This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares.

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

BUSINESS

We are a well-established vertically-integrated manufacturing solutions provider for some of the world's reputable leading brand owners of consumer electronics and communications products. Our largest customers include Sony Ericsson, Texas Instruments, Sony Computer Entertainment, Seiko Instruments, OmniVision, Appeal Telecom and Canon (C.E.B.M.).

Currently we focus on four segments of the consumer electronics and communications sectors:

- optical devices such as CMOS image sensor modules;
- home entertainment devices such as the EyeToy® USB camera accessory and USB microphone and converter box for Sony Computer Entertainment's PlayStation®2;
- mobile phone accessories such as Bluetooth™ headsets, snap-on digital cameras and snap-on flash lights; and
- educational products such as calculators and electronic dictionaries.

In addition, we are seeking to diversify into new products in the above segments and are also actively exploring opportunities in the automotive electronics sector by pursuing research and development in this sector such as GPS and CMOS image sensor modules for car parking system.

The vertically-integrated manufacturing solutions we provide to our customers range from design and development, industrialisation and qualification, volume-manufacturing, quality control to supply chain management.

We offer hardware and software design as well as mechanical parts development services to our customers. Our design team of engineers works with our customers in the early stages of product and module design and development and we design, develop and deliver products in accordance with our customers' specifications requirements. We adopt a cost-effective focus in our product and module design and development. We also collaborate with design houses to enhance our design capabilities. We offer product industrialisation services to our customers, assisting our customers in improving the product development cycle and the time-to-market and time-to-volume manufacturing of their products.

Our industrialisation and qualification services ensure we achieve the optimal design for the products in terms of safety and reliability and identify the most reliable materials and components to be used. Our quality control team performs product safety and reliability testing to ensure designs and products meet or exceed required specifications. We also have extensive analysis capabilities concentrating on identifying long-term improvement actions. Our industrialisation and qualification capability is important in ensuring the high quality of our products. We also collaborate with external laboratories to enhance our product industrialisation and qualification capabilities.

We have a system of production lines which allows us to rapidly ramp up operations to high volume production to meet customer needs and flexibly switch between production of different products. We use a wide-range of advanced manufacturing technologies in the manufacturing of our products including COB, SMT, OLB, TAB with ACF and FPHS. Our production lines are designed to accommodate orders with different sizes and product structures manufacturing as well as to accommodate our broad range of products. The flexibility of our manufacturing process allows us to cater for different requirements from different customers. In particular, our production lines allow a change-over between the production of different products to occur within 30 to 60 minutes. Throughout the manufacturing process, we place particular focus on the yield rate and timely delivery.

Throughout the production stage, we inspect and test work-in-progress at several points in the production process to ensure product quality. Before finished products are delivered to customers, we conduct function testing as well as inspection of finished products to ensure that they meet our customers' specifications and quality requirements.

Our supply chain management services consist of the planning, sourcing, purchasing and warehousing of components and materials used in the manufacturing process. During the manufacturing process, we make continuous efforts to procure lower cost and better quality materials for our customers. We implement supply chain management processes to lower the cost of materials procurement. We also utilise a computerised supply chain management system to assist us in managing supplier quality and materials delivery as well as cost control.

In addition, we provide logistics support to our customers and arrange with third party logistics providers to transport the end-products to our customers. We also deliver products directly into customers' distribution channels. Our favourable geographical location in Baoan, Shenzhen, in the PRC allows us ready access to a more convenient and lower cost transportation network and infrastructure and ensures timely delivery to our customers.

We received the ISO 9001:1994 and ISO 9001:2000 certificates for quality control in 1996 and 2002 respectively. In 2000 and 2003, we received the ISO 14001:1996 certificates for environmental management control.

We emphasise a customer-oriented principle to satisfy customer requirements. We have designated direct salespersons for different customers. Our senior management is also heavily involved in customer relations and devotes significant attention to marketing. We target international and leading customers in the strong growth, high profit-margin and large volume segments of the consumer electronics, communications and automotive electronics sectors. We are selective in identifying customers that meet our profile, as our strategy is to establish long-term relationships with our customers.

We recorded a turnover of approximately US$73.4 million, US$94.0 million and US$128.8 million and a net profit of approximately US$3.7 million, US$8.0 million and US$22.1 million for each of the three years ended 31 December 2003, from our Continuing Businesses. Turnover and net profit of our Continuing Businesses increased 28.1% and 118.1% respectively, between the year ended 31 December 2001 and the year ended 31 December 2002 and 37.0% and 175.2% respectively between the year ended 31 December 2002 and the year ended 31 December 2003.

CORPORATE STRATEGIES AND KEY STRENGTHS

We believe our corporate strategies and key strengths are as follows:

- Capitalise on strong, growing demand for consumer electronics, communications and automotive electronics products and the increasing global outsourcing trend;
- Strengthen our existing reputable customer base and develop new customer relationships;
- Advance our product and module design, development and product industrialisation capabilities and develop strategic partnerships with key design companies;
- Continue to ensure a flexible, efficient and cost effective manufacturing process and to utilise a wide range of manufacturing technologies to produce high quality products in a timely manner;
- Maintain a balanced product mix and high profit margins;
- Leverage on the relationship with other members of the NTE Group; and
- Continue to attract and retain experienced and dedicated management team and engineers.

RESTRUCTURING AND REORGANISATION

Taking into account the differences in the nature of the Continuing Businesses and the Discontinued Businesses and the fact that each had its own group of core customers and management team at the operational level, NTE Inc. decided in 1997 that the Continuing Businesses and the Discontinued Businesses would be run as different responsibility centres for management purposes. A further step was taken in 2001 when the Continuing Businesses and the Discontinued Businesses became different profit centres, thereby effectively making them different divisions within NTSZ. The final step to completely segregate these businesses was taken when Zastron took over the Discontinued Businesses from NTSZ, which then allowed us to concentrate our effort and resources on the manufacturing of consumer electronics and communications products, including optical devices, home entertainment devices, mobile phone accessories and educational products. Shortly before restructuring, Zastron was engaged in silk screening business which operation was subsequently ceased in about October 2002. As the final step to completely segregate the Continuing Businesses and the Discontinued Businesses amongst the different divisions within NTSZ, NTSZ entered into an agreement with Zastron on 30 December 2002 (as supplemented by a supplemental agreement dated 26 March 2004) for the transfer to Zastron of certain plant and equipment relating to the manufacturing of essential components and subassemblies in relation to mobile phones, such as LCD modules and RF modules, for the consideration of US$9,167,447.33 and RMB5,991,094.42 which was equivalent to the then carrying amounts of the plant and equipment calculated in accordance with accounting principles generally accepted in the PRC.

Prior to the Reorganisation, NTEEPHK was responsible for sales coordination and marketing of our consumer electronics and communications products being certain clerical and administrative work such as arranging invoicing, handling of customer purchase orders and conducting marketing activities. As part of the Reorganisation, NTSZ assumed from NTEEPHK sales coordination and marketing activities, as a result of which all customers' contracts were transferred to NTSZ by way of novation or by NTSZ entering into new contracts with customers. No monetary consideration was involved in the transfer and upon its completion, NTEEPHK acted and is acting as an investment holding company holding certain land and properties in Hong Kong for NTE Inc.. In March 2004, NTSZ and NTEEPHK signed a memorandum of understanding in respect of the transfer, under which it was confirmed that title to and risk in the property, undertaking, rights and assets (if any) of such business in relation to the sales coordination and marketing activities previously conducted by NTEEPHK had passed to NTSZ and that NTEEPHK would not in the future engage itself in any business similar to that assumed by NTSZ. On 1 October 2003, NTSZ entered into a consultancy agreement with NTIC, the then PRC headquarters of NTE Inc. in Macao, which had re-engaged those marketing personnel previously under the employment of NTEEPHK. In April 2004, NTE Inc. transferred its entire equity interest in NTIC to the Company.

Pursuant to the written resolution of the sole shareholder of the Company passed on 8 April 2004, the authorised share capital of the Company was increased from HK$100,000 to HK$20,000,000 by the creation of an additional 1,990,000,000 Shares and an amount of US$91,543,520.63, being the aggregate consideration payable by the Company to NTE Inc. for the transfers of the equity interest in both NTSZ and NTIC, was capitalised for the allotment and issue of 799,999,990 Shares to NTE Inc..

As part of the Reorganisation, certain amounts due from fellow subsidiaries to the Group as of 31 March 2004 were settled through intercompany assignment of debts to NTE Inc., of which the net balance was offset by the payment of a dividend of US$35,915,023 to NTE Inc. declared out of the Company's share premium account pursuant to the written resolution of the sole shareholder of the Company passed on 8 April 2004.

For more information on the Reorganisation, please refer to "Further Information About the Company — Corporate reorganisation" in Appendix V to this prospectus.

The sales coordination and marketing activities carried out by NTEEPHK for the period from 1 January 2001 to 31 July 2003 are included in our audited financial information for the three years ended 31 December 2003. In our audited financial information for the three years ended 31 December 2003 included in the Accountant's Report set out in Appendix I to this prospectus, our business relating to the trading and manufacturing of essential components and subassemblies for mobile phones is reflected as "Discontinued Businesses". As such, our historical financial information is not indicative of our future performance. For more information, please refer to the additional financial information for the Continuing Businesses set out in note 3(a) to the Accountants' Report set out in Appendix I to this prospectus.

OVERVIEW OF THE EMS INDUSTRY

Global EMS Growth

EMS Industry

The EMS industry is comprised of companies that manufacture electronic products and their components for consumer electronic product manufacturers in the electronics industry.

According to IDC, the total EMS revenue is estimated to reach US$92.25 billion in 2003 with a 3.9% year-on-year growth. IDC forecasts the CAGR, of the total EMS revenue for the period 2003 to 2007 to be 11.8%. The global EMS revenue is expected to increase to US$144.0 billion by 2007. The growth will be driven by an accelerating move to outsourced production coupled with successful product diversification by the EMS providers and an increase in value-added services.

EMS Market in Asia

Most EMS manufacturers have reduced their capacity in high-cost regions such as the US and Western Europe while increasing capacity in low-cost regions such as China, Mexico, and Eastern Europe. According to IDC, Asia is expected to experience the strongest increase from 2003 to 2007, with a 21.3% CAGR. EMS revenue in Asia is expected to grow from US$33.25 billion in 2003 to US$72.0 billion in 2007, which would account for 50% of the global EMS industry revenue.

EMS Market in China

TFI predicts that China's overall GDP growth is estimated to be above 8% for 2004. The key seaboard cities, such as Shenzhen, are expected to enjoy considerably faster growth. Rapid growth is driving an internal consumer and enterprise market for electronics that will continue to drive electronics manufacturing in China for internal consumption as well as export.

IDC estimates that China will enjoy a CAGR in EMS revenue of 28.8% from 2003 to 2007. By 2007, 38% of the world's outsourced electronics and 76% of the outsourced electronics in Asia will be manufactured in China.

EMS Market by Product Segment

IDC anticipates that the consumer segment is expected to show a CAGR of 13.9% among the nine product categories identified by IDC (namely computers, consumer, networking, peripherals, servers and storage, telecommunications, automotive, medical and other) from 2003 to 2007, while the automotive segment will record the highest CAGR of 43.4%.

SELECTED AUDITED FINANCIAL INFORMATION

The following tables set forth our selected audited financial information for the three years ended 31 December 2003 which has been extracted from our audited financial information for the three years ended 31 December 2003 included in the Accountants' Report set out in Appendix I to this prospectus.

	For the year ended 31 December					
	2001		2002		2003	
	US$'000	*% of turnover*	*US$'000*	*% of turnover*	*US$'000*	*% of turnover*
Profit and Loss Account Data:						
Turnover *(Note 1)*	167,619	100.00	183,784	100.00	135,893	100.00
Cost of sales	(151,522)	(90.40)	(162,202)	(88.26)	(105,495)	(77.63)
Gross profit	16,097	9.60	21,582	11.74	30,398	22.37
Other operating income	706	0.42	2,827	1.54	3,409	2.51
Selling and distribution costs	(2,191)	(1.31)	(2,231)	(1.21)	(2,323)	(1.71)
Administrative expenses	(7,509)	(4.48)	(8,710)	(4.74)	(6,744)	(4.96)
Research and development expenditures	(2,399)	(1.43)	(1,999)	(1.09)	(1,936)	(1.43)
Profit from operations	4,704	2.80	11,469	6.24	22,804	16.78
Finance costs	(70)	(0.04)	(2)	(0.001)	—	—
Share of result of an associate	397	0.24	75	0.04	—	—
Loss on disposal of an associate	—	—	(65)	(0.04)	—	—
Profit before taxation	5,031	3.00	11,477	6.24	22,804	16.78
Taxation	(54)	(0.03)	(30)	(0.02)	(11)	(0.01)
Net profit for the year	4,977	2.97	11,447	6.22	22,793	16.77
Dividends	—		14,747		—	
Earnings per Share — basic *(Note 2)*	US0.62 cent		US1.43 cents		US2.85 cents	

Note 1:

Turnover comprises:						
Continuing Businesses						
Optical devices	—	—	—	—	4,650	3.42
Home entertainment devices	—	—	—	—	29,178	21.47
Mobile phone accessories	3,157	1.88	39,753	21.63	49,255	36.24
Educational products	69,810	41.65	53,574	29.15	45,562	33.53
Others	463	0.28	705	0.38	134	0.10
Discontinued Businesses	94,189	56.19	89,752	48.84	7,114	5.24
Total	167,619	100.00	183,784	100.00	135,893	100.00

Note 2: The calculation of the basic earnings per Share for the three years ended 31 December 2003 is based on the profit for the three years ended 31 December 2003 and 800,000,000 Shares in issue as at the date of this prospectus.

SUMMARY

	As of 31 December		
	2001	**2002**	**2003**
	US$'000	*US$'000*	*US$'000*
Selected Balance Sheet Data:			
Non-current assets			
Property, plant and equipment	42,366	31,689	32,659
Investment securities	—	11,968	11,968
Current assets			
Inventories	11,690	15,589	8,509
Trade and other receivables	16,097	24,422	20,674
Amounts due from fellow subsidiaries	46,857	51,330	54,006
Dividend receivable	—	—	844
Taxation recoverable	853	768	3,216
Bank balances and cash	871	759	8,873
Current liabilities			
Trade and other payables	26,640	35,645	17,351
Amount due to ultimate holding company	—	—	90,000 *(Note)*
Amounts due to fellow subsidiaries	10,036	3,297	2,998
Taxation payable	—	30	41
Trust receipt loans	338	—	—
Net current assets (liabilities)	34,481	53,896	(14,268)
Other Financial Data:			
Net cash from operating activities	1,453	9,367	12,926
Net cash used in investing activities	(12,348)	(16,041)	(4,298)
Net cash from (used in) financing activities	2,757	6,562	(514)

Note: Amount due to ultimate holding company of US$90,000,000 represents the consideration payable for the transfer of the entire 100% equity interest in NTSZ assigned by NTEEPHK. Subsequent to 31 December 2003, this amount has been capitalised as issued and fully paid capital of the Company.

SELECTED FINANCIAL INFORMATION FOR THE CONTINUING BUSINESSES

The following table sets forth our selected financial information for the Continuing Businesses for the three years ended 31 December 2003 which has been extracted from note 3(a) to the Accountants' Report set out in Appendix I to this prospectus.

	For the year ended 31 December					
	2001		2002		2003	
	US$'000	*% of turnover*	*US$'000*	*% of turnover*	*US$'000*	*% of turnover*
Profit and Loss Account Data:						
Turnover *(Note)*	73,430	100.00	94,032	100.00	128,779	100.00
Cost of sales	(62,169)	(84.66)	(77,617)	(82.54)	(98,854)	(76.76)
Gross profit	11,261	15.34	16,415	17.46	29,925	23.24
Other operating income	444	0.60	1,411	1.50	2,488	1.93
Selling and distribution costs	(1,853)	(2.52)	(1,929)	(2.05)	(2,014)	(1.56)
Administrative expenses	(5,079)	(6.92)	(6,633)	(7.05)	(6,326)	(4.91)
Research and development expenditures	(1,372)	(1.87)	(1,199)	(1.28)	(1,922)	(1.49)
Profit from operations	3,401	4.63	8,065	8.58	22,151	17.21
Finance costs	(70)	(0.10)	(1)	(0.001)	—	—
Share of result of an associate	397	0.54	75	0.08	—	—
Loss on disposal of an associate	—	—	(65)	(0.07)	—	—
Profit before taxation	3,728	5.07	8,074	8.59	22,151	17.21
Taxation	(39)	(0.05)	(30)	(0.03)	(11)	(0.01)
Net profit for the year	3,689	5.02	8,044	8.56	22,140	17.20
Note:						
Turnover comprises:						
Optical devices	—	—	—	—	4,650	3.61
Home entertainment devices	—	—	—	—	29,178	22.66
Mobile phone accessories	3,157	4.30	39,753	42.28	49,255	38.25
Educational products	69,810	95.07	53,574	56.97	45,562	35.38
Others	463	0.63	705	0.75	134	0.10
Total	73,430	100.00	94,032	100.00	128,779	100.00

DIVIDEND POLICY

We intend to make final dividend payments in or around April of each year and interim payments in or around September of each year. It is the present intention of the Directors that, for each year, the total dividend will represent approximately one-third to two-thirds of the Company's net profit attributable to shareholders, and will be limited to the distributable profits available. The distribution of a dividend payment will be dependent upon the Company's earnings, financial condition, cash requirements and availability, the applicable law and regulations and other factors. There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or the timing of such payment. No dividend in respect of the year ended 31 December 2003 will be paid in 2004 to shareholders of the Company after the listing of the Company on the Stock Exchange.

OPTIONS GRANTED UNDER THE PRE-IPO SHARE OPTION SCHEME

Options to subscribe for an aggregate of 20,000,000 Shares representing 2.5% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) have been conditionally granted by the Company under the Pre-IPO Share Option Scheme. Such options are only exercisable by the grantees, subject to certain restrictions, after 12 months from the date on which the Shares commence trading on the Stock Exchange. Therefore, as at the Latest Practicable Date, none of the options granted under the Pre-IPO Share Option Scheme have been exercised. Further details of the Pre-IPO Share Option Scheme and the options granted thereunder are contained in "Other Information — Pre-IPO Share Option Scheme" in Appendix V to this prospectus. Assuming that the Pre-IPO Options were exercised in full on 1 January 2003 resulting in the issuance of 20,000,000 additional Shares, the earnings per Share as at 31 December 2003 would have been diluted by approximately 2.5% from US$0.0285 to US$0.0278.

GLOBAL OFFERING STATISTICS(1)

	Based on an Offer Price of	
	HK$3.55	*HK$4.20*
Market capitalisation of the Shares(2)	HK$2,840 million	HK$3,360 million
Price/earnings multiple(3)	15.97 times	18.89 times
Adjusted net tangible assets value per Share(4)	US15.05 cents	US15.05 cents

(1) All statistics in this table are on the assumption that no Shares are issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme or the Share Option Scheme.

(2) The calculation of market capitalisation is based on 800,000,000 Shares in issue.

(3) The price/earnings multiple is based on the audited basic earnings per Share of US2.85 cents for the year ended 31 December 2003, as shown in the Accountants' Report set out in Appendix I to this prospectus, and as such, takes into account net profit from our Discontinued Businesses. Total net profit from our Continuing Businesses and our Discontinued Businesses and net profit from our Continuing Businesses were approximately US$22,793,000 and US$22,140,000 respectively for the year ended 31 December 2003.

(4) The adjusted net tangible assets value per Share is arrived at after making the adjustment set forth in note 1 to "Financial Information — Adjusted Net Tangible Assets" of this prospectus, and on the basis of 800,000,000 Shares in issue. **The adjusted net tangible assets value per Share as shown in the above table does not take into account the payment of a dividend of approximately US$35,915,000 to NTE Inc. approved by the sole shareholder of the Company on 8 April 2004 and referred to in "Further Information About the Company - Changes in share capital" in Appendix V to this prospectus. After solely taking into account the payment of the dividend to NTE Inc., the adjusted net tangible assets value per Share would have been decreased.**

The Selling Shareholder will receive all of the net proceeds of the Global Offering (after deduction of commissions and estimated expenses in connection with the Global Offering, assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK$4.20 per Offer Share being the maximum Offer Price), which are estimated to be approximately HK$788 million (or approximately HK$909 million, if the Over-allotment Option is exercised in full).

The Company is not issuing any new Shares in the Global Offering and will not receive any of the net proceeds of the Global Offering. As at 31 December 2003, the Company had cash and cash equivalents, representing bank balances and cash, amounting to approximately US$8.9 million. In the three years ended 31 December 2003, our net cash from operating activities amounted to approximately US$1.5 million, US$9.4 million and US$12.9 million respectively. We expect to receive US$10 million or the HK$ equivalent in cash from NTE Inc. on the date on which the Shares commence trading on the Stock Exchange, for net settlement of balances with other members of the NTE Group as a result of the Reorganisation. Based on our past experience in strong cashflow generated from our operating activities and growth, we expect to sustain our strong cash inflow from operating activities. In addition, the Group has negligible bank borrowings. However, the Group may in the future employ bank borrowings if necessary. On the basis of our existing cash reserves, our strong cash inflow from operating activities and our lack of gearing, the Directors are of the opinion that the Company currently does not require additional finance from the issue of new Shares. However, the Directors will consider from time to time the capital structure and funding requirements of the Group.

As we are part of the NTE Group, our results will be consolidated into the results of NTE Inc.. NTE Inc. currently announces results on a quarterly basis. It is expected that NTE Inc. will announce its unaudited results for the first quarter ended 31 March 2004 on or around 30 April 2004, which will consolidate the unaudited results of the Group for the first quarter ended 31 March 2004. We will be publishing interim and annual results in accordance with the requirements of the Listing Rules. In addition, we will be publishing quarterly results commencing the period of nine months ended 30 September 2004. We will comply with the continuing disclosure requirement under Rule 13.09 of the Listing Rules and where necessary, disclose any price-sensitive information of the Company on a timely basis.

STRATEGIC INVESTMENT IN TCL CORPORATION

The Company holds 95.52 million promoter's shares, representing approximately 3.69% of the total outstanding shares, in TCL Corporation (formerly known as TCL Holdings Corporation Ltd.), a company incorporated in the PRC whose A shares are listed on the Shenzhen Stock Exchange. The Company's ability to transfer the promoter's shares held in TCL Corporation within three years from the date of establishment of TCL Corporation, that is, before April 2005, is restricted pursuant to PRC Company Law. We may from time-to-time re-consider our investment strategy.

RISK FACTORS

There are certain risks involved in our operations. These risks can be categorised into (i) risks related to our business; (ii) risks related to our industry; (iii) risks related to the PRC; and (iv) risks related to the Global Offering.

Risks related to our business

- We are dependent on a few major customers.
- We do not have long term purchase commitments from our customers.
- We generally have no written agreements with suppliers to obtain raw materials or components.
- Our business and operating results would be materially and adversely affected if our suppliers of needed components fail to meet our needs.
- Cancellations or delays in orders could materially and adversely affect our business and operating results.
- If we are unable to produce our new products in a high quality and cost-effective manner, our margins, business and operating results could be materially and adversely affected.
- Turnover from new products contribute to a significant proportion of our turnover.
- Our inability to utilise capacity at our new factory could materially and adversely affect our business and operating results.
- We may not be able to compete successfully with our competitors, many of which have substantially greater resources than we do.
- Other members of the NTE Group may compete with us.
- We must spend substantial amounts to maintain and develop advanced manufacturing technologies, engage additional engineering personnel and introduce products, but we may not be able to capitalise on the resources invested by us.
- Our operating results could be negatively impacted by seasonality.
- Our results could be harmed if we violate any environmental regulations.

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

- We are dependent on certain members of our senior management.

- We could become involved in intellectual property disputes.

- Our decision whether to reinvest profits from NTSZ could subject us to higher effective tax rate in the PRC and could also affect the amount of dividend payment of the Company.

- NTE Inc. is involved in a pending US litigation and to which certain of our non-executive Directors are named as defendants.

Risks related to our industry

- Challenges faced by the electronics industry in general and our customers in particular which could harm our operations.

- Our business and operating results are dependent on growing global outsouring trends.

- We are facing challenges from new entrants and increasing competition.

Risks related to the PRC

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

- Changes in PRC legislation or the interpretation thereof may have an adverse effect on the Group.

- Fire, severe weather, flood or earthquake could cause significant damage to our facilities in the PRC and disrupt our business operations.

- Controversies affecting China's trade with the United States could harm our results of operations.

- Changes to the PRC tax laws could subject us to increased taxes.

- Our results could be affected by changes in foreign exchange regulations.

- Fluctuations of Renminbi could adversely affect our business.

- Any future outbreak of severe acute respiratory syndrome may have a negative impact on our business and operating results.

- Payment of dividends by our PRC subsidiary to us is subject to restrictions under PRC law.

Risks related to the Global Offering

- An active trading market for our Shares may not develop, and their trading prices may fluctuate significantly.

- Sales of substantial amounts of Shares in the public market, or the perception that these sales may occur, could materially and adversely affect the prevailing market price of the Shares.

- You may face difficulties in protecting your interests because we are incorporated under Cayman Islands law and these laws may provide less protection to minority shareholders than the laws of Hong Kong.

- The Selling Shareholder will be entitled to all net proceeds from the Global Offering.