenged by the PRC tax authorities to be not on an arm's-length basis, or to result in an unreasonable reduction in our PRC tax obligations, the PRC tax authorities have the authority to disallow our tax deduction claims, adjust the profits and losses of our respective consolidated entities and assess late payment fees and other penalties. Any of the above may materially reduce our net income.

The new EIT Law may affect tax exemptions on dividends received by us and may increase our enterprise income tax rate.

Pursuant to the new EIT Law effective on 1 January 2008, if any of the overseas members of our Group is deemed to be a non-PRC resident enterprise for tax purposes, it will be subject to a withholding tax rate of 10% for any dividends paid by our PRC operating subsidiaries unless it is entitled to certain tax reductions or exemptions. Under the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) effective on 1 January 2007 (the "**Tax Arrangement**"), the withholding tax rate for dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the PRC enterprise; otherwise, the dividend withholding tax rate is 10%. According to the Notice of the State Administration of Taxation on Issues Relating to the Administration of the Dividend Provision in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guoshuihan 2009 No. 81) ("Notice 81") promulgated on 20 February 2009, the corporate recipients of dividends distributed by PRC enterprises must satisfy the direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends. According to Notice 81, if the primary purpose of the transactions or arrangements is deemed by the relevant authorities to be entered into for the purpose of enjoying a favourable tax treatment, the favourable tax benefits enjoyed by us pursuant to the Tax Arrangement may be adjusted by the relevant tax authorities in the future.

Although the new EIT Law became effective on 1 January 2008, there is still uncertainty about how it will be implemented by the relevant PRC tax authorities. If dividend payments from our PRC operating subsidiaries to us are subject to the PRC withholding tax, it may have a material and adverse effect on our business, financial condition and results of operations. If our dividend payments to overseas Shareholders are subject to the PRC withholding tax, it may have a material and adverse effect on your investment return and the value of your investment with us.

As at the Latest Practicable Date, we had no plans to distribute the retained earnings of our PRC subsidiaries in the foreseeable future. As a result, no provision for withholding tax had been made. Please see *"Appendix I – Accountant's Report – Note 10"* for further details.

We face uncertainty from the Circular on Strengthening the Administration of Enterprise Income Tax on Non-PRC Resident Enterprises' Share Transfers (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) ("SAT Circular No. 698") issued by the PRC State Administration of Taxation.

Pursuant to SAT Circular No. 698 which became effective on 10 December 2009, except for the purchase and sale of equity through a public securities market, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company (an "**Indirect Transfer**"), and the overseas holding company is located in a tax jurisdiction that has an effective tax rate of less than 12.5% or does not impose tax on foreign income of its residents, the non-resident enterprise, being the transferor, must report to the competent tax authority of the PRC resident enterprise this Indirect Transfer. Using a "substance over form" approach, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC tax at a rate of up to 10%. SAT Circular No. 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

There is uncertainty as to the application of SAT Circular No. 698. For example, while the term "Indirect Transfer" is not clearly defined, it is understood that the relevant PRC tax authorities have jurisdiction to request information from a wide range of foreign entities having no direct link to China. Moreover, the relevant authority has not yet promulgated any formal provisions or formally declared or stated how to calculate the effective tax rates in foreign tax jurisdictions, and the process and format of the reporting of an Indirect Transfer to the competent tax authority of the relevant PRC resident enterprise remain unclear. In addition, there are no formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. SAT

Circular No. 698 may be determined by the tax authorities to be applicable to our restructuring or Pre-listing Investments where non-resident investors were involved, if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose or for any other reason. As a result, we may be taxed under SAT Circular No. 698 and may be required to expend valuable resources to comply with SAT Circular No. 698, which may have a material adverse effect on our business, results of operations and financial conditions.

All employee participants in the Share Option Scheme, who are PRC citizens may be required to register with the SAFE, and we may also face regulatory uncertainties that could restrict our ability to adopt share option plans for our directors and employees under PRC law.

In December 2006, the PBOC promulgated the Administrative Measures for Individual Foreign Exchange, which set forth the respective requirements for foreign exchange transactions by PRC individuals under either the current account or the capital account. In January 2007, SAFE issued the Implementation Rules of the Administrative Measures for Individual Foreign Exchange (個人外匯管理辦法實施細則), which, among other things, specified approval requirements for certain capital account transactions such as a PRC citizen's participation in the employee stock ownership plans or stock option plans of an overseas publicly listed company.

On 20 February 2012, SAFE issued a new Circular on Domestic Individuals' Participation in Share-based Incentive Plans of Overseas Listed Companies (Hui Fa [2012] No. 7) ("**Circular 7**"). Under Circular 7, PRC citizens who participate in share-based incentive plans of an overseas publicly listed company are required, through a qualified PRC domestic agent or PRC subsidiary of such overseas publicly listed company, to register with the SAFE and complete certain other procedures. We and our PRC citizen employees participating in the Share Option Scheme will be subject to Circular 7 following the completion of the Global Offering. Failure to comply with Circular 7 and other relevant rules might subject us or our PRC citizen employees participating in the Share Option Scheme to fines and other legal or administrative sanctions and impose restrictions on the implementation of the Share Option Scheme, which could negatively affect our business operations.

RISK RELATING TO OUR CORPORATE STRUCTURE AND THE GLOBAL OFFERING

If the PRC government finds that the agreements that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to adverse consequences.

Before deregulation in January 2012, the PRC government had restricted foreign investment in the pharmaceutical retail industry. Due to these restrictions, we conducted part of our operations in China through Structured Contracts with Jintian Management and its subsidiaries and Contractual Arrangements with Jintian Century. Although we did not have any equity interest in Jintian Management and its subsidiaries, we were able to exercise effective control over them and receive substantially all of the economic benefits of their operations through the Structured Contracts with Jintian Management and its shareholders. We, through Hong Kong Health Century, our wholly owned subsidiary, currently have Contractual Arrangements with Jintian Century to exercise effective control of Jintian Aixin Co., of which Jintian Century holds 4.99% equity interest and Hong Kong Health Century holds the remaining 95.01% equity interest. For further details on the Structured Contracts and Contractual Arrangements, see "*History and Reorganisation – Reorganisation – Merger by Absorption," "History and Reorganisation – Reorganisation – Contractual Arrangements"* and *"Appendix V – 6. The Structured Contracts*."

In or around September 2011, various media sources reported that the CSRC had prepared a report proposing regulating the use of certain corporate structures, such as our Structured Contracts and Contractual Arrangements, in industry sectors subject to foreign investment restrictions in China and overseas listings by China-based companies. However, it is unclear whether the CSRC officially issued or submitted such a report to a higher level government authority or what any such report provides, or whether any new PRC laws or regulations relating to such corporate structures will be adopted or if adopted, what they would provide.

In addition, several recent articles, including an article published in early June 2013 on The New York Times and another one on The Economic Observer (經濟觀察報), reported discussions that a recent PRC Supreme Court decision and two arbitration decisions in Shanghai related to corporate structures such as the structured contracts had cast doubt on their validity of such corporate structures. According to these articles, the PRC Supreme Court ruled in late 2012 that an entrustment agreement entered into by and between a Hong Kong company and a PRC domestic entity, which was purported to enable such Hong Kong company to make equity investment in a PRC bank through the proxy PRC domestic entity, was void on the ground that such agreement established an entrustment relationship meant to circumvent the PRC laws and regulations that restrict foreign investment in PRC financial institutions and as such, constituted an act of concealing illegal intentions with a legitimate form. These articles argued that the contractual arrangement in a corporate structure such as the structured contracts and the entrustment agreement in the cited case were similar in that the contractual arrangements in such corporate structures were also designed to "get around" the regulatory restrictions on foreign investment in certain industries. As such, the articles noted that this Supreme Court decision might increase the uncertainties relating to the PRC government's view on the validity of the contractual arrangements used in such corporate structures. These articles also reported, without providing sufficient details, that there are two arbitration decisions by the China International Economic and Trade Arbitration Commission ("CIETAC") which invalidated the contractual arrangements used in such corporate structures in 2010 and 2011.

On 27 June 2013, we ended the Structured Contracts and Jintian Management's subsidiaries became our subsidiaries. We continue to maintain the Contractual Arrangements with Jintian Century and expect to maintain them following Listing. We have been advised by our PRC legal advisors, Commerce & Finance Law Offices, that our Structured Contracts and Contractual Arrangements were not and are not (i) subject to any dispute or controversy, (ii) in question by any regulatory authority with respect to validity or legality, and (iii) in violation of PRC laws, rules and regulations at the time in any material aspect.

However, we cannot assure you that the PRC government would find that the Structured Contracts and Contractual Arrangements were not and are not in violation of PRC licensing, registration or other regulatory requirements that may be adopted in the future. There are uncertainties regarding the interpretation and application of the PRC laws, rules and regulations governing foreign investment in the pharmaceutical industry.

These PRC laws, rules and regulations and their official interpretation and enforcement may be applied retroactively against the structured contracts and/or going forward against the Contractual Arrangements. The PRC government has broad discretion in dealing with violations of PRC laws, rules and regulations, including levying fines, revoking business and other licences and requiring actions to ensure compliance which we may not be able to comply with or satisfy. If the PRC government determines that our Structured Contracts and/or Contractual Arrangements did not or do not comply with applicable PRC laws, rules or regulations, it could take regulatory or enforcement actions against us that could have a material adverse effect on our business, financial condition and results of operations.

We do not wholly own Jintian Aixin Co. and rely on the Contractual Arrangements with Jintian Century with respect to 4.99% equity interest in Jintian Aixin Co., which may not be as effective in providing full operational control as direct ownership.

The 95.01% equity interest in Jintian Aixin Co. is held by our wholly-owned subsidiary, Hong Kong Health Century. Although we ended the Structured Contracts on 27 June 2013, we continue to control Jintian Aixin Co., an entity operating in China, partly through the Contractual Arrangements with Jintian Century with respect to the 4.99% equity interest in Jintian Aixin Co. For further details on the Contractual Arrangements, please see "*History and Reorganisation – Reorganisation – Contractual Arrangements*."

However, the Contractual Arrangements may not be as effective for control as full equity ownership. If we lose control over the 4.99% equity interest in Jintian Aixin Co. for any reason, we may need to bring a claim against Jintian Century under the terms of the Contractual Arrangements. The Contractual Arrangements are governed by the PRC law and provide that any dispute arising from these arrangements will be submitted to the CIETAC for arbitration, the ruling of which will be final and binding. Furthermore, personal liabilities of the shareholders of Jintian Century may also subject the equity interest they hold indirectly in Jintian Aixin Co. to court preservation actions or enforcement. The legal framework and system in China, particularly those relating to arbitration proceedings, is not as developed as other jurisdictions such as Hong Kong or the United States. As a result, significant uncertainties relating to the enforcement of legal rights through arbitration, litigation and other legal proceedings remain in China, which could limit our ability to enforce the Contractual Arrangements and exert full control over Jintian Aixin Co. If Jintian Century or any of its shareholders fails to perform its respective obligations under the Contractual Arrangements, and we are unable to enforce the Contractual Arrangements, or suffer significant delay or other obstacles in the process of enforcing the Contractual Arrangements, our business and operations could be disrupted, which could materially adversely affect our results of operations.

Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

The Contractual Arrangements provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the CIETAC in the PRC. The Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the shares and/or assets of Jintian Century, injunctive relief and/or winding up of Jintian Century. In addition, the Contractual Arrangements contain provisions to the effect that courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, we have been advised by our PRC legal advisors, Commerce & Finance Law Offices, that the abovementioned provisions contained in the Contractual Arrangements may not be enforceable. Under PRC laws, an arbitral body would not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in Jintian Century in case of disputes. Therefore, such remedies may not be available to us, notwithstanding the relevant contractual provisions contained in the Contractual Arrangements. PRC laws would allow an arbitral body to award the transfer of assets of or an equity interest in Jintian Century in favour of an aggrieved party. In the event of non-compliance with such award, enforcement measures may be sought from the court. However, the court may not necessarily support the award of an arbitral body when deciding whether to take enforcement measures. Under PRC laws, courts of judicial authorities in the PRC generally would not grant injunctive relief or the winding-up order against Jintian Century as interim remedies to preserve the assets or shares in favour of any aggrieved party. Our PRC legal advisors, Commerce & Finance Law Offices, are also of the view that, even though the Contractual Arrangements provide that courts in Hong Kong and the

Cayman Islands may grant and/or enforce interim remedies or in support of arbitration, such interim remedies (even if so granted by courts in Hong Kong or the Cayman Islands in favour of an aggrieved party) may not be recognized or enforced by PRC courts. As a result, in the event that Jintian Century or any of its shareholders breaches any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over Jintian Century and conduct our business could be materially and adversely affected.

The Contractual Arrangements between us and Jintian Century may be subject to scrutiny by the PRC tax authorities and any finding that we or Jintian Century owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Under the Contractual Arrangements, Hong Kong Health Century, our wholly owned subsidiary, shall receive service fees equal to all dividends and other economic benefits flowing from Jintian Century's 4.99% equity interest in Jintian Aixin Co., which will substantially reduce Jintian Century's taxable income. These arrangements and transactions are related party transactions which must be conducted on an arm's length basis under applicable PRC tax rules. In addition, under PRC laws and regulations, arrangements and transactions among related parties may generally be subject to audit or scrutiny by the PRC tax authorities within ten years after the taxable year when the arrangements or transactions are conducted. As a result, the determination of service fees and other payments to us by Jintian Century under the Contractual Arrangements may be challenged and deemed not in compliance with such tax rules. We could face material and adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements were not entered into on an arm's length basis and therefore adjust the taxable income of Jintian Century in the form of a transfer pricing adjustment, which refers to the prices that one member of a group of affiliated corporation's charges to another member of the group for goods, assets, services, financing or the use of intellectual property. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by Jintian Century, which could in turn increase its tax liabilities. Any such adjustment could result in a higher overall tax liability of the Group. In addition, the PRC tax authorities may impose late payment fees and other penalties on Jintian Century for any unpaid taxes. Our consolidated net income may be materially adversely affected if Jintian Century's tax liabilities increase or if it is subject to late payment fees or other penalties.

The interests of the Controlling Shareholders may conflict with the interests of our other Shareholders and this may have an adverse impact on your investment in the Company.

On completion of the Global Offering and the Reorganisation (assuming the Over-allotment Option is not exercised), the Controlling Shareholders will beneficially own in aggregate approximately 49.75% of the issued Shares. Subject to the Articles of Association and the applicable laws and regulations, the Controlling Shareholders will continue to have the ability to exercise a significant influence over our management, as well as the composition of the Board, determining the timing and amount of our dividend payments, approving significant corporate transactions, including mergers and acquisitions, approving our annual budgets and taking other actions that require the approval of the Shareholders. The interests of the Controlling Shareholders may not always be consistent with the interests of our other Shareholders. There can be no assurance that the Controlling Shareholders will always take actions that will benefit our other Shareholders.

We rely principally on dividends and other distributions paid by our subsidiaries and limitations on their ability to pay dividends to us could have a material adverse effect on our business, results of operations, and financial condition.

We are a holding company incorporated in the Cayman Islands and we conduct all of our business operations through our PRC subsidiaries. Dividends and other distributions paid by our PRC subsidiaries fund a large part of our future cash needs, including the funds needed to pay dividends to the Shareholders, to service any debt we may incur and to pay our operating expenses.

Our PRC subsidiaries are subject to limitations with respect to dividend payments. Regulations in the PRC currently permit payment of dividends by PRC subsidiaries only out of accumulated profits as determined in accordance with the PRC GAAP. According to applicable PRC laws and regulations, each of our PRC subsidiaries is required to maintain a general reserve fund at 10% of its after-tax profit based on PRC GAAP, until the aggregate amount of such fund equals 50% of the registered capital of such PRC subsidiary. Our PRC subsidiaries, as foreign invested enterprises, may also be required to set aside additional reserve funds for staff welfare, bonuses and development purposes, at the discretion of such PRC subsidiaries and as stipulated in their articles of association. These reserve funds are not distributable as dividends. Contributions to such reserve funds are made from each of our PRC subsidiaries' net profit after tax.

In addition, if any of our PRC subsidiaries incurs debt in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. As a result, such subsidiary is restricted in its ability to transfer its net profit to us in the form of dividends. If our PRC subsidiaries cannot pay dividends due to government policies or regulations, or because they cannot generate sufficient cash flow, we may not be able to pay dividends, service our debt, or pay our expenses, which may have a material adverse effect on our business, results of operations and financial condition.

The initial trading price of the Shares could be lower than the Offer Price.

The initial trading price of the Shares could be lower than the Offer Price. The Offer Price will be determined on the Price Determination Date. However, the Shares will not commence trading on the Stock Exchange until the Listing Date, which is generally expected to be approximately four business days after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Shares during such period, and are therefore subject to the risk that the price of the Shares could fall before trading begins as a result of adverse market conditions or other adverse developments occurring during this period.

An active trading market in the Shares may not develop, which could have a material adverse effect on the Share price and your ability to sell your Shares.

Prior to the Global Offering, no public market existed for the Shares. The initial offering price for the Shares will be determined by us and the Sole Global Coordinator (on behalf of the Underwriters) and may differ significantly from the market price for the Shares following the completion of the Global Offering. We have made an application to list the Shares on the Stock Exchange. However, a listing on the Stock Exchange does not guarantee that an active trading market for the Shares will develop following the completion of the Global Offering or in the future. If an active public market for the Shares does not develop, the Shares could trade at a price lower than the Offer Price and you may not be able to resell your Shares for an extended period of time, or at all.

Investors will experience immediate dilution in the pro forma adjusted consolidated net tangible asset value per Share if the Offer Price is higher than our net tangible asset value per Share.

If the Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma adjusted consolidated net tangible asset value to RMB0.6583 per Share (assuming an Offer Price of HK$3.57, being the mid-point of the indicative Offer Price range). If we issue additional Shares in the future, purchasers of the Offer Shares in the Global Offering may experience further dilution in their ownership percentage.

Grants of options pursuant to the Share Option Scheme could result in dilution to the Shareholders.

We intend to grant options over the Shares pursuant to the Share Option Scheme which will entitle participants in the Share Option Scheme to receive Shares in certain circumstances. Please see "*Appendix V – Statutory and General Information – Share Option Scheme*" for further details regarding the Share Option Scheme. If the options are exercised, the issued share capital of the Company will increase, which in turn may result in dilution of the existing Shareholders' shareholding interest in the Company and consequently a reduction in the earnings per Share.

Future sales or perceived sales of a substantial number of the Shares in the public market could materially and adversely affect the prevailing market price of the Shares and our ability to raise capital in the future, and may result in dilution of your shareholding in the Company.

The market price of the Shares could decline as a result of future sales of substantial amounts of the Shares or other securities relating to the Shares in the public market or the issuance of new Shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital in the future at a time and at a price we deem appropriate. In addition, the Shareholders may experience dilution in their holdings to the extent we issue additional securities in future offerings.

Certain amounts of the Shares currently outstanding are and will be subject to contractual and legal restrictions on resale for a period of time following the completion of the Global Offering. Please see *"Underwriting"* for further details regarding certain restrictions on the sale of the Shares held by the Controlling Shareholders. After these restrictions lapse or if they are waived, future sales, or perceived sales, of substantial amounts of the Shares could negatively impact the market price of the Shares and our ability to raise capital in the future.

Certain facts and statistics in this prospectus relating to the PRC economy and the pharmaceutical industry are derived from official government publications and the industry report prepared by the independent industry consultant, which have not been independently verified by us.

This prospectus contains information relating to the PRC economy and the pharmaceutical industry. The information and statistics contained in this prospectus have been derived partly from publicly available government and official sources as well as an industry report we commissioned NFS, the independent industry consultant, to prepare. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information or statistics is false or misleading in any material respect or that any fact has been omitted that would render such information or statistics false or misleading in any material respect. Such information and statistics have not been independently verified by us and no representation is given as to their correctness or accuracy.

While we have taken reasonable care to reproduce such information, we cannot guarantee the accuracy and reliability of the information contained in such sources. Those facts and statistics may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics therein may be inaccurate and may not be comparable from period to period or to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated with the same degree of accuracy as may be elsewhere. Investors should give consideration as to how much weight or importance they should place on all such facts and statistics.

You should read this entire prospectus carefully and should not consider or rely on any particular statements in this prospectus or in published media reports without carefully considering the risks and other information in this prospectus.

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. Such press and media coverage may include references to certain information that does not appear in this prospectus or information that is inaccurate. We have not authorized any such information about us contained in such unauthorized press and media coverage.

Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and we do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the information contained in this prospectus, we expressly disclaim it. Accordingly, prospective investors should only rely on information included in this prospectus and should not rely on any of the information in press articles or other media coverage in making any decision as to whether or not to purchase the Offer Shares.