Prospective investors should consider carefully all the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in the Company before making any investment decision in relation to the Share Offer. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of the Group.

This prospectus contains certain forward-looking statements regarding the Company's plans, objectives, expectations, and intentions which involve risks and uncertainties. The Group's actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to such differences include those discussed below. The trading price of the Offer Shares could decline due to any of these risks and you may lose all or part of your investment.

RISK RELATING TO THE BUSINESS OF THE GROUP

Seasonal fluctuations in revenue

The Group's revenue may be affected by seasonality and a number of other factors. The Group's results of operations have fluctuated from season to season in the past and are likely to continue to fluctuate due to seasonality. During the Track Record Period, the Group generally recorded higher sales in the second half than in the first half of a year. Such seasonality is primarily attributable to the seasonal nature of the seasonal fluctuation of mobile handset production in the PRC, and the fact that the Group's products in autumn and winter generally have higher sales volume than that in spring and summer. Accordingly, any comparison of the Group's results of operations between interim and annual results in a financial year is not necessarily meaningful. As a result, the Group interim results should not be referred to as an indicator of the Group's performance for that financial year.

Sustainability of profit margin

For each of the three financial years ended 31 March 2009 and the six months ended 30 September 2009, the gross profit margin of the Group were approximately 22.54%, 13.52%, 8.21% and 8.96% respectively; and the net profit margin of the Group were approximately 19.19%, 8.46%, 3.77% and 3.65% respectively. Such decrease in gross profit margin and net profit margin was due to: (i) the decrease in contribution of revenue from the Solution Segment which has the highest profit margin among the three business segments of the Group; and (ii) the decrease in contribution of revenue from the Distribution and Marketing Segment which was resulted from the constant decrease of the average selling price in the global mobile handset industry. The Directors consider if there is any increase in competition from other mobile handset solution providers and/or an increase in the costs of production materials which cannot be passed on to the customers, the gross profit margin and net profit margin of the Group may be adversely affected.

The Group has not entered into any long-term purchase contracts with suppliers and may be adversely affected if there is a shortage or delay in delivery of components

The Group has not entered into any long-term purchase contracts with its suppliers. Suppliers are therefore not bound to supply components to the Group. For the three financial years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2009, approximately 93%, 77%, 47% and 66% respectively of the Group's total purchases was contributed by top five suppliers of the Group and approximately 55%, 43%, 24% and 23% of the Group's procurement was contributed by the largest supplier of the Group, each of them was an Independent Third Party. If such suppliers cease to supply components or there is a shortage of supply or delay in delivery of components by suppliers, the Group may be unable to fulfill its obligations to customers in an efficient and timely manner and may consequently affect its reputation, business and financial performance.

The Group is dependent on the relationship with major customers

The Group does not generally have any long-term contracts with customers and therefore the customers are not bound to purchase solutions and products from the Group and the maintenance of close and satisfactory relationships with customers is important to the business of the Group. There can be no assurance that the Group will continue to retain these customers or that these customers will maintain or increase their current level of business activities with the Group. For the three financial years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2009, approximately 66%, 72%, 53% and 56% respectively of the Group's revenue was contributed by the top five customers of the Group and approximately 26%, 19%, 15% and 14% of the Group's revenue was contributed by the largest customer of the Group, each of them was an Independent Third Party. If there is any material delay, reduction or cancellation of orders or a termination of relationship with any of these top five customers, the Group's revenue and profitability will be materially and adversely affected.

The Group faces intense competition from existing competitors in the industry and new entrants to the industry and its existing customers may reduce their reliance on the Group

There are different design solutions houses in the PRC which could offer customers one stop service similar to that provided by the Group. The Group nonetheless faces intense competition at each relevant stage from product development to production, in particular the provision of design solutions.

The mobile handset design and solution houses in the PRC are not required to satisfy additional licensing requirements, except for the normal business licensing requirements applicable to all corporations in the PRC. As such, the entry barrier for a mobile handset design solution house is relatively low. The Group faces competition from existing and future design solution houses in the PRC and also from foreign design solution houses. There is no assurance that the Group will be able to compete effectively against these competitors. If such competitors are able to provide comparable services at more competitive prices than the Group, the Group's business and financial results may be adversely affected.

On the other hand, the Group's existing mobile handset manufacturer customers may have choice to focus on developing its in-house research and design capabilities which would reduce their reliance on third party design solution houses, such as the Group. Thus the business and financial results of the Group may be adversely affected.

Subject to rapid technological developments and rapidly changing market preferences, which can adversely affect the demand for the Group's products if it is unable to keep up with these technological developments and market preferences

The mobile handset industry is characterised by rapid technological developments and changing market preferences. These factors result in the frequent introduction of new products, short product life cycles, continually evolving mobile handset specifications and significant price competition. If the Group is unable to design new mobile handset models in a timely and cost-efficient manner to keep abreast with these technological developments and rapidly changing market preferences, its business and financial results may be adversely affected.

The Group is reliant on the research and development personnel to develop innovative and up-to-date solutions

One of the main success factors of the Group's business lies in the ability to develop innovative design solutions which are up-to-date with the latest technological developments and the latest market trends through its research and development team. As at the Latest Practicable Date, the Group has 60 research and development engineers for different tasks in solutions development. If the Group is unable to retain the research and development personnel and unable to find suitable replacements within a short period of time, the ability of the Group to produce competitive design solutions and in turn, its business and financial performance would be adversely affected.

Reliance on certain key executives

The Group's success to date has been largely due to the contribution from Mr. Wang Shih Zen who is responsible and in charge of the Group's business strategies and R&D, and other senior management as disclosed in the section headed "Directors, senior management and staff" of this prospectus. The continued success is dependent on its ability to retain the services of the key management and operational personnel. The Group has not obtained any insurance to cover losses arising from any loss of key management staff. The loss of the Directors and senior management without suitable replacements, or the inability to attract and retain qualified personnel or the inability of such personnel to perform their responsibilities and duties for any reason, may adversely affect the Group's operations, revenue and profits.

Net cash outflow from operating activities

During the Track Record Period, the Group recorded net cash used in operating activities of approximately US$606,000, US$9,477,000 and US$5,053,000 for the financial year ended 31 March 2008 and the six months ended 30 September 2008 and 2009 respectively. The net cash used in operating activities as above was mainly due to the increase in trade receivables and prepayments, deposits and other receivables during the above respective periods. Such occurrence of net cash outflow from operating activities indicates the working capital requirement may exceed cash generated from the Group's operating activities. There is no assurance that the Group will not experience net cash used in operating activities in the future, which could adversely affect the working capital and financial position of the Group.

The Group may be liable for defects or errors in its developed products

Any defects or errors caused by the application of solutions or content could result in delay or loss of revenues, additional expenditure to correct the problems, adversely affect customer relationships and liability claims against the Group. The Group does not maintain any product liability insurance. In the event that there are material defects or errors in the Group's solutions and its own brand "***VIM***" or in Chinese "***偉恩***" mobile handset and experience a significant claim against the Group in the future, the Group's results and prospects may be adversely affected.

There is no assurance that the Group will be able to execute its future plans successfully, or that its future plans will result in commercial success

The Group has identified several growth plans as set out in the sections headed "Business" and "Future Plans and Use of Proceeds" of this prospectus. These plans include, inter alia, the enhancement of the product development capabilities and the enlargement of the product mix. The implementation of these plans may incur additional costs. There is no assurance that the implementation of the future plans will be commercially successful. Failure to do so will result in the Group incurring expenses and resources without a corresponding increase in revenue and its financial performance and results may be adversely affected.

Exposure to risk of foreign exchange fluctuations

The Group's reporting currency is US dollars. During the Track Record Period, the sales and purchases transactions were substantially conducted in US dollars and to a lesser extent in RMB and HK dollars. The Group will be subject to foreign exchange transaction risk arising from sales and purchases and recurring operating expenses incurred in the operations located in the PRC which are mainly denominated in RMB, repayment of bank loans that are denominated in currencies other than US dollars and the distribution of any dividends which are denominated in HK dollars and Singapore dollars. Although the fluctuation of the exchange rates between RMB or HK dollars, and US dollars was not material during the Track Record Period, there is no assurance that the exchange rates will remain stable and the Group still subject to foreign exchange transaction risks.

Exposure to foreign exchange forward contract risk

After the listing of Shares in SGX-ST in November 2007, the scale of the businesses of the Group increased significantly. In order to minimise any risks associated with the foreign exchange, the Group has started to enter into foreign exchange forward contracts with its principal bankers in Hong Kong or major banks in the PRC since January 2008. All the foreign exchange forward contracts related to either the currency pair of US dollars/RMB or US dollars/HK dollars. These are the major currencies the Group used for its daily operations, such as sales and cash receipts cycle and purchases and cash disbursements cycle. In addition, the entering of the foreign exchange forward contracts was based on the forecast transactions on the expectation by the management to the trend of the value of US dollars/RMB and US dollars/HK dollars.

In view of the challenging year 2008 caused by the financial crisis, the Directors considered that any changes on the pegged system and significant fluctuation on the exchange rate of US dollars/HK dollars would result into unknown impact on the Group. Moreover, the absolute aggregate amount of the total procurement and the operational expenses is a material one. Any changes in basis points of the spot rate may have significant impact on the Group's net profit for the year. As such, the Group still entered into certain foreign exchange forward contracts related to US dollars/HK dollars for contingency purposes given that HK dollars is pegged to US dollars.

Categories of the financial instruments

The foreign exchange forward contracts entered by the Group during the Track Record Period are mainly divided into three categories, namely, foreign exchange forward contract, range foreign exchange forward contract and target redemption forward contract.

i) Foreign exchange forward contract

Foreign exchange forward contract is an agreement for the Group to purchase or sell the currency at a future date for a price agreed upon at the time of the contract. The derivative financial instruments entered into by the Group under this type of foreign exchange forward contract are US dollars/HK dollars and US dollars/RMB. For the six months ended 30 September 2009, the annualised notional amount for the US dollars/HK dollars and US dollars/RMB under this type of foreign exchange forward contract was approximately US$6 million and US$24 million respectively.

ii) Range foreign exchange forward contract

A range foreign exchange forward contract provides protection against unfavourable exchange rate movements by allowing the Group to exchange one currency for another at a pre-agreed ceiling rate or a floor rate on an agreed maturity date. At the same time, the range foreign exchange forward contract provides the Group with an ability to participate in any favourable exchange rate movements to a pre-determined level. The contract period of the range foreign exchange forward contract the Group entered into is normally two years on average. The relative derivative financial instruments entered into by the Group under this type of foreign exchange forward contract are US dollars/RMB. For the six months ended 30 September 2009, the annualised notional amount for the US dollars/RMB under this type of range foreign exchange forward contract was US$36 million respectively.

iii) Target redemption forward contract

Target redemption forward contract refers to a transaction that combines a currency barrier (knock-out) call option and a currency barrier (knock-out) put option with several partial settlement dates. This relates to a zero cost option strategy in which the Group purchases a right to buy or to sell a given currency and at the same time sells a right to buy or to sell that same currency. If on any partial settlement date the relevant currency option is exercised, then the Group cumulates the profit to that date. If the Group's accumulated profit will at some point reach an amount agreed in advance, then both currency barrier options are cancelled. The notional amounts of the two options can be the same or differ depending on the arrangement agreed with. The contract period of the target redemption forward contract the Group entered into is normally two years on average. For the six months ended 30 September 2009, the annualised notional amount for the US dollars/HK dollars under this type of target redemption forward contract was approximately US$46 million.

The unrealised fair value losses on the outstanding foreign exchange forward contracts amounted to approximately US$153,831 for the six months ended 30 September 2009. As at 30 September 2009, the deemed annualised notional amount was approximately US$111,600,000. Despite the foreign exchange forward contracts entered by the Group during the Track Record Period does not fulfill the stringent requirements under the hedge accounting of International Accounting Standard 39, the performance of the foreign exchange forward contracts entered into by the Group satisfies the principle of hedging and provides hedging purpose for the Group so as to minimise its foreign exchange exposure. According to the internal valuation performed at each quarter end based on the existing available market data on hand to estimate the fair value of the open position of the foreign exchange forward contracts at each quarter end, the Directors are of the view that the hedging is effective as the aggregate amount of the net exchange differences and the net fair value changes on the derivative financial instruments only amounted to a minimal percentage of the total purchases and operating expenses for the corresponding financial year/period.

The Group has no formal and written foreign currency hedging policy and it has not sought any advice from qualified investment advisers for entering into such foreign exchange forward contracts during the Track Record Period. However, internal valuation is performed at each quarter end based on the existing available market data on hand and the open position of the foreign exchange forward contracts at quarter end is reviewed by the audit committee. The entering of the foreign exchange forward contacts must be approved by the chairman of the Company. The management will consider to enter into any suitable foreign exchange forward contracts according to the expectation by the management to the trend of the value of US dollars/RMB and US dollars/HK dollars.

There is no assurance the changes in fair values on the existing foreign exchange forward contracts can fully and effectively mitigate the fluctuation of US dollars/RMB and US dollars/HK dollars and results of operations of the Group may be adversely affected.

The Group may not have adequate insurance coverage

The Group has maintained insurance coverage for most of the fixed assets (including motor vehicles and machinery located in the Tongqing production plant).

However, the Group currently does not maintain any insurance policies against product liability claims, third party liability claims or disruptions to business operations. As at the Latest Practicable Date, there has been no past occurrence of product claims, third party liability claims or disruptions to its business operations. If such events were to occur, the Group's business, financial performance and position would be materially and adversely affected.

The Group may not be able to adequately protect its intellectual property rights (including but not limited to trademarks and patents) which could adversely and materially affect the Group's business

During the Track Record Period, the Group had been carrying out its principal business in the PRC and Hong Kong under the titles and brand names of "Z-Obee", "OBEE" and "***VIM***" VIM or in Chinese "***偉恩***". "Z-Obee" is the Company's name and the original intention of the Company was to use this name as its brand. "OBEE" is the mobile handset brand used by Zhenhua Obee in the PRC. "***VIM***" or in Chinese "***偉恩***" is the latest brand for proprietary developed mobile handset used by the

Group. As the name and the appearance of Z-Obee is similar to that of OBEE, the Group intended to develop ***"VIM"*** or in Chinese "*偉恩*" as a new brand for differentiation and brand recognition purposes.

The application for registration of "VIM" text mark had been refused by the Hong Kong Trade Marks Registry as the mark was considered to be indistinctive and descriptive. Such application was refused also on the ground that the "VIM" text mark was identical to certain previously registered trademarks, one of which was registered under the class of goods which the "VIM" text mark was also intended to be covered and the applied-for goods and services of the "VIM" text mark were similar to those of such registered marks.

The Directors considered that the impact on the refusal of the application for registration of "VIM" text mark by the Hong Kong Trade Marks Registry is insignificant and would not have material impact to the business of the Group as the Group's mobile handsets in the brand name of "VIM" are sold under the "VIM Logo" which, in view of the form of presentation, is substantially different from the "VIM" text mark. The refusal of the application for registration of "VIM" text mark by the Hong Kong Trade Marks Registry was due to an identical prior registration of the trade mark "VIM", which covered class 9 of computer hardware and computer software, computer hardware and software for voice message applications, excluding goods relating to vendor independent messaging, registered by another company. The products covered by such registered "VIM" text mark are not the same products the Group sold and therefore the legal adviser of the Company as to intellectual property laws advised that third party claims for infringement of intellectual property right against the Group for selling the mobile handsets under "VIM Logo" are unlikely to be successful.

The Directors assessed the risks of using the "VIM" text mark after the refusal and therefore the Directors considered that it is much more appropriate for the Group to apply for the "VIM Logo" in series of two marks and for the Group's brand immediately after the refusal. All the mobile handsets of the Group are sold under brand logo "VIM Logo" and in either version of the series of two marks being applied for. The application of the "VIM Logo" and in Hong Kong has been registered since February 2009.

The legal adviser of the Company as to intellectual property laws in Hong Kong advised that based on the outcome of the applications in various countries, it appears that no other players in the various markets concerned have either registered or having used or have been using any mark identical to the "VIM Logo" before the Company's registration in Hong Kong. Therefore, the legal adviser as to intellectual property laws in Hong Kong considered that anyone claiming trade mark infringement and passing off would have a serious and difficult task of proving confusion.

As at the Latest Practicable Date, the Group had applied for registration of the trade marks of "Z-Obee", "OBEE", "*VIM*" and or in Chinese "*偉恩*" and "OBFON" in Hong Kong, the PRC, the US, Philippines, Indonesia, India, Vietnam, Malaysia, South Africa, Australia, Singapore and European Union. As at the Latest Practicable Date, the Group is also a registered owner of the trade mark of Wei唯美 in the PRC. However, as at the Latest Practicable Date, certain trademark registration applications in the above countries or regions were still pending for approval by the relevant government authorities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the unregistered trademarks and trademarks used and pending for registration would be protected by other civil actions in the relevant jurisdiction. Through the sales of products which carry the Group's names and marks and the promotion activities to be conducted by the Group as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, the Directors believe that the Group will be able to prove the goodwill and reputation in the names and marks of its products in Hong Kong, the PRC, Singapore, USA, Philippines, India, Indonesia, Vietnam, Malaysia, South Africa, European Union and Australia. If any person trades mobile handsets in Hong Kong, the PRC, Singapore, USA, Philippines, India, Indonesia, Vietnam, Malaysia, South Africa, European Union and Australia using a mark or trade name which leads or is likely to lead the public to believe that those mobile handsets are the products of the Group or such person's business is connected with those of the Group, the Group is entitled to commence civil actions against such person. Based on the protection offered to the Group as mentioned above, even though the trademark applications in Hong Kong, the PRC, Singapore, USA, Philippines, India, Indonesia, Vietnam, Malaysia, South Africa, European Union and Australia have not been approved by the respective trademark registration authorities, the Directors believe that the non-registration of such trademarks will not have any material adverse impact on the Group's business.

Details of the Group's intellectual property rights are set out in the paragraph headed "Intellectual property rights of the Group" in the section headed "Further Information about the business of the Group" in Appendix V to this prospectus.

The Group had also applied for patent registrations for certain inventions and utility models of the Group in the PRC. As at the Latest Practicable Date, certain patent registration applications were still pending for approval by the relevant government authorities. For details, please refer to the paragraphs headed "Patent" and "Utility model" in the paragraph headed "Intellectual property rights of the Group" under the section headed "Further information about the business of the Group" in Appendix V to this prospectus.

As the approvals of some of the above registrations had not been obtained, there is no assurance that such registrations will be approved or in case of such trademarks, inventions and utility models had already been registered by other third parties and, consequently, the Group may not be able to acquire rights to such trademarks, inventions and utility models. As the title, brand names, inventions and utility models are important to the Group's continuous development, any significant infringement of such intellectual property rights of the Group could have an adverse effect on the Group's business.

In the event that the Group undertakes litigation to enforce its intellectual property rights, such litigation may be costly and time consuming. If the Group is unable to adequately protect its intellectual property rights, the Group's business may be adversely affected.

The Group may be subject to third party claims for infringement of intellectual property rights

The Group may be unaware of third party intellectual property rights that may cover some of the technology, designs and services originally belonged to other third parties who may assert intellectual property infringement claims against the Group. Any litigation regarding intellectual property could be costly and time consuming. It could also divert the management and key personnel from the business operations.

In the event of a successful claim by such third parties, the Group may be subject to payment of significant damages. The Group may further be subject to injunctions against the development and sale of certain of its design solutions and services. These consequences may adversely affect the Group's business and financial results.

The Group may require additional funding for future growth

The Group may find opportunities to grow through acquisitions that cannot be predicted at this juncture. Under such circumstances, secondary issue(s) of securities after the Share Offer may be necessary to raise the required capital to capitalise these growth opportunities. If new Shares placed to new and/or existing Shareholders are issued after the Share Offer, they may be priced at a discount to the then prevailing market price of its Shares trading on the SGX-ST and/or Stock Exchange, in which case, existing Shareholders' equity interest may be diluted. If we fail to utilise the new equity to generate a commensurate increase in earnings, the Group's earnings per share will be diluted which could lead to a decline in its share price from the dilution. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

The Group's operations may be materially and adversely affected by a shortage or disruption to the power supply

The Group's production plant relies on public power supply for its machinery to function. In the event that there is a shortage or disruption to the power supply and its private power generator fails to function, its operations will be disrupted and its ability to delivery products and services to its customers on a timely basis will be affected.

Leasing of the premises occupied by Tongqing in the PRC

The production plant and office premises of Tongqing are located on leased premises at Baoan District, Shenzhen, the PRC. Pursuant to the tenancy agreements for such leased premises entered into between the Group and the landlord, being an Independent Third Party, such premises are leased to the Group for approximately five years from 16 April 2007 to 1 March 2012. Since the premises occupied by Tongqing are the center of the Group for assembly of mobile handset and SMT of PCB, the failure to renew such lease agreements, or if there is any dispute as to the legal title of any such leased premises and/or if the right of the Group to occupy such leased premises comes into question, where either of which may cause the relocation of the production plant of the Group to an alternative premises that may not be located in areas which could offer similar business environment and condition. In addition, relocation cost will be incurred and the Assembly Segment of the Group will be adversely affected, which in turn may adversely affect the revenue and financial performance of the Group.

Any recurrence of severe acute respiratory syndrome (SARS), pandemic avian influenza or an increase in the severity of H1N1 flu (swine flu) or another widespread public health problem could materially and adversely affect the Group's business and results of operations

From November 2002 to June 2003, the PRC and certain other countries and regions experienced an outbreak of a new and highly contagious form of atypical pneumonia known as SARS. On 5 July 2003, the World Health Organization declared that the SARS outbreak had been contained. However, a number of isolated cases of SARS were reported in the PRC in April 2004. A renewed outbreak of SARS, pandemic avian influenza or an increase in the severity of H1N1 flu (swine flu) or another widespread public health problem in the PRC, particularly at the locations of the Group's operations and headquarters, could have a negative effect on the Group's operations. The Group's operations may be affected by a number of health-related factors, including quarantines or closures of some of the Group's offices and production plant, which would severely disrupt the Group's operations, travel restrictions, the sickness or death of its key officers and employees, import and export restrictions and a general slowdown in the PRC's economy. Additionally, the World Health Organization or the PRC government may recommend or impose other measures that could cause significant interruption to the Group's business operations. Any of the foregoing events or other unforeseen consequences of pubic health problems could materially and adversely affect the Group's business, financial condition and results of operations.

RISKS RELATING TO THE DUAL PRIMARY LISTING OF THE COMPANY

Different characteristics between the Singapore stock market and Hong Kong stock market

The Shares have been listed and have commenced dealing on the SGX-ST since 21 November 2007 ("Singapore Shares"). Following the Listing, it is the Company's current intention that the Singapore Shares will continue to be traded on the SGX-ST, and the Shares subject to the Listing to be registered by the share registrar in Hong Kong ("Hong Kong Shares") will be traded on the Stock Exchange. As there is no direct trading or settlement between the stock markets of Singapore and Hong Kong, the required time to transfer Shares between the CDP and branch share registrar in Hong Kong may vary and there is no certainty of when transferred Shares will be available for trading or settlement. Details for transferring the Shares from principal register of members in Bermuda to the branch register of members in Hong Kong are set out in the section headed "Listing, registration, dealings and settlement".

The SGX-ST and the Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading price of the Singapore Shares and the Hong Kong Shares may not be the same. Furthermore, fluctuations in the Singapore Share price could materially and adversely affect the Hong Kong Share price and vice versa. Moreover, fluctuations in the exchange rate between Singapore dollars and Hong Kong dollars could materially and adversely affect the prices of Singapore Shares and Hong Kong Shares. Due to the different characteristics of the stock markets of Singapore and Hong Kong, the historical prices of Singapore Shares may not be indicative of the performance of Hong Kong Shares after the Listing. Investors should therefore not place undue reliance on the prior trading history of the Singapore Shares when evaluating an investment in the Share Offer.

The Company, being listed on the SGX-ST, is concurrently subject to the Listing Manual and the Singapore Code

Being a listed company on the SGX-ST, the Company is required to comply with the Listing Manual in addition to the Listing Rules. In the event of any conflict between the Listing Manual and the Listing Rules, the Company shall comply with the more stringent rules. Accordingly, the Company may incur additional costs and resources to comply with both sets of rules. In addition to the Takeovers Code, being a listed company on the SGX-ST, the Company is subject to the Singapore Code which contains certain provisions, under which any person who would like to conduct a future takeover or change in control of the Company will have to observe for so long as the Shares are listed on the SGX-ST. The Company shall observe the provisions of the Singapore Code and the Takeovers Code concurrently.

RISK RELATING TO THE PRC

The Group's business and operations are subject to certain laws and regulations of the PRC

The Group's business and operations are subject to certain laws and regulations of the PRC. Any breach or non-compliance with these laws and regulations of the PRC may result in the imposition of penalties by the relevant authorities, including the suspension, withdrawal or termination of its Group's business licences. In addition, should there be any changes in the licensing requirements, such as a requirement to obtain more licences or more stringent criteria having to be satisfied before certain licences are granted, its cost to ensure that the Group comply with these licensing requirements may increase. The withdrawal, suspension or termination of the Group's licences or permits, or the imposition of any penalties, as a result of any infringement of any regulatory requirements will have an adverse impact on its business and results of operations.

The Group's business and operations may be materially and adversely affected by any changes in the political, economic and social conditions of the PRC

As the Group's business and operations are carried out in the PRC, any changes in the political, economic and social conditions of the PRC may adversely affect its business and viability. The PRC government has undergone various reforms of its economic systems. Such reforms have resulted in economic growth for the PRC in the last two decades. However, many of the reforms are unprecedented or experimental, and are expected to be refined and modified from time to time. In addition, the scope, application and interpretation of laws relating to such reforms may be uncertain. Other political, economic and social factors may also lead to further refinement or adjustment of the reform measures. This refinement and adjustment process may consequently have a material adverse impact on the operations of the Group in the PRC or on its financial performance. Its results and financial condition may be adversely affected by any 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.

Introduction of new laws or changes to existing laws by the PRC government may adversely affect business and operations of the Group. The business and operations of the Group in the PRC are governed by the legal system of the PRC.

Some of the PRC laws and regulations, and the interpretation, implementation and enforcement thereof, are still being developed and refined and are, therefore, subject to policy changes. Accordingly, the outcome of dispute resolutions may not be consistent or predictable with certainty other legal jurisdiction, and it may be difficult to obtain swift and equitable enforcement of the laws in the PRC, or to obtain enforcement of judgment by a court of another jurisdiction.

There is however no assurance that the PRC authorities will not issue further directives, regulations, clarifications or implementation rules requiring the Company to obtain further approvals in relation to its business, operations and its proposed Listing on the Stock Exchange.

RISK RELATING TO INVESTMENT IN SHARES

Liquidity and market price of the Shares

The market price and trading volume of the Shares may be highly volatile. Factors such as variations in the Group's revenues, earnings or cash flows, and/or announcements of new investments, strategic alliances and/or acquisitions and fluctuations in prices for the major components could cause the market price of the Shares to change substantially. Any such developments may result in large and sudden changes in the volume and market price at which the Shares will be traded. There is no assurance that these developments will not occur in the future. In addition, shares of other companies listed on the Stock Exchange and SGX-ST related to the mobile handset industry have experienced price volatility in the past, and it is possible that the Shares will be subject to changes in market price that may not be directly related to the Group's financial or business performance.

There was no prior public market for the Shares in Hong Kong so that the liquidity is not guaranteed and the performance of the share price may not prevail in the trading market

There was no public market for the Shares in Hong Kong prior to the Share Offer. The Offer Price for the Offer Shares was based on the trading price of the Shares in SGX-ST. There is no indication from the Offer Price that the Shares prices will prevail in the trading market. The Offer Price may differ significantly from the market price for the Shares in Hong Kong following the Share Offer and the market price for the Shares in Hong Kong may be different from the trading price in SGX-ST. The listing on the Stock Exchange does not guarantee that an active and liquid trading market for the Shares will develop or be sustained immediately after the Share Offer or thereafter, or that the market price of the Shares in Hong Kong will not decline after the Share Offer.

There may be dilution of shareholding as a result of issuance of new Shares, or equity linked securities or exercise of share options granted or may be granted under the Share Option Scheme

The Group may need to raise additional funds to finance its development and expansion relating to the Group's existing operations or new acquisitions. Any issuance of new Shares or equity linked securities or exercise of the share options in respect of the Shares other than on a pro-rata basis to existing Shareholders would result in the reduction in the percentage of ownership of the Shareholders and may result in a dilution in the earnings per Share and net asset value per Share and/or such securities may have rights, preferences and privileges senior to the Shares.

RISK RELATING TO STATEMENTS MADE IN THIS PROSPECTUS

Government official facts and statistics included in this prospectus may not be accurate and precise

Statistics, industry data and other information relating to the economy and the industry contained in this prospectus have been derived from various official government publications and research report. The Group makes no representation as to the accuracy or completeness of such information. Neither the Group nor any of the Group's respective affiliates or advisers, nor the Sponsor, nor the Joint Lead

Managers and Joint Bookrunners, nor the Underwriters or any of its affiliates or advisers, have prepared or independently verified the accuracy or completeness of such information directly or indirectly derived from official government sources. Statistics, industry data and other information relating to the economy and the industry derived from official government sources may not be consistent with other information available from other sources and should not be unduly relied upon. Due to possible flawed collection methods, discrepancies between published information, different market practices or other problems, the statistics, industry data and other information relating to the economy and the industry derived from official government sources might be inaccurate or might not be comparable to statistics produced from other sources. In all cases, the potential investors should give careful consideration as to how much weight or importance should be attached or placed on such statistics, projected industry data and other information relating to the economy and the industry.

Forward-looking statements

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "expect", "estimate", "may", "ought to", "should" or "will". Those statements include, among other things, the discussion of the Group's growth and business strategies and expectations concerning its future operations, liquidity and capital resources. Potential investors are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that, although the Company believes the assumptions on which the forward-looking statements are based are fair and reasonable, any or all of those assumptions could prove to be incorrect and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include but not limited to those identified in this "Risk factors" section, many of which are not within the Group's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by the Group that its plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements.