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

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

OVERVIEW

We are a vertically integrated manufacturer of chemical fibre knitted fabrics, especially with focus on functional fabrics, for sportswear clothing in the province of Fujian in the PRC. We develop and manufacture fabrics for sports and leisure apparel in the PRC and produce garments on an OEM basis for some overseas premium apparel brand owners such as Decathlon, Kappa and Mizuno and some PRC apparel brand owners such as Li Ning and Anta. The Group is also engaged in the design, development and marketing of fashion and leisure apparel and accessory products sold under the MXN brand.

The following table sets forth the breakdown of our turnover by fabric sales, casual and sportswear OEM sales and branded leisure clothing sales during the Track Record Period:

	For the year ended 31 December						Six months ended 30 June			
Turnover	**2006**		**2007**		**2008**		**2008**		**2009**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Fabric sales	548,476	83.9	769,841	82.6	888,984	70.2	431,213	82.6	511,537	62.6
Casual and sportswear OEM sales	104,904	16.1	162,635	17.4	154,381	12.2	72,912	14.0	60,091	7.4
Branded leisure clothing sales	—	—	—	—	222,685	17.6	17,658	3.4	245,677	30.0
Total	**653,380**	**100.0**	**932,476**	**100.0**	**1,266,050**	**100.0**	**521,783**	**100.0**	**817,305**	**100.0**

We collaborate closely with apparel brand owners to design fabrics that meet customised order particulars. Our finished fabrics comprise more than 2,880 designs and specifications. Our fabrics are used in a broad range of garments, including men's, women's and children's clothing, sportswear, golf shirt, T-shirt, swimwear and inner-wear. We have established business relationships with owners of leading brands. For the fabrics manufacturing segment, Fuqing Hong Liong produces fabrics which serves as the raw materials for the production of all the five brand owners, namely Decathlon, Anta, Kappa, Mizuno and Li Ning. For the causal and sportswear OEM segment, Fuqing Ecotex also produced the sportswear and leisure apparel for Anta, Mizuno and Li Ning. As advised by our Directors, our Group has maintained relationships with the apparel brand owners for more than ten years even though we have not entered into long term supply contracts with these customers.

Our principal manufacturing facility is a modern, integrated knitting, dyeing and finishing facility in Fuqing, China, with a total gross floor area of approximately 31,756.75 square meters. We offer weft and warp knitting along with dyeing services. Our fabric production cycle can be divided into three general procedures: knitting, dyeing and finishing. For the casual and sportswear OEM segment, our apparel manufacturing process is divided into five major stages: (i) raw materials inspection and testing; (ii) cutting and trimming; (iii) sewing and assembly; (iv) ironing; and (v) packaging.

The following tables present a number of annual production capacity and related information for our fabric manufacturing facilities:

	Period				
	For the year ended 31 December			For the six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
Approximate output (tonnes)	12,576	14,758	15,420	7,587	7,886
Annualised production capacity (tonnes)	16,000	16,000	16,000	8,000	9,000
Annual production capacity represented by the percentage approximate output represents of annualised production (%)	79%	92%	96%	95%	88%

We operated apparel production lines with annual manufacturing capacity of approximately 1.63 million, 1.74 million and 2.53 million pieces of apparel products per annum as at 31 December 2006, 2007 and 2008 respectively. The following tables present a number of annual production capacity and related information for our apparel manufacturing facilities:

	Period				
	For the year ended 31 December			For the six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
Approximate output (thousand pieces)	1,626	1,738	2,525	969	1,103
Annualised production (thousand pieces)	2,362	2,362	2,362	1,184	1,263
Annual production capacity represented by the percentage approximate output represents of annualised production (%)	69%	74%	107%	82%	87%

The approximate annual output as a percentage of the annualised production in 2008 exceeded 100%. As confirmed by the Directors, it is because the production of 320,200 pieces of apparel products commenced in 2007 but was not completed until 2008, when the finished apparel products were transported to the warehouse and recorded as inventory.

Apart from the above, we are also engaged in the design, development, wholesales and marketing of fashion and leisure apparel and accessory products, sold under the MXN brand, which was acquired by us in the PRC in May 2008. In wholesale business, we employ a franchise distribution model which is commonly used by apparel brand owners in the PRC. Neither the franchise distributors nor the franchise stores were owned or operated by our Group. After our acquisition of Shishi Maigen in 2008, we had 420 franchise stores as at 31 December 2008, and 665 franchise stores as at the Latest Practicable Date. As at 31 December 2008 and the Latest Practicable Date, we had 11 and 22 franchise distributors, who in turn had 171 and 379 franchise stores, respectively. As confirmed by the Directors, the Group did not own any franchise stores during the Track Record Period and as at the Latest Practicable Date. Collectively, the MXN retail network covers 22 provinces, as well as more than 33 county-level cities in the PRC.

The following table shows the number of MXN franchise stores directly sourcing from our Group and the number of MXN franchise stores sourcing from franchise distributor (excluding those franchise distributors) for different districts in the PRC as at 31 December 2008 and as at the Latest Practicable Date, respectively:

	As of 31 December 2008			As at the Latest Practicable Date		
	No. of franchise store directly sourcing from our Group	**No. of franchise store sourcing from franchise distributor**	**Total no. of franchise store**	**No. of franchise store directly sourcing from our Group**	**No. of franchise store sourcing from franchise distributor**	**Total no. of franchise store**
East China[(1)]	181	115	296	217	163	380
South China[(2)]	18	56	74	15	77	92
Southwest China[(3)]	21	—	21	22	30	52
Northeast China[(4)]	17	—	17	22	14	36
North China[(5)]	12	—	12	9	80	89
Northwest China[(6)]	—	—	—	1	15	16
Total	249	171	420	286	379	665

Notes:

(1) East China includes Shanghai, Jiangsu, Zhejiang, Anhui, Shandong, Jiangxi and Fujian.

(2) South China includes Hubei, Hunan, Henan, Guangxi, Guangdong and Hainan.

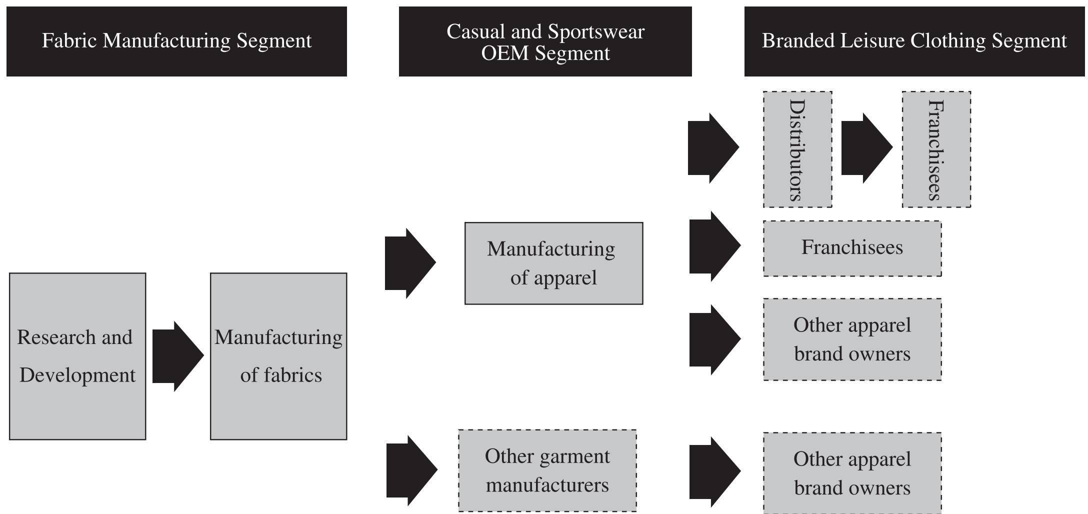
(3) Southwest China includes Sichuan, Guizhou, Tibet, Yunnan and Chongqing.

(4) Northeast China includes Heilongjiang, Liaoning and Jilin.

(5) North China includes Tianjin, Hebei, Shanxi, Beijing and Inner Mongolia.

(6) Northwest China includes Xingjiang and Shaanxi.

The chart below illustrates our current business model:



Notes:

(1) Components of our segment model marked by solid lines refer to those parts of the value chain controlled by us, while those components marked by dotted lines indicate those not controlled by us.

(2) For detailed arrangement of distributors and franchisees, please refer to section headed "Sales and Distribution".

COMPETITIVE STRENGTHS

We believe the following competitive strengths position us to capitalise on significant opportunities to grow our business:

Integrated and efficient production operations

The Group vertically integrates the manufacture of fabrics to the production of branded causal leisure apparel. Among the Company's subsidiaries, Fuqing Hong Liong produces fabrics, which serves as one of the suppliers of raw materials for the production of sportswear and leisure apparel (casual and sportswear OEM segment) by Fuqing Ecotex. Fuqing Ecotex also serves as one of the suppliers of sportswear and leisure apparel for Fuzhou Aike and Shishi Maigen. The Board believes that the Group's vertical integration strategy provides the Group with the flexibility to adjust product mix to meet changing market conditions and demands, and the capability to cater for the needs of customers. The Board is of opinion that the Group's efficient production and inventory management system enables the Group to fulfil customer orders within a short lead time.

Innovative design and product development

Product design

We believe that one of our core competitive strengths is our provision of fashionable branded products to meet consumer demands from time to time. Our MXN brand has its own merchandising department composing of 28 employees as at 31 October 2009.

In order to blend international perspective into our designs and to strengthen the standards of our local designs in China, we leverage on our good social resources and network and obtain first hand clothing samples through market research. We visit places in the Southeast Asia such as Hong Kong and Thailand to experience first hand the latest trends in style and fabric materials in those places. Since 2008, we have engaged a fashion design agency in Hong Kong to assist us with the design of international and fashionable apparel products for the China market.

Product development

For the fabric manufacturing segment, we develop new fabric constructions, patterns, textures and colours to meet our customers' specifications. We have equipment in our facilities dedicated to sample manufacturing where we test new fabric concepts for actual end-use products. Based upon the results of internal evaluations and retail tests, new fabrics are introduced into the marketplace. We also focus on developing innovative fabrics with value-added features, including anti-bacteria, anti-odour, anti-static, UV protection, moisture management, micro-fibre, stretch, and anion fabrics.

We work closely with our customers to ensure product quality and our research and development team plays an important part in development processes to meet quality standards.

Multi-faceted marketing strategy

Promotion by entertainment celebrity

We believe that marketing and promotion strategy is the key of success in the branded leisure clothing segment. We have deployed a new marketing campaign by using entertainment celebrities to promote our brand and products to attract and appeal to the fashion-conscious consumer. We have contracted an entertainment celebrity, who is popular among the Chinese-speaking communities, Peter Ho (何潤東), as an image and brand representative of our MXN brand because we believe he matches our culture and the lifestyle images that we want to associate with the MXN brand. We believe this marketing strategy has been effective in attracting certain target consumers to our MXN brand and will result in increased market awareness and acceptance of our MXN brand as a trend-setting leisure wear brand.

Media advertising

Apart from the promotion by entertainment celebrities, we also strategically select other forms of advertising for our MXN brand that we believe match its image and market position.

We promote our MXN brand by posting advertisements in apparel magazines, broadcasting advertisements on bus media which cover 22 provinces and setting up advertising boards in stations or open areas outside shopping malls. Following the appointment of our entertainment celebrity, we have changed the advertising posters in the franchise shops and franchise stores accordingly in order to build up a clear brand image.

Focus on value-added fabrics with higher margins

With our product development, technical expertise and production scale, we are able to produce customised, high value-added fabrics that command higher average selling prices and generate higher margins.

Established relationships with apparel brands

We believe our relationships with brand owners are due in large part to our reputation for reliability, in terms of quality control and on-time delivery, dedicated customer service, ability to innovate and competitive product pricing. We have established business relationships with a broad range of apparel brands such as internationally renowned labels, Decathlon, Kappa and Mizuno and local label, Li Ning and Anta. For the fabrics manufacturing segment, Fuqing Hong Liong produces fabrics which serves as the raw materials for the production of all the five brand owners, namely Decathlon, Anta, Kappa, Mizuno and Li Ning. For the causal and sportswear OEM segment, Fuqing Ecotex also produced the sportswear and leisure apparel for Anta, Mizuno and Li Ning. As advised by our Directors, our Group has maintained relationships with the apparel brand owners for more than ten years even though we have not entered into long term supply contracts with these customers.

Experienced management team

Our core management team has been with the Group for about 15 years. Our Chairman, Vice-Chairman, and Chief Executive Officer have an average of over 20 years of industry experience.

The management team's ability to execute its business plan is demonstrated by the approximately 39.20% compound annual growth rate in turnover for the past three financial years and reflects the focus of our founders, executive Directors and senior management on enhancing profitability and creating shareholder value. After the completion of the Offering, our senior management will retain a significant financial interest in the Group's business.

BUSINESS STRATEGIES

Our principal business strategies are:

Expand and upgrade manufacturing facilities

In order to enhance our competitiveness and profitability, we seek to apply approximately HK$132.2 million of the proceeds from the Global Offering, which represents approximately 13.2% of the net proceeds, to expand our manufacturing facilities, selectively upgrade production equipment and acquire environmental-friendly and energy-saving production equipment. Existing production equipment such as boiler equipment and thermal equipment will be upgraded. Environmental-friendly and energy-saving production equipment such as renovated dyeing equipment will be acquired in order to save energy, reduce production cost and increase production capacity for high-end products. We also seek to identify new production equipment designed to enhance our production efficiency and capacity, shorten turnaround time and reduce labour cost and energy consumption, particularly the equipment used for knitting, dyeing and finishing in our fabric manufacturing business. These planned upgrades and acquisitions lay the foundation for improving both productivity and profitability in the future. It is expected that the proceeds will be invested in 2010 and the production capacity will increase by approximately 50% in the second half of 2010.

Develop new high-tech fabric specifications

We are currently planning to introduce additional value-added fabrics such as environment-friendly fabrics and functional fabrics to secure our competitive strength in research and development of high-tech fabrics in the industry.

In order to achieve such target, we seek to increase our resources on innovation, research and development of new high-tech fabric specifications, and to annually file at least three patent applications for registering an invention or a new process. Increasing our resources in research and development includes an expansion of our research and development department, acquisition of new research and development equipment, hiring experts and scholars in this profession, provision of training to existing research and development employees to enhance their professional standards and formulation of relevant approaches to encourage innovation. These initiatives will be implemented in order to strengthen the innovation and development capability of own research and development department, which in turn will help us strive to become one of the world's leading professional manufacturers in functional fabrics and environment-friendly fabrics.

We expect to fund these initiatives from our internal resources.

Continue to develop and enhance our MXN brand name

Through the implementation of a number of innovative and diversified marketing plans targeted towards our major consumer group who are between the ages of 18 and 35, we intend to apply approximately HK$259.7 million of the proceeds from the Global Offering, which represents approximately 26.0% of the net proceeds, to continue to develop and enhance our MXN brand and brand recognition as a leading and innovative retailer of trendy and fashionable casual wear and accessory products. The amount is significantly higher than the aggregated expenses on the same item during the Track Record Period. As advised by the Directors, before the acquisition by the Group in 2008, Shishi Maigen did not have a very well-organised marketing strategy. However, after the acquisition, we realised the importance of the popularity of a brand, which is also the core factor which leads to the success of running a brand business. So, our Directors advised that the number of franchise stores of MXN is expected to continue to expand, which will lead to an increase in the advertising and marketing costs as a result of the additional number of the franchise stores involved.

We intend to further promote the brand by engaging in various types of advertisement on mass media, including television commercials, radio, magazine advertising, outdoor displays, and multimedia advertisement on public transport, which will incur a substantial amount of promotion costs.

We first set up our MXN franchises in second-tier cities. In order to gain more brand awareness and exposure in first-tier cities at an accelerating pace, one of our initiatives is to appoint entertainment celebrities, who are popular in the trendy and youth mass market and have a fresh image that closely conveys the culture and lifestyle of our MXN brand, to be our image and brand spokespersons. In 2009, we appointed Peter Ho (何潤東), who is a popular Asian entertainment celebrity, to be our image and brand spokesperson.

Moreover, we intend to hire a female celebrity as a spokesperson for the brand. Together with the current spokesperson, we intend to organise different marketing events to promote the brand, which will also significantly increase our cost of the advertising programme.

As advised by our Directors, we intend to apply approximately HK$259.7 million of the net proceeds from the Global Offering in the three years after the listing of the Company for advertising and marketing. It is estimated that the advertising and marketing cost will be utilised as approximately HK$38.9 million, HK$90.9 million and HK$129.9 million for each year of 2010 to 2012 respectively. We will use our internal resources to carry out the advertising and marketing activities in the subsequent years after that three years period of time as mentioned.

Expand and optimise our distribution network

We will continue to expand and optimise the distribution network of our MXN branded products. In 2008, our sales channels had mainly been distributionship and franchising. We intend to apply approximately HK$352.6 million of the proceeds from the Global Offering, which represents approximately 35.3% of the net proceeds, to gradually speed up the establishing of 20 self-owned and operated flagship stores in 20 prime locations in major cities or provinces of the PRC in the coming years of 2010 and 2011. The flagship stores are planned to be located in East China (such as Shanghai and Fujian), South China (such as Hubei, Guangdong and Hong Kong), Southwest China (such as Sichuan and Yunnan), Northeast China (such as Heilongjiang Liaoning), and North China (such as Beijing and Tianjin). We believe that the flagship stores are a good means for promoting the image of the brand and style of the shop for attracting potential investment. This is another initiative of ours to outreach our MXN brand to increase brand recognition and reputation. We have no self-owned and operated flagship stores as the Latest Practicable Date.

Implement our multi-brand strategy

We confirm that we are currently in negotiation for the acquisition of another leisure apparel brand. Substantive negotiations are expected to be entered in 2010, and that particular brand will join our Group in the second half of the same year if the negotiation is successful. As confirmed by our Directors, the negotiation between the potential seller of the leisure apparel brand in the PRC has undergone for about one year. Both the potential seller and us were having a preliminary intention but there are no concrete terms or agreements at this stage. Thus, the acquisition may or may not be successful.

We intend to apply approximately HK$132.2 million of the proceeds from the Global Offering, which represents approximately 13.2% of the net proceeds, for the acquisition of the abovementioned leisure apparel brand. This multi-brand strategy not only allows us to offer a wider range of product offerings but also allows us to distinguish and divide our target markets with a number of unique brands that cater and attract different customer groups. Therefore, we will continue to develop and promote each of our brands as a unique brand targeting different consumer groups.

Continue to reinforce our one-stop solutions

Through providing our customers with a variety of value-added services and solutions, we seek to strengthen our cooperative relationships with our customers and secure higher-margin business. Different from many Asian apparel companies that are mainly engaged in either fabric manufacturing, OEM manufacturing or distribution, we vertically integrate the apparel industry chain. We integrate fabric manufacturing, apparel manufacturing and branded distribution and enjoy the advantages of such one-stop solutions. From manufacturing of fabrics to trading of apparel, this business integration enables us to have more control and rights over different procedures throughout the apparel industry chain.

To reinforce our one-stop solutions and enhance our corporate image, we intend to apply approximately HK$52.8 million of the proceeds from the Global Offering, which represents approximately 5.3% of the net proceeds, to establish a more centralised administrative corporate headquarters, where the internal resources of our Group, product design, logistics management, office and exhibitions are integrated. In addition, it will be where general assemblies for suppliers, distributors and customers who place their orders are held. As advised by our Directors, the Board has not identified any target building and is not under any negotiation for the acquisition. Our Directors confirmed that at this stage, we only have a preliminary plan to establish the corporate headquarters in Fuqing.

Continue to improve our management of production

Although we believe we currently enjoy flexibility in adjusting our production schedules to meet production needs through outsourcing production to sub-contractors and contract manufacturers, we will continue to expand and improve our manufacturing facilities in order to meet the expected growth of our business and the growing demand for our fabrics, sportswear products and leisure apparel and accessory products. In particular, we intend to apply approximately HK$44.1 million of the proceeds from the Global Offering, which represents approximately 4.4% of the net proceeds, to purchase an ERP system for increasing operational efficiency by enhancing information management, production management, logistics management and operational control through the installation of the ERP system. We aim to do this in order to strengthen our control over operations and cost and to rapidly respond to the changing market trends and preferences. We believe that the growth in our business, operations and production volume will increase our efficiency in terms of product line utilisation rates while allowing us to reduce our raw material costs. We will also continue to refine and improve our manufacturing facilities in order to improve production rates and reduce stoppages.

Strengthen cooperative relationships with our MXN franchisees

We intend to apply approximately HK$26.4 million of the proceeds from the Global Offering, which represents approximately 2.6% of the net proceeds, to develop our new corporate headquarters for our MXN distribution business. The setting up of the new MXN corporate headquarters can consolidate the design, logistics, operations and convention functions such as annual sales fairs into a single place, and in which, we can carry out conventions for potential investors, merchandisers, suppliers and franchise distributors. As advised by our Directors, the Board has not identified any target building and is not under any negotiation for the acquisition. Our Directors confirmed that at this stage, we only have a preliminary plan to establish the new MXN corporate headquarters in Xiamen.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following table sets forth the combined income statements of the Group during the Track Record Period. You should read the summary in conjunction with the Accountants' Reports for the Group and for Shishi Maigen, our subsidiary acquired in May 2008, in Appendices I and II to this prospectus which have been prepared in accordance with Hong Kong Financial Reporting Standards, or HKFRSs.

Combined income statements

		Year ended 31 December			Six months ended 30 June	
		2006	2007	2008	2008	2009
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
Turnover	*1*	653,380	932,476	1,266,050	521,783	817,305
Cost of sales		(502,275)	(697,969)	(911,631)	(385,687)	(538,602)
Gross profit		151,105	234,507	354,419	136,096	278,703
Other revenue		2,755	3,443	2,364	1,230	1,326
Other net income		188	433	2,587	2,593	194
Selling expenses		(20,702)	(20,824)	(24,960)	(9,880)	(17,084)
Administrative expenses		(11,134)	(16,892)	(17,376)	(7,238)	(13,711)
Other operating expenses		(1,454)	(2,351)	(5,906)	(853)	(5,048)
Profit from operations		120,758	198,316	311,128	121,948	244,380
Finance costs		(4,453)	(2,483)	(1,922)	(1,072)	(754)
Profit before taxation		116,305	195,833	309,206	120,876	243,626
Income tax		(13,809)	(25,372)	(66,867)	(26,050)	(60,255)
Profit attributable to equity shareholders		102,496	170,461	242,339	94,826	183,371
Earnings per share	*2*					
Basic and diluted (cents)		6.57	10.93	15.53	6.08	11.75

Notes:

1. Turnover represents income arising from fabric sales, casual and sportswear OEM sales and branded leisure clothing sales.

2. The calculation of basic earnings per share for the Track Record Period is based on the profit attributable to equity shareholders of the Company for each of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2008 and 2009, and on the assumption that 1,560,000,000 shares of the Company are in issue and issuable, comprising 10,000 shares in issue at the date of the Prospectus and 1,559,990,000 shares to be issued pursuant to the Capitalisation Issue as if the shares were outstanding throughout the Track Record Period.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2009

Forecast combined profit attributable to equity shareholders of our Company for the year ending 31 December 2009 *(Note 1)*	not less than RMB421 million (equivalent to approximately HK$478 million)
Unaudited pro forma forecast basic earnings per Share for the year ending 31 December 2009 *(Note 2)*	not less than RMB0.211 (equivalent to approximately HK$0.239)

Notes:

(1) The forecast combined profit attributable to equity shareholders of our Company for the year ending 31 December 2009 is extracted from the paragraph headed "Profit Forecast" in the section headed "Financial Information" of this prospectus. The bases and principal assumptions on which the above profit forecast for the year ending 31 December 2009 has been prepared are summarised in Parts A and B of Appendix IV to this prospectus. The forecast combined profit attributable to equity shareholders of our Company for the year ending 31 December 2009 is based on the audited combined results of our Group for the six months ended 30 June 2009, the unaudited combined results of our Group for the three months ended 30 September 2009 and a forecast of the combined results of our Group for the remaining three months ending 31 December 2009.

(2) The calculation of the unaudited pro forma forecast basic earnings per Share is based on the forecast combined profit attributable to equity shareholders of our Company for the year ending 31 December 2009 and on the assumptions that our Company had been listed since 1 January 2009, a total of 2,000,000,000 shares were in issue during the year ending 31 December 2009, but takes no account of any shares which may be allotted and issued upon exercise of the Over-allocation Option or any Shares that may be allotted and issued or repurchased by our Company. The unaudited pro forma forecast basic earnings per Share for the year ending 31 December 2009 is converted into Hong Kong dollars at an exchange rate of RMB0.8814 to HK$1.00.

OFFERING STATISTICS

	Based on Offer Price of HK$2.08 per Share	**Based on Offer Price of HK$2.78 per Share**
Market capitalisation[1]	HK$4,160 million	HK$5,560 million
Prospective price/earnings multiple on a pro forma basis[2]	8.70 times	11.63 times
Unaudited pro forma adjusted net tangible assets per Share[3]	HK$0.57	HK$0.71

Notes:

1. The calculation of market capitalisation is based on 2,000,000,000 Shares expected to be in issue immediately following the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised).

2. The calculation of the prospective price/earnings multiple on a pro forma basis is based on each indicative offer price and the pro forma forecast basic earnings per Share for the year ending 31 December 2009.

3. The unaudited pro forma adjusted net tangible assets per Share as at 30 June 2009 is calculated after making the adjustments referred to in the section "Unaudited Pro Forma Financial Information" in Appendix III and on the basis of a total of 2,000,000,000 shares in issue immediately following the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised).

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,000 million (assuming an Offer Price of HK$2.43 per Share being the mid-point of the estimated Offer Price range), after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised, which we currently intend to apply as follows:

- approximately HK$132.2 million (equivalent to approximately RMB116.5 million) (approximately 13.2% of the net proceeds from the Global Offering) is expected to be used primarily to fund capital expenditure for acquiring environmental-friendly and energy-saving production equipment such as renovated dyeing equipment, in order to save energy, reduce production cost and increase production capacity for high-end products. It is also expected to fund capital expenditure for expanding our manufacturing facilities and selectively upgrading production equipment. It is expected that the proceeds will be invested in 2010 and the production capacity will increase by approximately 50% in the second half of 2010;

- approximately HK$52.8 million (equivalent to approximately RMB46.5 million) (approximately 5.3% of the net proceeds from the Global Offering) is expected to be used primarily to fund capital expenditure for integrating the internal resources of our Group to establish a more centralised administrative corporate headquarters; As advised by our Directors, the Board has not identified any target building and is not under any negotiation for the acquisition. Our Directors confirmed that at this stage, we only have a preliminary plan to establish the corporate headquarters in Fuqing;

- approximately HK$352.6 million (equivalent to approximately RMB310.8 million) (approximately 35.3% of the net proceeds from the Global Offering) is expected to be used primarily for establishing our self-owned and operated flagship stores in 20 prime locations in major cities or provinces of the PRC in order to promote the image of the brand and style of the shop for attracting potential investment;

- approximately HK$44.1 million (equivalent to approximately RMB38.9 million) (approximately 4.4% of the net proceeds from the Global Offering) is expected to be used primarily for purchasing an ERP system for increasing operational efficiency by enhancing information management, production management, logistics management and operational control through the installation of the ERP system;

- approximately HK$26.4 million (equivalent to approximately RMB23.3 million) (approximately 2.6% of the net proceeds from the Global Offering) is expected to be used primarily for developing our new corporate headquarters for our MXN franchise distribution business. The setting up of the new MXN corporate headquarters can consolidate the design, logistics, operations and convention functions such as annual sales fairs into a single place, and in which, we can also carry out convention for potential investors, merchandisers, suppliers and distributors. As advised by our Directors, the Board has not identified any target building and is not under any negotiation for the acquisition. Our Directors confirmed that at this stage, we only have a preliminary plan to establish the new MXN corporate headquarters in Xiamen;

- approximately HK$259.7 million (equivalent to approximately RMB228.9 million) (approximately 26.0% of the net proceeds from the Global Offering) is expected to be used primarily for developing and enhancing recognition of our brand through media advertising (such as television commercials, outdoor displays and magazine advertising); Details regarding the above advertising plans are set out in the section headed "Business — Marketing and Promotion" of this prospectus; and

- approximately HK$132.2 million (equivalent to approximately RMB116.5 million) (approximately 13.2% of the net proceeds from the Global Offering) is expected to be used primarily for acquiring another leisure apparel brand to offer a wider range of product offerings and to distinguish and divide our target markets with a number of unique brands that cater and attract different customer groups. As advised by our Directors, the negotiation between the potential seller of the leisure apparel brand in the PRC and us has undergone for about one year. Both the potential seller and us were having a preliminary intention but there are no concrete terms or agreements at this stage.

The net proceeds that we estimate we would receive from subscriptions for additional Shares in the event the Over-allotment Option is exercised in full is approximately HK$981 million and HK$1,598 million (assuming the lowest and highest points of the estimated Offer Price range, respectively). In the event the Over allotment Option is exercised in full, we presently intend to apply the additional proceeds to the above uses in the proportions stated above.

If the Offer Price is fixed above or below HK$2.43 per Share, being the mid-point of the estimated Offer Price range of HK$2.08 to HK$2.78 per Share, we intend to adjust the allocation of the net proceeds to the above uses in the proportions stated above.

To the extent that the net proceeds are not sufficient to fund the uses set forth above, we intend to fund the balance through a variety of means including cash generated from our operations and bank financing. We currently believe that the net proceeds from the Global Offering, when combined with such alternate sources of financing, are sufficient for the uses set forth above. To the extent that the net proceeds of the Global Offering are not immediately applied for the above purposes, we will deposit the net proceeds into interest-bearing demand deposits with financial institutions.

RISK FACTORS

Risks relating to our Company and business

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

- Our success depends on our ability and respond to the fast changing fashion trends and customer demands for fabric products

- Our operating results may be adversely affected by increases in the prices of raw materials that we use in our production processes

- Reliance on third-party franchise distributors and franchises may materially and adversely affect our future success

- Our MXN brand has a limited history in the branded leisure industry
- We have no long-term sale contracts with our customers, which exposes us to potential volatility in our turnover
- Our ability to obtain an accurate record of the sales and inventory levels at our franchise distributor and franchise stores may be limited
- We rely heavily on the core experienced management team in the conduct of our business
- We depend on the key suppliers for raw materials, any failure in obtaining such materials from existing suppliers or alternative sources may affect our business
- Our future expansion plans are subject to risks and uncertainties, and may be difficult or expensive to manage
- Our strategy of acquiring complementary businesses and assets may not be successful
- Restrictions on foreign exchange and payments of dividends may limit our operating subsidiaries' ability to remit payments to our Company
- Changes in government regulations such as environmental laws and regulations could affect our results of operations
- Non-compliance with PRC employee social welfare contribution regulations could lead to the imposition of fines or penalties
- Our insurance coverage may not be sufficient to cover the risks related to our operations and losses
- Maintaining our reputation is a key to the success of our business and operating results
- Any future outbreak of a contagious diseases, including but not limited to swine influenza, may have a negative impact on our business and operating results

Risks relating to the PRC

- Increase in labour costs in the PRC could materially and adversely affect our profitability
- New labour laws in the PRC may materially and adversely affect our results of operation
- Any change in our tax treatment, including an unfavourable change in preferential enterprise income tax rates in the PRC, may have a material adverse impact on our financial condition and results of operations
- Changes in political and economic policies may have a negative impact on our operations
- Gains generated from the sales of our shares and dividends on our shares may be subject to PRC income tax

Risks relating to the Global Offering

- There has been no prior public market for our Shares and an active trading market may not develop
- The trading volume and share price of our Shares may fluctuate
- Future sales of substantial amounts of our Shares in the public market could adversely affect the prevailing market price of our Shares
- Issue of new Shares under the Share Option Scheme or issuance of additional Shares will have a dilution effect and may affect the Group's profitability
- You may face difficulties in protecting your interests because we are incorporated under Cayman Islands law and Cayman Islands law may provide different protection to minority shareholders than the laws of Hong Kong and other jurisdictions
- Certain facts and statistics contained in this prospectus may not be reliable