
RISK FACTORS

In addition to other information in this prospectus, you should carefully consider the following risk factors before making any investment decision in relation to the Offer Shares. If any of the events described below occur, our business, financial condition and/or results of operations could be materially and adversely affected and the market price of the Offer Shares could fall significantly.

RISKS RELATING TO OUR BUSINESS

Our Group's profitability and growth in revenue may be adversely affected by the reduction of government spending on public work related conventional curtain wall and BIPV engineering projects. Our participation in the PRC government projects may draw more public attention than private sector projects. Any negative publicity on public work projects may have adverse effect on our business, financial condition and results of operations

A substantial segment of our business in terms of revenue is public work related conventional curtain wall and BIPV engineering projects, which account for approximately 32.4%, 44.3% and 47.5% of our revenue for the years ended 31 December 2005, 2006, 2007 respectively, 42.3% and 45.7% for the six months ended 30 June 2007 and 2008 respectively. Our business depends therefore to a certain extent on the level of government spending in public work projects.

The future growth of the public work construction industry in China depends primarily upon the continuous availability of public work projects. The nature, extent and timing of these projects will, however, be determined by the interplay of a variety of factors, including the PRC government's spending in public work and the general conditions and prospects of China's economy. Since the majority of the funding for public work projects in China comes from governmental budgets, implementation of the projects relies to a significant degree on the PRC government's public policy on spending. Changes in public policy or governmental budgets may therefore have an impact on our business, financial condition and results of operations.

The PRC government's spending on public work has historically been vulnerable to China's economic growth and direction. A significant decrease in spending on public work in China could reduce the number and/or value of available public work projects and thus reduce the market demand for our core business. In the event that there is a reduction in the level of government spending in public work as a result of change of government policies, this will adversely affect our profitability and future growth in revenue and our business, financial condition and results of operations.

In respect of public work projects, there is a greater likelihood that it will draw public attention. Such publicity may or may not be adverse and there is no assurance that any such publicity, whether adverse to us or not, will not be overstated. In the event that there is such negative publicity for any of our project, our business, financial conditions, and results of operations may be adversely affected.

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Our Group's profitability and growth in revenue may be adversely affected by the reduction of investment in conventional curtain wall and BIPV engineering projects in respect of commercial and industrial buildings

A significant proportion of our revenue is derived from conventional curtain wall and BIPV engineering projects in respect of commercial and industrial buildings, which account for approximately 48.2%, 39.9%, and 38.0% of our revenue for the years ended 31 December 2005, 2006, 2007 respectively, 43.0% and 39.2% for the six months ended 30 June 2007 and 2008 respectively. Our business therefore depends to a certain extent on the level of investment in commercial and industrial buildings projects by the state-owned and private sectors. In the event that there is an economic downturn which adversely affects the commercial and industry property sectors, our business, financial condition and results of operations, and our profitability and future growth in revenue will be adversely affected.

We are exposed to credit risks of our customers. Defaults in payment by our customers will adversely affect our financial position and profitability. Failure or delay in the release of retention money by our customers will also affect our financial condition

In respect of the curtain wall engineering and BIPV projects, normally progress payment is made by our customers to us with regards to the portion of work completed. The customers would generally instruct authorized persons to inspect the work progress and the progress of work completed will be confirmed by our customers who will then make payment pursuant to the progress of work completed.

During the Track Record Period, we did not encounter major difficulty in collecting our contract fees from our customers. However, there is no assurance that we will be able to fully collect our contract fees as originally contracted. In the event that we are unable to collect our contract fees or that which is not paid to us in full or on a timely basis, our cash flow and our financial condition will be adversely affected.

We are exposed to payment delays and/or defaults by our customers. Therefore, our financial position, profitability and cash flow are dependent to a large extent on the creditworthiness of our customers and their ability to pay us on a timely basis.

Generally, 3% to 5% of the contract value is retained by our customers as retention money which will be released after the guaranteed maintenance period. As at 31 December 2005, 31 December 2006, 31 December 2007 and 30 June 2008, retention money in the sum of approximately RMB7.7 million, RMB23.9 million, RMB47.2 million and RMB39.8 million respectively were retained by our customers. There is no assurance that the retention money is released by our customers to us in a timely manner. Any failure on the part of our customers to release the retention money to us will adversely affect our financial condition.

Tender price may not reflect the actual construction costs involved. Our business is vulnerable to fluctuations in material prices and sub-contracting costs

Our contract price is based on our estimated project costs (which mainly include material costs and sub-contracting costs) at the time when we submit our tenders for projects or our initial proposals to our potential customers.

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After we have entered into an agreement with our customers, we may then procure the necessary materials and appoint subcontractors if necessary. There is a time lapse between the submission of tenders or initial proposals and procurement of materials and the appointment of our subcontractors. Our Group has not entered into any raw material hedging contract during the Track Record Period. Accordingly, any fluctuations in the material costs, our subcontractors' costs and other costs in our initial project cost estimation may adversely affect our business, financial condition and results of operations.

Our cash inflows may not be sufficient to cover our operating needs in respect of initial project expenditure and payments to creditors

Initial expenditure will be incurred before the commencement of the majority of our projects. Once the projects commence and as the projects progress, progress payments will be made to us by our customers. We normally undertake different projects at the same time and usually the cash outflow of some projects can be compensated by the cash inflow of the other projects. In the event that many different projects commence at more or less the same time, and if our cash inflows are insufficient for such cash requirements, huge sum of expenditure will be incurred and cash flow and financial condition may be adversely affected.

During the Track Record Period, we settled our payment with our suppliers and subcontractors in a much shorter period of time than that of the time for the collection of payment from our customers. Details of the analysis of our trade receivable turnover days and our trade payable turnover days are set out in the paragraph headed "Trade receivables turnover" and "Trade payables turnover" in the section headed "Financial Information" of this prospectus. During the Track Record Period, we have not experienced any difficulties in paying our creditors. There is no assurance that such difficulties will not happen in the future. In the event that some of our customers do not make prompt payment of contracting fees to us, we may have difficulties in paying our creditors. This will have a material adverse effect on our business, financial condition and results of operations.

An increase in the prices of materials or shortage of material supplies may adversely affect our business, financial condition and results of operations

The materials used in our business mainly consist of glass, aluminium profiles and panels, granite, steel and sealant. The supply and price of such materials are subject to market fluctuation. We currently procure materials from various suppliers. There is, however, no assurance that we will be able to secure adequate supply of such materials at commercially viable prices to meet our ongoing business requirements. Any shortage in material supplies and increase in the market prices of such materials may adversely affect our business, financial condition and results of operations.

We purchase substantially all thin-film PV panels from Weihai China. For the six months ended 30 June 2008, 98.9% of our PV panels are supplied by Weihai China. In the event that Weihai China fails to supply sufficient thin-film PV panels to us on time, we will have to procure substitute materials which may result in delays to our BIPV projects or increase in our purchase costs of the thin-film PV panels and our business, financial condition and results of operations may be adversely affected.

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We are subject to inherent project risks

We face certain risks when we undertake any projects, which include cost overruns. Before the commencement of each project, a budget based on the size and scale of the project would be drawn up. Such a budget reflects the estimated costs to be incurred by us in the course of undertaking the project. However, we may face cost overruns when the actual cost exceeds our budget. This could be due to a variety of factors, including under-estimation of the costs involved, extension of project duration and unforeseen circumstances such as late delivery of materials or unanticipated construction constraints on the worksite. Such cost overruns may, depending on their severity, result in a reduction of our profit margins or a loss.

In addition, we may be liable to compensate for the loss suffered by our customers if our employees or subcontractors make mistakes in our projects. As most of our projects require tailor-made curtain wall components, any mistake made by our employees or subcontractors would incur extra costs on our part due to new materials and additional labour being required to rectify such mistakes. These additional costs, together with the payment of damages (in the case where we fail to complete the project within the contracted time schedule), would adversely affect our profit margin for the project, thereby adversely affecting our profitability and financial performance.

We may be liable to pay damages if we fail to meet the schedule requirements of our contracts

There may be unanticipated delays in the completion of projects from time to time. For example, prolonged significant equipment downtime or late delivery of materials by our suppliers may cause major disruptions to our operations and delays in completion of projects.

Most of our contracts are subject to schedule requirements of completion. In case we are unable to meet the schedule requirements as specified in our contracts, we may be liable to pay damages. This may have an adverse effect on our business, financial condition and results of operations.

We are exposed to litigation or dispute

We are primarily involved in the management of curtain wall engineering and BIPV projects. Claims may be made against us by various parties including the customers and the subcontractors in respect of matters such as late delivery of works, non-compliance with contract specifications, quality of works, labour compensation or personal injuries.

Any defects or errors in project execution could result in adverse customer reaction towards us that may result in negative publicity. Additional expenditure may have to be incurred to rectify the problems, even though we may be entitled to claim against our subcontractors. Claims may also be brought against us if any person suffers from personal injury or death as a result of such defects or errors. Our subcontractors are required to adopt group personal injury insurance policies, the coverage of which includes medical treatment expenses and funeral expenses for their site workers as a term of the subcontracting

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agreements. In the event of any personal injuries, our subcontractors will claim compensation from the insurance companies for the insured workers. We do not maintain any insurance policy covering third party liabilities, and any significant claim brought against us in the future will have a material adverse effect on our business, financial position, results of operations and reputation. If any dispute arises or claims are made against us, retention monies may be withheld or reduced subject to the settlement of such disputes and claims. In the event they withhold the retention monies, our Group's financial condition may be adversely affected.

As at the Latest Practicable Date, our Directors are not aware of any legal, administrative, litigation or arbitration proceedings, pending or threatened against our Group or any of its Directors that could have a material adverse effect on our Group's business, financial condition and results of operations.

There is no assurance that claims will not be made against us in the future which may have an adverse impact on our business, financial condition and results of operations.

Non-renewal of, or delay in obtaining the permits, licenses, approvals, certificates and qualifications will have a material adverse effect on our operations

It is a pre-requisite for us to obtain certain permits, licenses, certificates and qualifications from various governmental authorities in order to carry on our business in the PRC. However, these permits, licenses and certificates are subject to periodic review and renewal by the relevant PRC government authorities. In addition, should there be any subsequent modifications of, or additions or new restrictions to the current compliance standards, it would impose an additional burden on us which may in turn adversely affect our business, financial condition and results of operations.

Non-renewal of, and delay in obtaining our permits, licenses, approvals and certificates, and failure to maintain our qualifications, will have a material adverse effect on our business, financial condition and results of operations. There may be a possibility that we will not be able to carry on our business without such permits, licenses, certificates and qualifications being granted or renewed or that the delay in obtaining the same may increase the cost or delay the progress of our projects.

We may not be able to secure new projects continuously

Our business is mainly project-based and non-recurring. We therefore have to continuously and consistently secure new customers and projects. There is no assurance that we will be able to secure new customers or projects, or to secure new projects from our existing customers. In the event that we are unable to secure new customers or projects, our business, financial condition and results of operations will be adversely affected.

Loss or inability to retain our key management personnel will adversely affect our operations

Our continuous success is dependent, to a large extent, on our ability to retain experienced and qualified management personnel and employees who have the requisite industrial expertise. In particular, we consider the services of our executive Directors namely Liu Hongwei, Sun Jinli and Xie Wen, essential to our continuous success. Our Directors and members of senior management are responsible for the formulation of our business strategies

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and overseeing our business operations. They have been instrumental to our growth and expansion and are expected to continue to play an important role in the continuing development and growth of our Group. They have the requisite experience and expertise in our industry and have established relationships with our customers and suppliers. As such, the loss of a significant number of our Directors and senior management may adversely affect our operation and business if we cannot find suitable replacements in a timely manner. The failure to recruit and retain qualified personnel will also harm our operation and business.

Failure to maintain our reputation and brand name could adversely affect our business, financial condition and results of operations

We believe that the reputation and brand name that we have built up over the years play a significant role in enabling us to attract customers and secure projects. Promotion and enhancement of our reputation and brand name depend largely on our ability to provide quality and timely service to our customers. If our customers no longer perceive our products and services to be of a high quality, our brand name and reputation could be adversely affected which will in turn negatively affect our business, financial condition and results of operations.

We may not be able to manage our development

We intend to enhance our existing operations by further developing our BIPV and solar-power product business, expanding our production capacities, strengthening our research and development capabilities and setting up new offices in the PRC and overseas.

The execution of our development strategies may place strain on our resources. We may not be able to manage profitably additional facilities without incurring substantial costs, delays, operational difficulties (such as integration of operations, co-ordination of sales and marketing efforts and retention of management personnel) or financial difficulties. Any failure to successfully manage our development could have an adverse impact on our business, financial condition and results of operations.

We may rely on internal resources and/or external borrowings to enhance our production capacities in the future. If we fail to obtain sufficient fundings to execute our ongoing growth strategies, our ability to tender for and execute several sizeable projects (i.e. projects with contract value of RMB60 million or above each) at the same time may be limited, which may in turn limit our Group's growth in project experiences and business expansion.

There is no assurance that our future plans will be commercially successful

Our future plans will depend on the general level of market acceptance and use of our conventional curtain walls, BIPV systems and other solar-power products. There is no assurance that such future plans will be commercially successful. We will need to increase our marketing activities to develop market awareness and establish relationships with potential customers. Such activities will require additional expenditure. An increase in these expenses without a corresponding increase in revenue would also have an adverse impact on our business, financial condition and results of operations.

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We may not be able to operate successfully in markets outside the PRC

We are exploring business opportunities outside the PRC. We are also actively seeking business partners who can assist us in sourcing projects outside the PRC. There are inherent risks associated with such business development, such as the difference in economic and social condition, competition with the local market players. Fluctuations in exchange rates of currency, tendering practices and legal and regulatory requirements. There is no assurance that we will be able to operate successfully in such new markets and the financial resources incurred and allocated for such purposes may adversely affect our business, financial condition and results of operations.

We must keep up with the technological changes in the market in order to remain competitive

We devote significant financial and human resources to the development of new technology and new products internally or through co-operation with independent third parties in order to keep up with the customer needs and market demands. There is however no assurance that such products or technology developed can fulfill customer and market requirements, or such products or technology could be developed and put into market at all or in a timely manner. In the event that our co-operation with independent third parties do not come to fruition or we are not able to develop new products and technology that meet the needs of customers or that our competitors have developed new products and technology, our business, financial condition and results of operations may be adversely affected.

Disagreement with our Group's joint venture partners or the inability of or refusal by any one party to perform its obligations under the joint venture agreements may adversely affect our business, financial condition and results of operations

As part of our Group's acquisition and investment strategies, our Group may enter into further equity joint venture arrangements with third parties as and when appropriate commercial opportunities arise in the future. There is no assurance that our Group's relationship with its joint venture partners can at all times be amicably maintained. Our Group's existing and future joint venture arrangements involve a number of risks, including:

- disputes with joint venture partners in connection with the performance of each party's obligations under the relevant joint venture agreements;
- financial difficulties encountered by a joint venture partner affecting its ability to perform its obligations under the joint venture agreements or other contracts with our Group;
- conflicts between the policies or objectives adopted by the joint venture partners and those by our Group; and
- joint venture partners having economic or business interests inconsistent with those of our Group.

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The occurrence of any of these events and other factors may lead to disputes between these joint venture partners and our Group and affect the operations of our Group's subsidiaries and associated companies. Consequently our Group may fail to derive the intended benefits from such joint ventures. As a result, our Group's business, financial condition and results of operations may be materially and adversely affected.

The trend of historical financial information of our Group may not necessarily reflect our financial performance in the future

For each of the three years ended 31 December 2007, our revenue amounted to approximately RMB353.7 million, RMB415.0 million, RMB604.7 million respectively, representing a CAGR of approximately 30.8%. For each of the three years ended 31 December 2007, our gross profit amounted to approximately RMB63.2 million, RMB70.1 million and RMB111.9 million respectively, representing a CAGR of approximately 33.1%. Our revenue amounted to approximately RMB261.1 million for the six months ended 30 June 2007 and approximately RMB374.6 million for the six months ended 30 June 2008, representing an increase of 43.5%; whereas our gross profit amounted to approximately RMB48.0 million and RMB76.1 million respectively, represent an increase of approximately 58.5%.

However, such trend of historical financial information of our Group is a mere analysis of our past performance and does not have any positive implication or may not necessarily reflect our financial performance in the future which, to a large extent, will be dependent on our ability to secure new projects and/or customers and to keep our costs at a minimum.

Our projected earnings for 2008 disclosed in "Summary – Profit Forecast for the year ending 31 December 2008", "Financial Information – Profit Forecast for the year ending 31 December 2008", "Appendix II – Unaudited Pro Forma Financial Information" and "Appendix III – Profit Forecast" is based on the trend of historical financial information of our Group. There is no assurance that we can sustain the growth rate we achieved in the past.

We had net cash outflows from our operating activities for the six months ended 30 June 2007

For the six months ended 30 June 2007, we reported a net cash outflow from our operating activities of approximately RMB6.5 million. Please refer to the section headed "Financial Information – Liquidity and Capital Resources – Net cash inflow/(outflow) from operating activities" in this prospectus for the analysis of cash flows from our operating activities. The aforesaid net cash outflow from operating activities was mainly financed through our internal resources.

Our Group's business, financial condition and development plans may be adversely affected if our Group does not generate sufficient cash flows from our operations to meet its present and future obligations. If our Group needs to raise additional funds through debts or other forms of financing to finance its operation and/or to refinance its debts, our finance costs may increase significantly and this will affect our Group's profitability. If our Group is

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unable to repay our loans and borrowings, the relevant creditors may take action to enforce its rights which could materially and adversely affect our business, financial condition and results of operations.

A material disruption in our operation could adversely affect our business, financial condition and results of operations

Our operations are subject to uncertainties and contingencies beyond our control that could result in material disruptions and adversely affect our business, financial condition and results of operations. These include industrial accidents, fires, floods, snow storm, droughts, natural disasters and other catastrophes, equipment failures or other operational problems, strikes or other labor difficulties and disruption in infrastructure such as roads, ports or pipelines.

The installation of our curtain walls and BIPV systems is conducted on-site at our customers' premises. We have undertaken or are currently undertaking projects in all the provinces, autonomous regions and municipals directly administrated by the PRC central government in the PRC except Tibet and Xinjiang. In July 2005, Daqing was affected by an earthquake. Whilst there was no major impact on our projects that were being undertaken in Daqing at that time, the occurrence of earthquakes, floods, droughts, power losses and similar events at our customers' premises prior to the completion of installation works could interrupt our operations and cause severe damage to our work.

Our operations require significant and stable supply of electricity. Our demand for electricity will further increase as we expand our production and fabrication capacities. Any of the events listed above, and power disruptions or rationing, could disrupt or restrict supply of such utilities. Any such disruptions to our operations could disrupt, limit or delay our production, prevent us from meeting customer orders, increase our cost or necessitate us to make unplanned capital expenditures, which could adversely affect business, financial condition and results of operations.

We are exposed to risks of infringement and misappropriation of our intellectual property rights

The success of our business is dependent on the effective protection of our intellectual property rights. As at the Latest Practicable Date, we are the registered owner of six patents and we have been granted the approval for another three patents in the PRC and we have also made application for registration of six patents in the PRC. We have also registered one trademark and two domain names as at the Latest Practicable Date. Protection may not be adequate to prevent third parties from misappropriating our intellectual property rights. In particular, we are susceptible to third parties' infringement of our intellectual property rights as protection and enforcement of intellectual property rights in the PRC are not as certain and effective as in the other countries. The legal regime governing intellectual property in the PRC is still evolving. Despite the fact that we have applied for patent protection, there is no assurance that we are free from any unauthorized infringement of our patented rights by our competitors or other third parties. In the event that the protection afforded by law cannot offer protection of our intellectual property rights, our business, financial condition and results of operations will be adversely affected.

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We may be exposed to infringement or misappropriation claims by third parties

Our success is to a certain extent dependent on our development of new technology and products without infringing the existing intellectual property rights of third parties. Despite the fact that we may conduct a review on related patents and patent applications before developing any new products, it may not be sufficient to safeguard our position that we are not infringing the existing intellectual property rights of third parties. While we are not aware of any action pending or threatened against us as at the Latest Practicable Date, we may be subject to litigation involving claims of patent infringement or infringement of intellectual property rights of third parties in the future. The litigation or proceedings in respect of intellectual property suits can be costly and time-consuming and will take up significant amount of our financial and human resources. Any adverse rulings or decisions in respect of such legal proceedings may result in our liability to third parties, requiring us to seek licenses from third parties, pay ongoing royalties, or that we may be prohibited from the manufacture and sale of our products or use of our technology. Our business, financial condition and results of operations will be adversely affected as a result of any such adverse rulings or decisions.

We are exposed to environmental liability

Our industry is subject to certain laws and regulations in respect of environmental protection. As at the Latest Practicable date, our Group has not been subject to any material fines or legal action involving non-compliance with any relevant environmental laws or regulations. Our PRC legal advisors confirm that we are in compliance with the applicable environmental laws and regulations of the PRC. There is no assurance that we will be able to, or our subcontractors will be able to, comply with such laws and regulation continuously. Any violation of such laws, rules and regulations may expose our Group to prosecution by relevant authorities and our operations and financial results may be adversely affected. Such laws and regulations may be revised by the PRC government from time to time to reflect the latest needs in respect of environmental protection, which will incur extra cost and burden for us to comply with such requirements and may in turn adversely affect our business, financial condition and results of operations.

Failure to maintain effective internal controls may have an adverse impact on our business, financial performance and reputation

Our internal control system is essential to the integrity of our business and financial performance. We expect that the public reporting obligations will place a strain on our management, operational and financial resources after the Listing. Various measures have been implemented to enhance our internal controls. During the Track Record Period, we have implemented systems by making plans for our future operations, by drawing reference from the external business environment over the years, implementing measures and formulating solutions in respect of any issues that concern our operation, to analyze and provide early warning in respect of our financial condition and performance and to control and oversee various aspects of our business and operation. Guidelines have also been adopted for our internal audit and financial procedures. Meeting were also held among members of our senior management to report on our operation, implement policies and

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discuss future business plans and market trend and customer needs in general. In the event that we fail to maintain effective internal controls in the future, our business, financial performance and reputation may be adversely affected.

We have engaged an independent internal control advisor to assist our management to assess our Group's internal controls over its financial reporting and recommend improvements on related internal controls and corporate governance procedures. Management has taken prompt actions to implement additional and/or new internal controls based on the recommendations to remedy our internal control deficiencies and weaknesses prior to the Listing Date to prepare our Group for compliance with the applicable laws and regulations.

However, we cannot assure that similar or other deficiencies or weaknesses in our internal control systems will not be discovered in the future. Besides, any changes in the circumstances or compliance requirements with the applicable laws and regulations may subject us to the risks that the present internal controls may become inadequate. In the event that we fail to maintain adequate internal control in the future, our business, financial performance and reputation may be materially and adversely affected.

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

Upon the completion of the Global Offering, the Controlling Shareholders will own, in aggregate, 45.8% of the issued share capital of our Company. The Controlling Shareholders will be able to exercise substantial control or influence over our business by voting directly or indirectly at shareholders' meeting in matters of significance to our Company and the public Shareholders, including management and policies and matters requiring the approvals of Shareholders, including approvals of significant corporate transactions, issuance of additional Shares or other equity securities, timing and amount of dividend payments and election of Directors.

The interests of the Controlling Shareholders may not be in the same as, and may even conflict with, those of the public Shareholders. The Controlling Shareholders may take actions, including exercising its influence over our Company as the Controlling Shareholders, that favour the Controlling Shareholders instead of the interest of our Company or the public Shareholders. The Controlling Shareholders will also have veto power as regards any approval requiring a majority vote. This may delay, defer or prevent a change in control, discourage bids for the Shares at a premium over the market price, or adversely affect the market price of the Shares.

We are an investment holding company and we rely on dividend payments from our subsidiaries for funding

We are an investment holding company and our operations are conducted through our subsidiaries. Our Company does not have operating cash flow to make payments of dividends to the Shareholders and to service our indebtedness. Our source of funding would

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primarily be dividend payments from our subsidiaries. In the event that our subsidiaries fail to make dividend payments to us as a result of debt or loss incurred by them, our ability to pay dividends and to service our indebtedness will be adversely affected.

Under the PRC laws, rules and regulations, dividends are required to be paid only out of the net profit calculated pursuant to the PRC accounting principles, which are different from IFRS. All entities incorporated in the PRC are required to set aside part of their net profit as statutory reserves according to the PRC laws, rules and regulations and these statutory reserves are not available for distribution as cash dividends. In future, members of our Group may also enter into bank credit facilities or other agreements that may have restrictive covenants restricting them from making dividend payments to us, which could have an adverse impact on our source of funding affecting our ability to pay dividends to the Shareholders and to service our indebtedness.

The registration of our Group's logo as a trademark in Hong Kong has not yet been approved

Our Group submitted an application to the Trade Marks Registry of the Intellectual Property Department of the Government of Hong Kong Special Administrative Region for registration of its logo as appeared on the cover of this prospectus as a trademark on 13 August 2008. As at the Latest Practicable Date, the registration of such trademark has not yet been approved by the Trade Mark Registry but our Group has not received any notice of objection of registration of the trademark served by any third party. However, there is no assurance that the use of the logo by our Company on this prospectus will not infringe the intellectual property rights of any third party or in breach of the laws of Hong Kong. Any liability claim in relation to the use of the logo by our Company made or threatened to be made against our Group in the future, regardless of its merits, could result in costly litigation and put strain on our Group's administrative and financial resources.

We may be adversely affected by the recent global economic developments and credit crunch

The recent global economic developments and credit crunch has adversely affected the global economy. Under such deteriorating global economy and with the continual weak economic sentiment, the investment in residential, commercial and industrial property sectors may decrease and there has been delay or suspension with respect to our existing project, which may affect our profitability and revenue growth. Moreover, banks have been tightening credit, which may aggravate the interest expenses on our bank borrowings, or banks may even reduce the amount of or discontinue the banking facilities currently available to us. If the economic downturn and the weak economic sentiment continue, our business, financial condition and results of operations may be adversely affected.

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RISKS RELATING TO OUR INDUSTRY

We may be affected by the cyclical nature of the construction industry in the PRC

Our revenue is derived from the construction industry and most of our customers are property developers and main contractors. The demand for our services in the design, fabrication and installation of curtain walls is significantly influenced by the construction industry in the PRC and the PRC economy in general. Our Group's performance is therefore exposed to the cyclical fluctuations of the construction industry in the PRC and the PRC economy and any downturn in the PRC construction industry and/or the PRC economy may adversely affect our business performance. In particular, any measures taken by the relevant authorities in the PRC to slow down the growth of the PRC economy may have an adverse impact on our industry.

BIPV market is at its initial stage of development

The use and application of BIPV systems in China is still at its initial stage of development. It may take some years for the market to achieve a certain level of maturity.

Our BIPV and solar-power product businesses have a relatively short operating history

Our Group's BIPV and solar-power product businesses have a relatively short operating history. We have been operating our BIPV and solar-power product businesses in China since the beginning of 2007. We have by far completed five BIPV projects. The BIPV business accounted for approximately 5.3% of our Group's total revenue for the year ended 31 December 2007 and approximately 7.3% of our Group's total revenue for the six months ended 30 June 2008. The solar-power product business accounted for approximately 1.0% of our Group's total revenue for the year ended 31 December 2007 and 0.8% of our Group's total revenue for the six months ended 30 June 2008. We face risks in conducting our BIPV and solar-power product businesses. The risks include difference in business environment and competitors comparing with conventional curtain wall business. There is no assurance that we will be able to operate successfully in our BIPV business in view of the above risks faced by us.

A development of new technology or discovery of new materials may have an adverse effect on the demand for our products

In the event that there is development of any new technology or discovery of any new materials that competes with our design or products, the demand for our products may be adversely affected.

Our business is affected by intense competition

We face competition from existing curtain wall companies in the PRC as well as from new market entrants. In the normal course of the provision of our services, we secure projects through tendering. Our financial performance is dependent on our ability to secure profitable contracts. If there is an increase level of competition and we are not able to compete effectively against our existing and future competitors, we may be forced to lower

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our tender prices in an effort to secure projects thereby reducing our profit margins, or we may fail to secure the bids for projects, resulting in our market share being eroded. This will have an adverse effect on our financial condition and results of operations.

We rely on our subcontractors for project execution and to implement relevant safety and environmental protection measures in the course of project execution

We engage subcontractors where necessary to undertake the more labour-intensive process of installation of curtain walls and outsource certain of our fabrication (including the supply of materials if necessary) processes to subcontractors. Annual assessment will be conducted to evaluate the performance of these subcontractors regarding their workmanship, progress monitoring, safety and environmental control. Additionally, in order to ensure that the subcontractors comply with all the applicable rules and regulations, daily site visits will be made by our project managers or site engineers.

Yet qualified subcontractors may not always be readily available. We may face difficulty in completing our projects if we are unable to engage qualified subcontractors. If for any reason we have to pay the subcontractor at a price higher than our initial estimation for a fixed-price contract, we may suffer losses as a result. If any subcontractor delivers substandard works, the quality of our project and our reputation will be adversely affected. We are also exposed to litigation and damage claims. If the subcontractor is unable to fulfill the terms of the contract, we may need to engage another subcontractor at a higher price and on a delayed basis, which may affect our profit margin.

If our subcontractors violate any rules, regulations or laws or their actions or omissions cause property damage or personal injuries, we may be exposed to prosecution by the relevant authorities and liable to claims as regards personal injury and damage to properties. We cannot assure that there would not be any violation of rules, regulations or laws by our subcontractors or that our subcontractors will not cause any property damage or personal injuries, despite the fact that regular site visits are made by our safety officer to ensure compliance by our subcontractors. It will adversely affect our business, financial condition and results of operations if there are any violations by our subcontractors in the execution of our projects.

RISKS RELATING TO THE PRC

Our business could be affected by adverse changes in the economic, social and political conditions in the PRC

Prior to 1978, the PRC economy was primarily a planned and centralized economy, characterized by state ownership of productive assets. However, since 1978, the PRC government has undergone various reforms to its economic systems. Such reforms have resulted in the economic growth for the PRC in the last three decades. However, many of the reforms are unprecedented or experimental and are expected to be refined and modified from time to time. Other economic, social and political factors, including, in particular, the PRC's recent entry into the WTO, may also lead to further readjustments of the reform measures. This refinement and readjustment process may have a material impact on our business, financial condition and results of operations.

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It is recognized that the PRC lacks adequate infrastructure and a well-established financial system to keep pace with its rapidly growing economy. These conditions could have the effect of limiting our growth potential in the PRC. For instance, the PRC had experienced various periods of severe inflationary pressures as a result of an over-heated economy, and the PRC government had to introduce anti-inflationary measures from time to time. These measures, which may include credit tightening policies and adjustment to interest rates, may affect the demand of our products and services in the PRC.

Our current business operations are carried out only in the PRC. Almost all of our revenue for each of the three years ended 31 December 2007 is derived from our operations in the PRC market. For the six months ended 30 June 2008, approximately RMB11.8 million of our revenue was derived from overseas market. Accordingly, our business, financial condition and results of operations may be adversely affected by changes in the PRC's political, economic and social conditions and by changes in policies of the PRC government or changes in laws, regulations or the interpretation or implementation thereof.

Our business, financial condition and results of operations could be adversely affected by the introduction of new laws or changes to existing laws by the PRC government

Our business and operations in the PRC are governed by the legal system of the PRC. The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, rules and directives. In the event of a breach of any of the foregoing due to an act or omission by our PRC subsidiaries, they will be subject to prescribed penalties.

The PRC government is still in the process of developing its legal system so as to meet the needs of investors and to encourage foreign investment. As a result, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations and the interpretation, implementation and enforcement thereof, are still at an experimental stage and are, therefore, subject to changes. Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and court decisions in the PRC do not have any binding effect. Accordingly, the outcome of dispute resolutions may not be as consistent or predictable as in the other more developed jurisdictions and it may be difficult to obtain swift enforcement of the laws in the PRC, or to obtain enforcement of a judgment by a court of another jurisdiction.

Changes in the PRC governmental rules and regulations will have a significant impact on our business, financial condition and results of operations

Currently, our business and operations in the PRC entail the procurement of licenses and permits from the relevant authorities. Thus, our business and operations in the PRC are subject to the PRC government rules and regulations. Any changes in such government rules and regulations may have a negative impact on our business, financial condition and results of operations. Difficulties or failure in obtaining the required permits, licenses and certificates will result in our inability to continue our business in the PRC. Accordingly, our business, financial condition and results of operations will be adversely affected.

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Other than the PRC construction qualification system, there are other market-access restrictions imposed by the PRC regulatory authorities on foreign construction companies, such as the import tariffs and the guidelines that the PRC government agencies adopt in the bidding of public construction projects. Such restrictions implied on foreign construction companies have provided effective short-term protection for the PRC construction companies. However, there is no assurance that the PRC regulatory authorities will not amend or remove such restrictions and promulgate new regulations and administrative rules from time to time. Such changes in the regulations and administrative rules may open up the PRC construction industry to foreign construction companies. This will increase the competition faced by our Group in the PRC and may have an adverse impact on our business, financial condition and results of operations.

We are subject to foreign exchange controls and future movements in the exchange rate of Renminbi, which can materially and adversely affect our business, financial condition and results of operations and our PRC subsidiaries' ability to pay dividends or make other distribution to us

Our PRC subsidiaries are subject to the PRC rules and regulations on currency conversion. In the PRC, the State Administration for Foreign Exchange (“SAFE”) regulates the conversion of RMB into foreign currencies. Currently, foreign invested enterprises (“FIEs”) are required to apply to SAFE for “Foreign Exchange Registration Certificates for FIEs”. Our PRC subsidiaries are FIEs. With such registration certifications (which need to be reviewed annually), FIEs are allowed to open foreign currency accounts including the “current account” and “capital account”. Currently, conversion within the scope of the “current account” (for example, remittance of foreign currencies for payment of dividends, etc.) can be effected without requiring the approval of SAFE. However, conversion of currency in the “capital account” (for example, for capital items such as direct investments, loans, securities, etc.) still requires the approval of SAFE.

The applicable law in respect of conversion of RMB into other currencies is the Regulation for Foreign Exchange Controls of the PRC (the “Regulation”) which came into effect on 1 April 1996 and amended on 14 January 1997.

Under the Regulation:

- (a) conversion of RMB into foreign currencies for the use of recurring items, including the distribution of dividends and profits to foreign investors of FIEs is permissible and FIEs are permitted to remit foreign currencies from their foreign currency bank accounts in the PRC upon presentation of board resolutions which authorize the distribution of profits or dividends and subject to other requirements being satisfied; and
- (b) conversion of RMB into foreign currencies for capital items, such as repatriation of capital, repayment of loans and for securities investment, is still under control.

In addition, on 24 January 2005, SAFE promulgated the Circular of SAFE Concerning Relevant Issues on Improving Foreign Exchange Administration for Mergers and Acquisitions with Foreign Entities (國家外匯管理局關於完善外資併購外匯管理有關問題的通知) (the “Circular”). The Circular provides for, amongst other things, strict supervision and control by SAFE and its local branches/offices of capital contribution examination, foreign currency registration for share transfers, registration of shareholders' loan, remittance of

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profits out of the PRC, re-investment of profits, and share transfers by FIEs established in the manner of acquisitions or mergers of PRC enterprises by foreign enterprises with PRC residents as shareholders.

According to the Notice concerning Relevant Issues for Registration of Overseas Investments by Domestic Residents and Foreign Exchange Registration for Foreign Mergers and Acquisitions (關於境內居民個人境外投資登記及外資併購外匯登記有關問題的通告) promulgated by SAFE on 8 April 2005, it further requires PRC residents who have contributed their domestic assets or shares into the overseas companies and thus hold the shares of such overseas companies directly or indirectly, shall conduct supplemental foreign exchange registration with the local foreign exchange authority, even if the relevant acquisition or merger of the domestic company had been completed prior to 24 January 2005. The Notice further stipulates that without such supplemental registration, the PRC residents are prohibited to conduct foreign investment and conduct other foreign exchange business under capital item, and the foreign exchange registration for the FIE will not be proceeded by the local foreign exchange authority. If the foreign exchange registration for the FIE was made by false or misleading information and representation, the FIE shall be liable for the profits remitted out of the PRC and other transactions under the capital item since the registration date. The PRC resident who is directly or indirectly the largest shareholder in the overseas companies is also required to go through registration for modification or record with the local foreign exchange authority within 30 days from the date of any increase/decrease of capital, share transfer, merger/splitting, overseas share investment, and foreign guarantees concerning domestic assets of such overseas invested companies (the “material issues”). Failure to conduct the above supplemental registration, registration for modification or record of the material issues with the local foreign exchange authority fully could adversely affect our ability to remit our profits, liquidation, share transfer and capital decreasing fees abroad, and could be punished for foreign exchange evasion.

We cannot provide any assurance that the PRC regulatory authorities will not impose further restrictions on the convertibility of the RMB. As our subsidiaries in the PRC generate a significant proportion of our revenue and these revenues are denominated mainly in RMB, any future restrictions on currency exchanges may limit our ability to repatriate profits for the distribution of dividends to our Shareholders or to fund our other business activities outside the PRC.

On 21 July 2005, the PRC Government reformed the RMB exchange rate mechanism so that RMB was no longer pegged to the U.S. dollar but to a basket of currencies. A revaluation of RMB resulted in the appreciation of RMB against the U.S. dollar and Hong Kong dollar by approximately 14%. The relaxation of the RMB-U.S. dollar peg may contribute to volatility or increased fluctuations in the value of RMB. Further appreciation of RMB could cause our costs to increase or our operating revenues to decrease. In addition, we may deposit the unused proceeds from the Global Offering in bank accounts outside of China without remitting those funds into China and converting them into RMB assets. In the event that the appreciation of RMB against the U.S. dollar and Hong Kong dollar continues, we may incur foreign exchange losses. Conversely, depreciation of RMB could adversely affect the value of dividends, if any, payable on the Shares by our Company in foreign currency terms, and could increase the cost of importing equipment and facilities that are quoted in foreign currencies.

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There may be difficulties involved in effecting service of process upon us or our Directors who live in the PRC and enforcing judgments from courts outside the PRC

Our Company is incorporated in Bermuda. All of our executive Directors resides in the PRC. Almost all of our Group's assets are located within the PRC.

China has not entered into treaties in respect of the reciprocal recognition or enforcement of judgments of courts with United Kingdom, United States, Japan and many other countries. Therefore, it may not be possible for investors to effect service of process upon our Group or our Directors in the PRC or to enforce against our Group or our Directors in the PRC, any judgments obtained from non-PRC courts.

On 14 July 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters, pursuant to which a party with a final court judgment rendered by a Hong Kong court in respect of a judgment sum payable under a civil and commercial action may apply for enforcement of such judgment in the PRC and in the same way, a party with a final court judgment rendered by a PRC court in respect of a judgment sum payable under a civil and commercial action may apply for enforcement of such judgment in Hong Kong. An agreement designating a choice of court entered into between the parties after the reciprocal arrangement came into effect designates the sole jurisdiction for the dispute. It is therefore impossible for a party to enforce a judgment rendered by the Hong Kong court in the PRC if the parties have not entered into the agreement designating the choice of court. As such, it may be difficult for investors to effect service of process upon our Company or our Directors and to enforce the judgment rendered by the Hong Kong court in the PRC.

In addition, our Shareholders will not be able to bring any action on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Furthermore, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases do not have the force of law and provide only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

PRC regulations in relation to the acquisitions of domestic companies by foreign entities may adversely affect our future expansion plan

With effect from 8 September 2006, foreign investors must comply with the Provisions on the Acquisition of Domestic Enterprises by Foreign Investors (2006 revised) in respect of the acquisition of a domestic non-foreign-invested company. The provisions set out the procedures for the approval of such foreign investment projects in the PRC. Due to the relatively short operating history of such provisions, there are uncertainties as to how they will be interpreted or implemented. There can be no assurance that such approvals could be obtained and all necessary procedures would be completed in relation to acquisition of these domestic companies. In the event that such acquisition cannot be completed as part of the expansion plan of our Group, our business and future plans may be adversely affected.

Any changes in the PRC government policies regarding foreign investments in the PRC may adversely affect our business, financial condition and results of operations

Foreign-invested enterprises are subject to foreign investment policies and laws in the PRC. Under the Foreign Investment Catalogue that went into effect on 1 December 2007, we do not fall under the prohibited or the restricted categories of business. There is no assurance that we would fall under such categories subsequent to any change to the foreign

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investment policies and laws or that we could be subject to more stringent restrictions on our operation and business, which may adversely affect our operational business, financial condition and results of operations.

Significant capital expenditure may have to be incurred if additional or stricter laws and regulations are passed in relation to environmental protection. We cannot ensure we can comply with all such environmental requirements

Our industry is subject to certain laws and regulations in respect of environmental protection. In the event of any serious breach or non-compliance by our Group with the applicable environmental laws or regulations, it is at the discretion of the PRC government to close down our operations. Such laws and regulations may also be revised by the PRC government from time to time or there may be enactment of more stringent laws and regulations, which may result in significant costs incurred in order to comply with the new laws and regulations. There is no assurance that we will be able to comply with such laws and regulations.

Changes to the preferential tax treatment in the PRC may adversely affect our results of operations

Under the Laws of Corporate Income Tax for Foreign-invested Enterprises and Foreign Enterprises in the PRC, enterprises with foreign investment are entitled to a two-year full exemption from PRC corporate income tax (“CIT”) commencing from its first profitable year and a three-year 50% tax reduction thereafter.

The key operating arm of our Group in the PRC are foreign-invested enterprises and they are qualified for such preferential tax treatments. They were entitled to a full tax exemption for the two years ended 31 December 2005 and 2006, and were subject to preferential CIT rate of 7.5% for the financial year ended 31 December 2007.

On 16 March 2007 the National People Congress approved the Corporate Income Tax Law of the PRC (the “New CIT Law”), which became effective from 1 January 2008. According to the New CIT Law, the CIT for both domestic and foreign invested enterprises will be unified at 25%. However, there will be a transitional period for the enterprises that currently receive preferential tax treatments granted by relevant tax authorities. Enterprises subject to on-going CIT rates lower than 25% may continue to enjoy such lower CIT rate within five years after the effective date of the New CIT Law. Enterprises that are currently entitled to exemptions or reductions from the standard rate for a fixed term may continue to enjoy such treatment until the fixed term expires. Upon the expiry of the existing preferential tax treatments, our PRC subsidiaries will be subject to a higher CIT rate and our financial condition and results of operations will be adversely affected.

Tax exemptions on dividends received by Shareholders and our corporate income tax rate will be affected as a result of a newly enacted PRC tax law

Our Company is incorporated under the laws of Bermuda and holds interests in its PRC subsidiaries through a Hong Kong company. As foreign legal persons, dividends derived from our Group’s business operations in the PRC are currently not subject to income tax under PRC law. However, we cannot assure you that such dividends will continue to be exempted from PRC income tax. The New CIT Law and its implementation rules were enacted respectively on 16 March 2007 and 6 December 2007, both of which became effective on 1 January 2008. Under the new laws, if our Company is deemed to be a

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non-PRC tax resident enterprise without an office or premises in the PRC, a withholding tax at the rate of 10% will be applicable to any dividends paid to our Company, unless it is entitled to reduction or elimination of such tax, including by tax treaties. According to the tax treaties between the PRC and Hong Kong, dividends paid by a foreign-invested enterprise in China to its shareholder(s) in Hong Kong will be subject to withholding tax at a rate of no more than 5% if the Hong Kong company directly holds a 25% or more interest in the PRC enterprise.

In addition, the new laws provide that if an enterprise incorporated outside the PRC has its “de facto management organization” located within the PRC, such enterprise may be recognized as a PRC tax resident enterprise and thus may be subject to CIT at the rate of 25% on its worldwide income. Currently, a substantial number of the members of our Company’s management are located in the PRC. If a substantial number of the members of our Group’s management continue to be located in the PRC after the effective date of the New CIT Law and its implementation rules, it may be deemed a PRC tax resident enterprise and therefore subject to a CIT of 25% on its worldwide income (including dividend income received from its subsidiaries), which excludes the dividends received directly from another PRC tax resident. As a result of these changes described above, our Group’s historical operating results will not be indicative of its operating results for future periods.

We may be affected by infectious disease outbreaks and other epidemics

The outbreak of the severe acute respiratory syndrome in the PRC from December 2002 to July 2003 had an adverse effect on consumer sentiment and the PRC economy in general. There has also been reported cases of H5N1 avian flu in Asia, including China in recent years. There can be no assurance that an outbreak of H5N1 avian flu, or other contagious disease will not seriously interrupt our operation and business or those of our suppliers, customers and subcontractors, which may adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and the liquidity and market price of our Shares may be volatile

Prior to the Global Offering, no public market for the Shares existed. The initial price range disclosed in this prospectus was the result of negotiations among our Company and the Underwriters, and the Offer Price may differ significantly from the market price for the Shares following the Global Offering. We have made an application to the Stock Exchange for the Listing. There is no assurance that a listing on the Stock Exchange will result in the development of an active, liquid public trading market for the Shares after the Global Offering. In addition, the price and trading volumes of the Shares may be volatile since factors such as variations in our revenue, earnings and cash flows or any other developments may affect the volume and price at which the Shares will be traded.

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Future issues, offers or sales of our Shares may adversely affect the prevailing market price of our Shares

Future issue of the Shares by our Company or the disposal of the Shares by any of its Shareholders or the perception that such issues or sale may occur, may negatively impact the prevailing market price of the Shares. Moreover, future sales or perceived sales of a substantial amount of our Shares or other securities relating to our Shares, could adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. Our Shareholders may experience dilution in their holdings in the event we issue additional securities in future offerings. The Shares held by the Controlling Shareholders are subject to certain lock-up undertakings for a period of up to 12 months after the Listing Date. Details of such lock-up undertakings are set out in the paragraph headed “Undertakings” in the “Underwriting” section of this prospectus. We cannot give any assurance that they will not dispose of their Shares they may own now or in the future.

The price of our Shares may be volatile, which could result in substantial losses for investors subscribing for or purchasing our Shares pursuant to the Global Offering

The market price of our Shares may fluctuate significantly and rapidly as a result of, inter alia, the following factors, some of which are beyond our control:

- perceived prospects and future plans for our business and the general outlook of our industry in various geographical regions to which we sell our products;
- changes in general economic and stock market conditions;
- changes in our operating results;
- technological innovation;
- changes in securities analysts’ estimates of our financial performance and recommendations;
- differences between our actual financial operating results and those expected by investors and securities analysts;
- announcements by our competitors or ourselves of gain or loss of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- addition or loss of key personnel; and
- our involvement in litigation.

Certain facts and statistics from official sources contained in this prospectus have come from various government official publications whose reliability cannot be assumed or assured

Facts and statistics from official sources contained in this prospectus are derived from various publicly available government official publications and generally believed to be reliable. However, we cannot guarantee the quality and reliability of these publications. Whilst our Directors and the Sponsor have taken reasonable care to ensure that the facts and

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statistics in this prospectus are accurately reproduced from other respective official sources, these facts and statistics have not been independently verified by us. Our Company, the Global Coordinator, the Sponsor, the Lead Manager, the Underwriters, their respective directors and advisors or any other parties involved in the Global Offering do not make any representation as to the accuracy or any other facts and statistics derived from government official publications, which may not be consistent with other information and may not be complete or up-to-date. Due to possibly flawed or ineffective collection methods or discrepancies between the published information and market practice and other problems, the statistics derived from government official publications may be inaccurate or may not be comparable from period to period or to statistics produced for other economies and should not be unduly relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Investors may experience difficulties in enforcing their shareholder's rights because our Company is incorporated in Bermuda, and Bermuda law may provide less protection to minority shareholders than the laws of Hong Kong or other jurisdictions

Our Company is incorporated in Bermuda and its affairs are governed by the Bye-laws, the Bermuda Companies Act and common law applicable in Bermuda. The laws of Bermuda may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. A summary of Bermuda law on protection of minorities is set out in paragraph 4(e) in Appendix V to this prospectus.

Your interest in our Company may be diluted in the future

We may need to raise additional funds in the future to finance business expansion, whether related to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of those existing shareholders of our Company may be reduced, and they may experience subsequent dilution, and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing shareholders.

Negative publicity may adversely affect the price of our Shares

Negative publicity involving our Group, any of our Directors or Substantial Shareholders may adversely affect the market perception or the stock performance of our Company, whether or not it is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvements in insolvency proceedings.