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, which may not be typically associated with investing in equity securities of companies from other jurisdictions. If any of the possible events described below occurs, our business, financial condition 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

We are currently principally reliant upon one brand, namely our NVC brand. If we fail to build and promote the brand image of our products, our business, result of operations and growth prospects would be materially and adversely affected.

The majority of our products are marketed and sold under a single brand, which is NVC, or 雷士. Our revenue derived from sales of NVC brand products accounted for 91.8%, 75.3% and 62.6% of our total revenue in 2007, 2008 and 2009, respectively. As a result, our brand image is crucial for our success as market perception and acceptance of a brand is a determining factor for customers in making their purchasing decisions for lighting products. Our success in building and promoting the brand image of our products depends on a number of factors, including:

- the success of our advertising and other marketing activities;
- our ability to protect our brand from counterfeit products sold using our brand name;
- our ability to manage our exclusive regional distributors and their ability to manage the sales network to sell and market our products;
- our ability to manage the quality of our products manufactured by our contract manufacturers; and
- our ability to manage the quality of products manufactured by our trademark licensees and our relationships with such licensees.

If our efforts to build and promote the brand image of our products are not effective for any reason, the market recognition of our products may deteriorate, which in turn could adversely affect our sales volume, revenue, profitability and growth prospects.

A distributor's failure to perform its obligations under its distribution agreement with us could disrupt our distribution network and undermine the management of NVC outlets located within an entire geographic area, which in turn could damage our reputation, market recognition and business prospects.

In the PRC, we sell substantially all of our NVC brand products on a wholesale basis to our exclusive regional distributors who either operate NVC outlets themselves or through third party outlet operators. In 2007, 2008 and 2009, our distributors operated 100, 91 and 100 NVC outlets, respectively, while third party outlet operators operated 1,753, 2,123 and 2,361 NVC outlets during the same periods. We rely on our distributors to manage the third party outlet operators. Accordingly, our success depends on our ability to effectively manage our distributors. We manage our distributors through contractual arrangements relating to, among other things, geographical and product exclusivity, performance targets, pricing, compliance with policies, evaluation of sales performance, payment and credit terms and intellectual property rights. See "Business — Management of Distributors".

If our distributors fail to comply with the terms of our distribution agreements, or fail to effectively oversee the compliance with these terms by the NVC outlets, the distribution network for our products may be disrupted. Our reputation and the market recognition of our products may, as a result, deteriorate, which in turn could adversely affect our sales volume, revenue, profitability and growth prospects.

We depend on a limited number of distributors for a high percentage of our revenue. As a result, the loss of, or the deterioration of relationship with, any of such distributors would significantly reduce our revenue and harm our results of operations.

We rely on our exclusive regional distributors for distribution of substantially all of our NVC brand products in the PRC. As at 31 December 2009, we engaged a total of 36 exclusive regional distributors in the PRC. Sales to our distributors accounted for approximately 86.5%, 70.8% and 58.7% of our total revenue for 2007, 2008 and 2009, respectively. Our distribution agreements generally have terms of one year. As we do not have long-term agreements with our distributors, it is possible that their agreements with us will not be renewed on commercially acceptable terms, or at all. If any of our distributors terminates or does not renew its distribution agreement with us, we may not be able to replace such distributor with a new and effective distributor in a timely manner or on terms commercially acceptable to us, or at all. In addition, the new distributor may not be able to manage the same sales network as effectively as the replaced distributor. For these reasons, any loss of a significant distributor may materially and adversely affect our revenue in the relevant geographical area, which in turn may adversely affect our overall revenue, profitability and growth prospects.

We rely on our distributors to manage the NVC outlets, which sell our products. Our brand image and business may be adversely affected if our distributors fail to adhere to, or fail to cause the third party outlet operators to adhere to, our policies and guidelines.

As at 31 December 2009, our products were sold at 2,461 NVC outlets operated by exclusive regional distributors or third party outlet operators in China. We do not have direct business relationships with third party outlet operators. Rather, we rely on our distributors to manage these outlet operators and to ensure that these operators operate the outlets in accordance with our guidelines and policies. As we have no direct control over the third party outlet operators, our ability to ensure their adherence to our policies, such as operational requirements, exclusivity, customer service, outlet image and pricing, is limited. The outlet operators' failure to comply with our policies could result in the deterioration of the brand image of our products, which in turn may have a material and adverse effect on our sales volume, revenue, profitability and growth prospects.

We may fail to develop and implement our growth strategy or effectively manage our growth, which would in turn have a material and adverse effect on our business and results of operations.

We have grown rapidly in recent years in both sales and the size of our distribution network. Our rapid expansion will impose significant additional responsibilities on our management, including the need to identify, recruit, train and integrate additional employees, and oversee the expansion of our production facilities and the distribution network of our NVC brand products. In addition, rapid and significant growth may place a strain on our administrative and operational infrastructure, in particular on our internal accounting and financial reporting processes and systems. As our operations expand, we expect that additional resources will be required to manage new relationships with additional exclusive regional distributors and to manage an increasing number of NVC outlets, as well as other third parties, including trademark licensees, contract manufacturers, raw material suppliers, consultants and others. Our ability to manage our operations and growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. If we are unable to develop and implement a successful growth strategy, we may be unable to effectively manage our growth, including the rapid expansion of the distribution network, and our long term business prospects may be adversely affected as a result. We may fail to execute our growth strategy due to a number of factors, including those beyond our control, such as the inability to obtain adequate funding or to recruit suitable personnel.

We depend on sales to a limited number of ODM customers, some of which are also our major competitors. As a result, the loss of, or the deterioration of relationship with, any of such customers may significantly reduce our revenue and adversely affect our results of operations.

We primarily sell our ODM products to leading Chinese and international lighting brands. In 2007, 2008 and 2009, the revenue derived from sales for our non-NVC brand products, which mainly consist of ODM products, totalled approximately US$10.8 million, US$63.4 million and US$114.5 million, respectively, representing approximately 8.2%, 24.7% and 37.4% of our total revenue during the same periods. In

2007, 2008 and 2009, sales to our five largest ODM customers collectively accounted for approximately 5.6%, 9.4% and 19.3%, respectively, of our total revenue. As we do not have long-term agreements with these ODM customers, it is possible that their agreements with us will not be renewed on commercially acceptable terms, or at all. In addition, two out of our five largest ODM customers are also our significant competitors in the lighting products industry. If any of our five largest ODM customers terminates or does not renew its purchase agreement with us, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to derive the desired benefits from our research and development efforts.
Our competitiveness is dependent on our ability to develop new products and more efficient production capabilities. We place significant emphasis on research and development, in particular, to improve the quality of our products and expand our new product offerings, which we believe are factors crucial for our future growth and prospects. We cannot assure you that our future research and development projects will be successful or be completed within the anticipated time frame or budget, or that our newly developed products will achieve commercial success. Even if such products can be successfully commercialised, there is no guarantee that they will be accepted by the market.

In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the research and development of such product.

Infringement of our intellectual property rights, counterfeiting or imitation of our products, may adversely affect our business, financial condition, results of operations and prospects.
We believe that our intellectual property rights are crucial to the success of our business. Our principal intellectual property rights include trademarks for our NVC brand as well as patents for certain technologies. We are in the process of registering our intellectual property rights in countries and regions including the PRC, US, UK, Hong Kong, Japan, Malaysia, Indonesia and Korea. Due to the highly competitive environment in the lighting products industry, our intellectual property rights have been, and will continue to be, subject to various forms of infringement.

We have discovered counterfeit and imitation versions of our products on the market, and have in the past had to, and may in the future have to, initiate legal or administrative proceedings in order to protect our intellectual property rights. Protections offered by the intellectual property laws in China and other jurisdictions where we have registered our trademarks and patents and the enforcement of these protections may not be effective. As a result, our efforts to enforce or defend our intellectual property rights may not be adequate, may require significant attention from our management and may be costly. In addition, the outcome of any legal actions to protect our intellectual property rights is uncertain. Accordingly, if we are unable to adequately protect or safeguard our intellectual property rights, our business, financial condition, results of operations and prospects may be materially and adversely affected. See "Business — Intellectual Property Rights" for further information relating to our intellectual property rights.

The failure to effectively manage the quality of the products manufactured by our trademark licensees and maintain our relationships with such licensees would have a material and adverse effect on our brand image, reputation and sales.
We license our registered trademarks including "NVC", "雷士", "雷士LEISHI" and "光環境專家" to third parties for manufacturing of certain types of lighting products including residential luminaires and lighting switches. See "Business — Trademark Licensing Arrangements". In the event that the trademark licensees fail to manage our licensed brands in accordance with our required standards, or in the event that the trademark licensees experience operational or financial difficulties, or in the event that disputes occur between the trademark licensees and their customers, our brand image, reputation and sales could be adversely affected.

We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.

We have developed a range of technical know-how relating to the design and production process of our products. This knowledge base has enhanced our ability to manage our production costs and improve product quality, and as a result, to compete more effectively in the lighting products industry. Our technical know-how has been derived from the past experience of our key employees and management team as well as the results of our research and development efforts. Unlike trademarks and patents, such technical know-how cannot be protected under the PRC legal system by way of registration with competent authorities, and as a result, we have to rely on employee confidentiality undertakings, a less effective means of protection. We cannot assure you that our technical know-how, an important element to our business success, will not be misappropriated by or disclosed to third parties, or that our competitors will not independently develop alternative technical know-how that are equivalent or superior to ours, resulting in the loss of our competitive advantage.

Assertions by third parties of infringement by us of their intellectual property rights could be time-consuming, result in significant costs and cause our operating results to suffer.

We may be subject to claims from various industry participants alleging infringement of patents, trademarks and/or other intellectual property rights in the future. Any lawsuit or administrative proceedings resulting from such allegations could subject us to significant liability for damages and invalidate our existing intellectual property rights. These lawsuits, regardless of their success, would likely be time-consuming and expensive to resolve and would divert management's time and attention. Any potential intellectual property litigation or administrative proceedings also could require us to:

- stop selling products that have used technology or manufacturing processes containing the allegedly infringing intellectual property;
- pay damages to the party claiming infringement;
- attempt to obtain a license for the relevant intellectual property, which may not be available on commercially reasonable terms or at all; and
- attempt to redesign those products that contain the allegedly infringing intellectual property with non-infringing intellectual property, which may not be possible.

The outcome of a dispute may result in our need to develop non-infringing technology or enter into royalty or licensing agreements. Any intellectual property dispute could have a material adverse effect on our business, operating results or financial condition.

Our success depends on the continuing efforts of our senior management team and other key personnel and on our ability to successfully attract, train and retain additional key personnel.

Our future success depends heavily upon the continuing services of the members of our senior management team and various technical personnel. In particular, our chairman and president, Mr. Wu Changjiang, was and remains central to the development and advancement of our Company. He is the founder of our Company and has over 15 years' experience in the lighting products industry. If Mr. Wu or any other member of our management team or key personnel are unable or unwilling to continue in their present positions, we may not be able to find suitable candidates to replace them, and our business may be disrupted and our financial condition and results of operations may be materially and adversely affected. In addition, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may lose customers, distributors, know-how and key professionals and staff members. We do not maintain life insurance for any of our management team members. We may incur increased operating expenses and be required to divert the attention of other senior executives to recruit replacement for key personnel. Our industry is characterised by high demand and intense competition for talent and the pool of qualified candidates is limited. We cannot assure you that we will be able to retain existing, or attract and retain new, qualified personnel, including senior executives, whom we will need to achieve our strategic objectives. In addition, our ability to train and integrate new employees into our operations may not meet the growing demands of our business. The loss of any of our key personnel or our inability to attract or retain qualified personnel, including engineers and others, could delay the development and introduction of new products, and would have an adverse effect on our business and growth prospects.

Any significant damage to our production facilities could have a material adverse effect on our results of operations.

Our production centres are located in Guangdong Province, Zhejiang Province, Chongqing and Shanghai. Any material disruption at our production centres could reduce our sales for the affected period, including the breakdown, failure or substandard performance of equipment, the improper installation or operation of equipment and the destruction of buildings, equipment and other facilities due to fire or natural disasters such as hurricanes, severe winter storms or earthquakes. We may be required to terminate, delay or limit our production for a certain period if any of these incidents occurs, which in turn may delay our delivery of products to our customers in a timely manner, which could materially and adversely affect our business, reputation and results of operations. In addition, our production processes require significant amounts of electricity from stable electricity sources. If there is an insufficient electricity supply or a power shortage even of very limited duration, we may need to limit or delay our production or rely on our own power generator which could adversely affect our production yield and capacity utilisation rates.

Due to changes in urban planning designs, we have been required to relocate our production centre in Jiangshan City to another site in Jiangshan City designated by the local government. We entered into relocation and compensation agreements with the local government in September 2009, pursuant to which the local government agreed to compensate us a total amount of RMB123 million for the relocation. Such compensation was calculated based on independent land and property valuation reports and local policies in Jiangshan City. Such relocation may cause business disruption as well as construction of new production facilities, warehouses, offices and staff dormitories at the new site. If we are unable to complete the construction as planned or the construction process is delayed, it would increase our relocation costs and losses from business interruption. In addition, if our relocated production facilities do not reach the same production level achieved prior to the relocation, it would have an adverse effect on our production capabilities and financial performance.

We may not be able to accurately anticipate or respond in a timely manner to changes in continually evolving customer tastes and preferences for lighting products.

The success and popularity of our lighting products depend, in part, upon our ability to identify customer preferences and to design products that appeal to the mass market. Customer preferences, however, change frequently. There is no assurance that we will be able to anticipate and respond in a timely manner to changes in customer tastes and preferences. Any failure to anticipate, identify or react swiftly to changes in such preferences could result in reduced sales, higher markdowns to reduce excess inventories and lower operating profits. Conversely, if we fail to anticipate increased customer demand for our products, we may experience inventory shortages, which would result in foregone sales, and could negatively impact our business, financial condition, results of operations and growth prospects.

Disruptions in the global financial markets could continue to have a material adverse impact on our results of operations, financial condition and cash flows.

The global financial crisis that began in 2008 has adversely affected the United States, European and other world economies, including China. Although the PRC Government has adopted increasingly flexible macroeconomic policies, including an announced fiscal stimulus package, aimed at offsetting the slowdown brought about by the financial crisis, the growth of China's overall economy has been negatively impacted. The global financial crisis also resulted in a tightening in credit markets, a low level of liquidity in many financial markets and increased volatility in credit and equity markets. Many financial institutions worldwide have tightened lines of credit and reduced the amount of funding available to borrowers. If these conditions continue, worsen or recur, they may adversely affect the availability, terms and cost of borrowings in the future, including the financing available to us to complete acquisitions or capital expenditures. Any disruption in our ability to renew existing borrowings or obtain new borrowings may materially and adversely affect our business, financial condition, results of operations and cash flows as we rely on bank borrowings for a portion of our working capital and capital expenditure requirements.

The timing and nature of any recovery in worldwide financial markets and the global economy remain uncertain, and there can be no assurance that market conditions will improve in the near future or if they improve, that they will not deteriorate again. In addition, we cannot assure you that recent PRC Government initiatives in response to the slowdown in the PRC economy will stabilise PRC debt markets in general or increase liquidity and the availability of borrowings to us.

We face risks associated with the marketing and sale of our products internationally, and if we are not able to effectively manage these risks, our ability to expand our business abroad will be limited.

Our international sales accounted for 8.5%, 17.5% and 20.7% of our total revenue for the years ended 31 December 2007, 2008 and 2009, respectively. We intend to further grow our business activities in international markets, in particular Europe and North America where we believe the lighting market is likely to grow significantly in the near future. The marketing and sale of our products to international markets expose us to a number of risks, including:

- fluctuations in foreign currency exchange rates;
- increased costs associated with maintaining the ability to understand the international markets and following their trends;
- difficulty with developing and maintaining an effective marketing and distributing presence in various countries;
- higher costs in relation to providing customer service and support in these markets;
- difficulty with staffing and managing overseas operations;
- failure to develop appropriate risk management and internal control structures tailored to overseas operations;
- difficulty and costs relating to compliance with different commercial and legal requirements overseas;
- failure to obtain or maintain certifications for our products in these markets;
- inability to obtain, maintain or enforce intellectual property rights; and
- unanticipated changes in prevailing economic conditions and regulatory requirements; and trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses.

Our business in foreign markets requires us to respond timely and effectively to rapid changes in market conditions in the relevant countries. Our overall success as a global business depends, in part, on our ability to succeed in different legal, regulatory, economic, social and political conditions. We may not be able to develop and implement policies and strategies that will be effective in each location where we conduct business. A change in one or more of the factors described above may have a material adverse effect on our business, growth prospects, financial condition and results of operations.

We are dependent on our contract manufacturers, which in turn exposes us to risks associated with product quality, delivery schedules and production capacity availability.

Currently we outsource some portions of our production to a number of contract manufacturers. Our dependence on these manufacturers exposes us to a number of risks, any of which could have a material and adverse effect on our business, financial condition and results of operations including:

- Our contract manufacturers may fail to meet their production deadlines, maintain our required quality standards, comply with our product specifications or may make unauthorised sales of our branded products.
- Our contract manufacturers may be unable to obtain raw materials at commercially reasonable prices or may otherwise increase manufacturing costs, as a result of which our cost of sales may increase.

- Our contract manufacturers may experience transportation delays and interruptions when delivering products to us.

- We generally enter into one-year outsourcing contracts with our contract manufacturers and orders under those contracts are placed with them according to our production needs throughout the year. Should our manufacturing arrangement with any core contract manufacturers be interrupted or terminated, we may not be able to locate alternative manufacturing sources on a timely basis or on commercially acceptable terms. Using contract manufacturers with which we have no established relationships could expose us to potentially unfavorable pricing, unsatisfactory quality or insufficient capacity allocation.

- Should our contract manufacturers experience any unforeseen circumstances which may require us to look for alternative manufacturers, we may experience increased costs, disruptions in supply and reduced sales.

- Some of our contract manufacturers also manufacture for other companies that compete with us. We therefore compete with these companies for the production capacity of our contract manufacturers. There is no assurance that our contract manufacturers will allocate sufficient production capacity to our production requests.

We rely on our suppliers for certain raw materials. Unfavourable fluctuations in the price and availability of raw materials could materially and adversely affect our cost of sales and profit margins.

Some of our principal raw materials used in the production of lighting products, such as aluminium and copper, are subject to price volatility due to external market and environmental conditions. We obtain substantially all of these materials from domestic suppliers in the PRC. The cost of raw materials accounts for a substantial proportion of our total production costs. Prices of the raw materials may be volatile and the extent of such price volatility could be substantial. In 2007, 2008 and 2009, our raw material costs as a percentage of revenue were 38.7%, 43.9% and 44.4%, respectively. We generally invite relevant suppliers to participate in a bidding process once a year and normally enter into fixed price supply agreements with them on an annual basis. To the extent our suppliers do not continue to supply us with the raw materials we need to produce our products at commercially acceptable prices, or at all, our reputation, business, results of operations, financial condition and prospects could materially suffer. Fluctuations in the costs of our principal raw materials and any inability to pass on any increases in raw material costs to our customers by increasing the suggested retail prices of our products or increasing the sale price to our exclusive regional distributors may materially and adversely affect our cost of sales and our profit margins.

We are subject to certain risks associated with the transportation and warehousing of our products.

The delivery of finished products from our production facilities to the warehouses located in our distribution centres and subsequently to our exclusive regional distributors is conducted by third party transportation companies. Such delivery services could be suspended, which in turn could interrupt the supply of our finished products to our exclusive regional distributors (especially during our peak season for sales), if any unforeseen events which are beyond our control occur, such as poor handling and damage to our finished products, transportation bottlenecks, natural disasters or labour strikes. If our finished products are not delivered to our distribution centres on time, our market reputation and profitability could be materially and adversely affected. We may also face lawsuits arising from our failure to comply with our distribution agreements.

In addition, we typically store our raw materials and finished products in our warehouses before being used and subsequently delivered. If fire or other accidents occur, causing damage to our raw materials and products stored in any of our warehouses, we may be unable to supply finished products to our distribution channels on time, and our market reputation and profitability could be materially and adversely affected.

We may undertake acquisitions, investments, joint ventures or other strategic alliances, which may have a material adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.

Our strategy includes plans to grow both organically and through acquisitions, participation in joint ventures or other strategic alliances with companies in the PRC and overseas along the lighting products industry value chain. Joint ventures and strategic alliances may expose us to new operational, regulatory, market and geographic risks as well as risks associated with additional capital requirements.

Acquisitions of companies or businesses and participation in joint ventures or other strategic alliances are subject to considerable risks, including:

- our inability to integrate new operations, personnel, products, services and technologies;
- unforeseen or hidden liabilities, including exposure to lawsuits associated with newly acquired companies;
- the diversion of resources from our existing businesses;
- disagreement with joint venture or strategic alliance partners;
- contravention of regulations governing cross-border investment;
- failure to comply with laws and regulations as well as industry or technical standards of the overseas markets into which we expand;
- our inability to generate sufficient revenues to offset the costs and expenses of acquisitions, strategic investment, joint venture formations or other strategic alliances; and
- potential loss of, or harm to employees or customer relationships.

Any of these events could disrupt our ability to manage our business, which in turn could have a material adverse effect on our financial condition and results of operations. Such risks could also result in our failure to derive the intended benefits of the acquisitions, strategic alliances and we may be unable to recover our investment in such initiatives.

We rely on independent third party employment agencies to provide contract personnel for our production activities. We have limited control over these contract personnel and we may be liable for an employment agency's violation of the applicable PRC labour laws.

At our production centre in Shanghai, we engage approximately 120 production workers through two employment agencies, which are Independent Third Parties. We have entered into agreements with these two employment agencies to satisfy all of our current requirements. For further details, see "Business — Employees". Since these contract personnel are not directly employed by us, our control over them is limited. If contract personnel fail to operate in accordance with our business guidelines, our market reputation, brand image and results of operations could be materially and adversely affected.

Since we depend on these employment agencies to meet our staffing requirements, we rely on them for the performance of their respective obligations under our agreements with them and in accordance with all applicable laws in the PRC. In addition, under the PRC Labour Contract Law, which became effective on 1 January 2008, we may be jointly liable for the damage compensation incurred by an employment agency due to failure to comply with all applicable labour laws relating to the contract personnel provided to us. Accordingly, if any of the employment agencies violates any relevant requirements under the applicable PRC labour laws or otherwise and results in damage to relevant employees, we may incur compensation liabilities, and our business, financial condition and results of operations could be materially and adversely affected.

We may experience a shortage of labour, an increase in labour costs and be exposed to labour disputes, which would have a material and adverse effect on our business and result of operations.

Labour costs in China have been increasing and may continue to increase in the future. As we are in a highly competitive labour-intensive industry and we produce the majority of our products at our production centres, we rely on labour resources for our production, and therefore a high proportion of our production costs are labour costs. In 2007, 2008 and 2009, our labour costs as a percentage of revenue were 3.6%, 4.3% and 8.5%, respectively. There is no assurance that we will not experience a shortage of labour, increased labour costs or labour disputes against us. Any such negative incidents may cause us to incur additional costs and result in production delays and disruption of our operations.

We may be exposed to product liability, property damage or personal injury claims or other damages or claims against us and our insurance may not be sufficient to cover all potential liabilities or losses.

We face various risks in connection with our business and may lack adequate insurance coverage. As at 31 December 2009, we maintain different types of insurance policies, including product liability insurance, transport accident insurance, vehicle insurance, real estate insurance and property casualty insurance. However, we do not maintain third party liability insurance against claims for property damage, personal injury or environmental liabilities. We may also suffer significant monetary losses for properties which are not covered by our real estate insurance and significant costs due to our involvement in litigation or settlements for any damages or claims against us. Any losses or liabilities which are not covered by our current insurance policies may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, any litigation, regardless of success, would likely be time-consuming and expensive to resolve and would divert management's time and attention.

Defects in our products may cause us to incur warranty expenses, damage our reputation and cause our sales to decline.

For our products sold in the United States, we are required to provide a five-year limited warranty for quality defects. In China, we have different warranty policies for different products with a typical warranty period of 12 months to 24 months. During the warranty period, our customers are entitled to return and exchange the products with us due to material quality defects. As a result, we bear the risk of extensive warranty claims long after we sell our products and recognise revenues. We have not been subject to any material claims or incurred any material costs in relation to warranties during the Track Record Period and have not made provisions for potential warranty liabilities. However, because our products have relatively long warranty periods, we may incur significant repair and replacement costs associated with such claims in the future. Furthermore, widespread product failures would damage our reputation and customer relationships and may cause our sales to decline which in turn could have a material adverse effect on our financial condition and results of operations.

We are dependent on our ERP system and other information technology systems. A system failure or breakdown may cause interruptions of our business and operation.

We depend on our information technology infrastructure to conduct our production activities, manage risks, implement our internal control systems and manage and monitor our business and operations. We implemented an Enterprise Resource Planning system, or ERP system in September 2004. The ERP system enables us to monitor and exchange information including information on our supply chain and distribution chain among various departments. See "Business — Management Information System". We rely on third party information technology service providers to maintain and upgrade our systems, and we have contracted reputable information technology companies widely accepted in our industry to construct and improve our information technology infrastructure. Any malfunction in a particular part of our information technology system for an extended period of time may result in a breakdown throughout our network. Furthermore, a serious dispute with our information technology service provider or termination of a service contract with such provider may adversely affect our ability to upgrade our information technology infrastructure in a timely and cost-effective manner. In addition, we may experience interruptions to our operations during future upgrades, and there may be inherent risks to our future integration with other existing network systems. If any of these events occur, our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATING TO THE LIGHTING PRODUCTS INDUSTRY

We operate in a highly competitive market. If we are unable to remain competitive, we will lose market share to our competitors as well as new entrants to our market, and our financial performance would be materially and adversely affected.

The lighting products industry is highly competitive in China and worldwide. The lighting products industry is highly fragmented in China. In addition, our NVC brand products face significant competition with a number of international brands. For additional information relating to the lighting products industry in China, see "Industry Overview". Many of our existing and potential competitors have substantially greater financial, technical, manufacturing and other resources than we do. The greater size of many of our competitors provides them with cost advantages as a result of their economy of scale and their ability to obtain volume discounts and purchase raw materials at lower prices. Many of our competitors also have better brand name recognition, more established distribution networks, larger customer bases or more in-depth knowledge of the target markets. As a result, they may be able to devote greater resources to the research and development, promotion and sale of their products and respond more quickly to evolving industry standards and changes in market conditions as compared to us. Our failure to compete successfully with existing or future competitors would have a material adverse effect on our business, results of operations and prospects.

Our products are subject to laws, regulations and industry standards of various jurisdictions. Failure to comply with these rules and standards or failure to make timely adjustments in response to the changes of such rules and standards would have a material and adverse effect on our business and results of operations.

Our products (including energy-saving products) are subject to extensive laws, regulations and industry standards in the jurisdictions where we market and distribute our products. For example, some of our products must comply with the China Compulsory Certification for manufacturing and distribution in China and most of our exported products also need to comply with the standards set by the American National Standards Institute for distribution in the United States or the standards set by the International Electrotechnical Commission for distribution in Europe. Any new or amended laws, rules, regulations or standards imposed on our products may involve considerable additional costs to ensure compliance and lead to additional manufacturing and quality control procedures that may affect our financial condition and results of operations.

As at 31 December 2009, we exported our products directly or indirectly (via our ODM customers) to at least 40 countries, with the US market accounting for the majority of our export sales in 2009. Some of these countries may impose anti-dumping duties on products exported from another country if their governments decide such exported products are being sold (i) at less than the producers' sale prices in the home market, or (ii) at prices that are lower than their production costs. For example, the US government may impose duties or import restrictions on products imported from China if such products are being imported into the US in such quantities or under such conditions as to cause or threaten to cause market disruption to the domestic US market producers of a similar product. The central government of India has imposed an anti-dumping duty on some lighting products (such as CFL) imported from the PRC since March 2010. Revenue from exports to India accounted for approximately 0.3%, 1.6% and 0.1% of the Group's total revenue in 2007, 2008 and 2009, respectively, among which, revenue from exports of CFL to India (which is currently subject to anti-dumping duties) accounted for approximately 0.6% and less than 0.1% of the Group's total revenue in 2008 and 2009, respectively. As a percentage of total export revenue, exports to India were 3.2%, 9.3% and 0.5% in 2007, 2008 and 2009, among which, exports of CFLs (which is currently subject to anti-dumping duty) to India were 3.4% and 0.1% in 2008 and 2009, respectively. The Group did not record any revenue from exports of CFLs to India in 2007. Given that the exports sales of CFLs to India only constitute a minor percentage of the Group's total revenue and total export sales during the Track Record Period, the Directors are of the view that such anti-dumping measures would not materially and adversely affect the Group's business and results of operation. We cannot assure you that the countries to which we directly or indirectly export our products will not initiate trade protectionist measures in the form of anti-dumping duties, taxes, trade laws, tariffs and regulatory requirement against Chinese-manufactured products in the future. In the event that there is an anti-dumping measure or other trade sanctions imposed on our exported products by overseas countries, prices of our products exported to such countries could be increased significantly, which in turn could result in a loss of our competitive advantage. Consequently, our export sales and profitability may be adversely affected.

Failure to comply with environmental regulations may materially and adversely affect our business, financial condition and results of operations.
To support the expansion of our NVC brand products and to maintain a long-term relationship with our ODM customers, we must comply with extensive environmental laws and regulations promulgated by the PRC government and the governments of the overseas jurisdictions where our customers are based and our products are distributed. These laws and regulations require us to adopt effective measures to control and properly dispose of waste water and other environmental waste materials. We could be exposed to penalties, fines, suspensions or actions in other forms if we fail to comply with these laws and regulations. The environmental laws and regulations in China or other jurisdictions may be amended from time to time and changes in those laws and regulations may cause us to incur additional costs in order to comply with the more stringent rules. There is no assurance that our research and development capabilities would be able to support the changes in technical requirements which could be required as a result of changes to environmental laws and regulations or that our products will always be compliant with the applicable environmental regulations. In the event that our products are unable to be modified in accordance with the new laws and regulations and become non-compliant, we may lose our business with certain customers, which will decrease our market share and materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Changes in the political and economic policies of the PRC government may adversely affect our business and results of operations and may result in our inability to sustain our growth and expansion plans.
A substantial portion of our sales are generated from China. Our domestic sales accounted for 91.5%, 82.5% and 79.3% of our total revenue for the years ended 31 December 2007, 2008 and 2009, respectively. Our business and profitability have been substantially dependent on the PRC market.

The economy of the PRC differs from the economies of most developed countries in a number of respects, including, but not limited to, the degree of government involvement, control of capital investment, and the overall level of development. Before its adoption of reform and open door policies in 1978, China was primarily a planned economy. Since then, the PRC government has been reforming the PRC economic system and the government structure. These reforms have resulted in significant economic growth and social progress. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, we may not continue to benefit from all, or any, of these measures.

We anticipate that sales of our products in China will continue to represent a substantial portion of our total sales in the near future. Any changes in the PRC's political, economic and social conditions, laws, regulations and policies could adversely affect consumer buying power and reduce consumption of our products, which in turn would have a material adverse effect on our business and financial condition.

An adverse change in the economic condition in China may affect our business and future growth.
We derive most of our revenue from sales of our products in China. The demand for our products is significantly affected by macro-economic conditions in the PRC. In particular, demand for lighting products is affected by the growth of the commercial and residential real estate development industries in the PRC, which could in turn be affected by a number of factors, such as the strength of the commercial and residential property markets, the level of disposable income, consumer confidence, unemployment rate, interest rates, credit availability and volatility in the stock markets.

Since our establishment in 1998, the PRC economy has experienced significant growth, including in its real estate development sector. However, like other major economies of the world, the PRC economy has been adversely impacted by the recent financial crisis. The effect of the financial crisis was particularly strong in highly cyclical sectors such as real estate development. Our operating results were also impacted by the financial crisis. We expect the demand for our products and our operating results to continue to be affected by the real estate development sector and the general macro-economic growth in the PRC. If the Chinese government reduces real estate and its infrastructure investment, we may suffer loss of revenue derived from the demand for our products in government invested projects. As a result, any adverse change in economic conditions in China could have a material adverse effect on our business, financial position and results of operation as well as hinder our future growth.

Government control of currency conversion and future movements in foreign exchange rates may materially and adversely affect our financial condition and results of operations, and our ability to remit dividends.

We are a holding company that is financially dependent on distributions of dividends from subsidiaries and our income could be adversely affected if those distributions are not made in a timely manner or at all. Most of our revenues and expenditures are denominated in RMB, which currently cannot be freely converted into any other foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations.

Under the current PRC foreign exchange control system, foreign exchange transactions under the current account, including the payment of dividends, do not require advance approval from SAFE or its local branches, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, must be approved in advance by SAFE or its local branches. Any failure to convert RMB into foreign exchange may restrict the ability of our subsidiaries to obtain sufficient foreign exchange for dividend payments to us or satisfy any other foreign exchange requirements. If we fail to obtain approval from SAFE or its local branches to convert any foreign exchange into RMB for any investment purposes including the use of proceeds in this Global Offering, our capital expenditure plans, and even our business, financial condition and results of operations, may be materially adversely affected.

PRC regulations on investment and loans by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of the Global Offering to make additional capital contributions or loans to our PRC subsidiaries.

Any capital contributions or loans that our Company, as an offshore entity, make to our PRC subsidiaries, including from the proceeds of the Global Offering, are subject to PRC regulations. For example, the total of any offshore loans to our PRC subsidiaries cannot exceed the difference between the registered capital and total investment of our Company's PRC subsidiaries, and such loans must be registered with SAFE or its authorised organisation. In addition, our Company's capital contributions to our PRC subsidiaries must be approved by the competent authority of the Ministry of Commerce. There is no assurance that we will be able to obtain these approvals on a timely basis, or at all. If we fail to obtain such approvals, our ability to make equity contributions or provide loans to our PRC subsidiaries, fund their operations or to utilise the proceeds of this offering in the manner described in the section headed "Future Plans and Use of Proceeds" may be adversely affected, which could harm the liquidity of our PRC subsidiaries and their ability to fund working capital and expansion projects and meet their obligations and commitments.

We sell our products in overseas markets. Fluctuations in the value of RMB may have a material adverse effect on our business, financial condition and results of operations.

We currently sell products in over 40 countries. We plan to enter into other overseas markets in the future, including South America. We may transact business in these markets using local currencies.

The value of the RMB against the US dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's political and economic conditions. The conversion of RMB into foreign currencies, including US dollars, has been based on the PBOC rates. On 21 July 2005, the PRC government changed its policy of pegging the value of the RMB to the US dollar. Under the new policy, the RMB is permitted to fluctuate within a narrow and managed band, against a basket of certain foreign currencies. On 23 September

2005, the PRC government widened the daily trading band for RMB against non-US dollar currencies from 1.5% to 3.0% to improve the flexibility of the new exchange system. Between 21 July 2005 and 31 December 2009, the RMB appreciated approximately 18.2% against the US dollar. Substantially all of our revenue and expenses are denominated in RMB but our financial reporting currency is in US dollars. Therefore, fluctuations in exchange rates may adversely affect the value of our net assets, earnings or any declared dividends. Also, any unfavourable movement in the exchange rate may lead to an increase in our costs or a decline in sales, which could materially and adversely affect our business, financial condition and results of operations.

We may be subject to PRC income taxes on our worldwide income, gains of selling our Shares and dividends payable by us to our foreign investors may be subject to withholding taxes under PRC tax laws.

On 6 December 2007, the State Council adopted the Regulation on the Implementation of PRC Enterprise Income Tax Law, or the EIT Regulation, effective as at 1 January 2008, which defines the term "de facto management bodies" as "bodies that substantially carry out comprehensive management and control on the business operation, employees, accounts and assets of enterprises". Under the EIT Regulation, an enterprise outside of China whose "de facto management bodies" are located in China is considered a "resident enterprise" and will be subject to a uniform 25% enterprise income tax rate on its global income. In April 2009, the State Administration of Taxation further specified certain criteria for the determination of the "de facto management bodies" for foreign enterprises which are controlled by PRC enterprises. If all of these criteria are met, the relevant foreign enterprise controlled by a PRC enterprise will be deemed to have its "de facto management bodies" located in China and therefore be considered a PRC resident enterprise. These criteria include: (i) the enterprise's day-to-day operational management is primarily exercised in China, (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in China, (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders' meeting minutes are located or maintained in China and (iv) 50% or more of voting board members or senior executives of the enterprise habitually reside in China.

However, there have been no official implementation rules regarding the determination of the "de facto management bodies" for foreign enterprises which are not controlled by PRC enterprises (including companies like ourselves). Therefore, it remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by PRC individual residents, as is our case. We are currently not treated as a PRC resident enterprise by the relevant tax authorities. Since substantially all of our management is currently based in China and is expected to remain in China in the future, we cannot assure you that we will not be considered a "resident enterprise" under the new EIT Regulation and not be subject to the enterprise income tax rate of 25% on our global income. In addition, although the EIT Regulation provides that "dividend income between qualified resident enterprises" is exempted income, it is not clear what is considered a "qualified resident enterprise" under such law.

Furthermore, according to the PRC Enterprise Income Tax Law effective as at 1 January 2008, or the EIT Law, the capital gains realised by foreign Shareholders from sales of our Shares and dividends on our Shares payable to foreign Shareholders may be regarded as income from "sources within PRC" and therefore become subject to a withholding income tax of 10% (or lower if certain tax treaties apply). If we are required under the EIT Law to withhold PRC income tax on our dividends payable to our foreign Shareholders, or if our foreign investors are required to pay PRC income tax on the transfer of our Shares, the value of our foreign Shareholders' investment in our Shares may be materially and adversely affected.

Currently, some of our PRC subsidiaries enjoy preferential enterprise income tax rates. Any change in our tax treatment in China may have a negative impact on our results of operations.

In accordance with the PRC's tax regulations, certain of our subsidiaries in the PRC benefit from preferential tax treatment. The EIT Law revokes most preferential tax treatment for foreign-invested enterprises and adopts a unified income tax rate of 25% on most domestic enterprises and foreign-invested enterprises. However, some of the existing preferential tax treatments for foreign-invested enterprises have a grace period of up to five years following the effective date of the EIT Law. Accordingly, when the preferential tax treatment currently enjoyed by our PRC subsidiaries expires, we will be subject to a higher corporate income tax rate, which may materially and adversely affect our results of operations.

See "Financial information — Income tax expenses" for further information on our tax status and the preferential tax treatment currently enjoyed by our PRC subsidiaries.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to personal liability and limit our ability to acquire PRC companies or to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to distribute profits to us or otherwise materially and adversely affect us.

The SAFE Notice requires PRC residents, including both legal persons and natural persons, to register with the competent local SAFE branch before establishing or controlling any company outside the PRC, referred to as an "offshore special purpose company," for the purposes of acquiring any assets of or equity interest in PRC companies and raising funds from overseas. In addition, any PRC resident who is the shareholder of an offshore special purpose company is required to amend his SAFE registration with the local SAFE branch with respect to that offshore special purpose company in connection with any increase or decrease of capital, transfer of shares, merger, division, equity investment or creation of any security interest over any assets located in the PRC. If any PRC shareholder of an offshore special purpose company fails to make the required SAFE registration and amendment, the PRC subsidiaries of that offshore special purpose company may be prohibited from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to the offshore special purpose company. Moreover, failure to comply with the SAFE registration and amendment requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions. Our current beneficial owners who are PRC residents have registered with the local SAFE branch as required under the SAFE Notice. The failure of these beneficial owners to amend their SAFE registrations in a timely manner pursuant to the SAFE Notice or the failure of future beneficial owners of our Company who are PRC residents to comply with the registration procedures set forth in the SAFE Notice may subject such beneficial owners to fines and legal sanctions and may also result in restrictions on our PRC subsidiaries' ability to distribute profits to us or otherwise materially and adversely affect our business.

The legal system of the PRC is still evolving, and there are inherent uncertainties which may affect the protection afforded to our business and our shareholders.

Our business and operations in China are governed by the legal system of China. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with such economic matters as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new and continue to evolve, interpretation and enforcement of these laws and regulations involve significant uncertainties and certain degrees of inconsistencies. Some of the laws and regulations are still at a developing stage and are therefore subject to policy changes. Many laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. We cannot predict the effect of future legal developments in China, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the pre-emption of local regulations by national law. As a result, there is substantial uncertainty as to the legal protection available to us and investors in our shares. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to us. In addition, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management attention.

Our business and results of operations may, directly or indirectly, be adversely affected by natural disasters, acts of war and the occurrence of epidemics.

Our business is subject to general economic and social conditions in the PRC. Natural disasters, acts of war, epidemics and other factors which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. For instance, a serious earthquake and its successive aftershocks hit Sichuan Province in May 2008, resulting in tremendous loss of lives and injuries and destruction of assets in the region. In April 2009, a swine influenza broke out in Mexico and spread globally, resulting in the loss of lives and widespread fear. Some regions in China, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as Severe Acute Respiratory Syndrome, or SARS, H5N1 avian flu or the H1N1(swine flu). As a substantial portion of our sales is currently derived from China, any contraction or slow down in the economic growth of China will adversely affect our financial condition, results of operations and future growth. In addition, the production centres operated by our PRC subsidiaries are of a labour-intensive model. If any of our employees is infected or affected by any severe communicable diseases outbreak, it could adversely affect or disrupt our production and adversely affect our business operations as we may be required to close our plants or facilities to prevent the spread of the disease. The spread of any severe communicable disease in China may also affect the operations of our customers and suppliers, causing delivery disruptions, which could in turn adversely affect our operating results.

It may be difficult to effect service of process upon, or to enforce judgments obtained outside the PRC against, us, our Directors or our senior management members who reside in the PRC.

We are incorporated in the Cayman Islands. The majority of our assets and our subsidiaries and their assets are located in China. In addition, a significant number of our Directors and substantially all of our officers reside within the PRC and most assets of our Directors and officers are also located within China. As a result, it may be difficult for investors to effect service of process outside China upon most of our Directors and officers, including matters arising under applicable securities laws. Moreover, a judgment of a court of another jurisdiction may only be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal enforcement of judgments of courts with the Cayman Islands, Japan, the United Kingdom, the United States and most other western countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC of judgments of a court in these jurisdictions is subject to uncertainties.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior market for our Shares, and the liquidity and market price of our Shares following the Global Offering may be volatile.

Prior to the completion of the Global Offering, there has been no public market for our Shares. The initial offer price range of the Offer Shares, and the Offer Price will be determined by the Joint Sponsors (on behalf of the Underwriters) and us. The Offer Price may not be indicative of the price at which our Shares will be traded following the completion of the Global Offering. In addition, there can be no guarantee that (i) an active trading market for our Shares will develop, or (ii) if it does develop, that it will be sustained following the completion of the Global Offering, or (iii) that the market price of our Shares will not decline below the Offer Price.

Investors will experience immediate dilution to their attributable net tangible book value as the Offer Price of our Shares is higher than our net tangible book value per Share.

On the assumption that the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme will not be exercised and without taking into account any changes in our net tangible assets after the Global Offering, other than to give effect to the sale of our Shares pursuant to the Global Offering, assuming an Offer Price of HK$2.03 to HK$2.90 per Share (being the indicative Offer Price range), and after deduction of estimated underwriting fees and expenses, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to our equity holders as at 31 December 2009 would have been approximately US$251.8 million (assuming an Offer Price of HK$2.03) or US$326.8 million (assuming an Offer Price of HK$2.90), or an unaudited pro forma adjusted consolidated net tangible assets value per Share of HK$0.68 (assuming an Offer Price of HK$2.03) or HK$0.87 (assuming an Offer Price of HK$2.90). Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution of HK$1.35 (assuming an Offer Price of HK$2.03) or HK$2.03 (assuming an Offer Price of HK$2.90) per Share, representing the difference between the Offer Price and the unaudited pro forma adjusted net tangible assets per Share. If we issue additional Shares in the future, purchasers of our Shares may experience further dilution.

Issuance of Shares pursuant to the Pre-IPO Share Option Scheme and the Share Option Scheme will result in dilution to your shareholding in our Company and dilution of the earnings per Share.
Issuance of Shares for the purpose of satisfying any award made under the Pre-IPO Share Option Scheme and the Share Option Scheme and/or pursuant to the exercise of the options to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme will cause dilution to your shareholding in our Company and dilution to the earnings per Share because of the increase in the number of Shares in issue after the issuance. As at the Latest Practicable Date, options to subscribe for an aggregate of 240,429,000 Shares had been granted to 43 grantees under the Pre-IPO Share Option Scheme. We recorded share option expenses of US$320,000, US$148,000 and US$74,000 for the years ended 31 December 2007, 2008 and 2009, respectively, and, based on a preliminary assessment, expect to record a share option expense of approximately US$0.9 million for the year ending 31 December 2010. See "Statutory and General Information — Pre-IPO Share Option Scheme" for the exercise period and other information of the Pre-IPO Share Option Scheme. Assuming that all of the options granted under the Pre-IPO Share Option Scheme are exercised in full on the Listing Date, this would have a dilutive effect on the shareholdings of our Company of approximately 7.63% and a dilutive effect of approximately 7.63% on earnings per Share.

Certain facts and statistics in this prospectus relating to the PRC, the Chinese economy and the lighting products industry derived from official government publications may not be reliable.
Facts and other statistics in this prospectus relating to the PRC, the Chinese economy and the lighting products industry have been derived from various official government publications we generally believe to be reliable. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Underwriters or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside China.

We have, however, taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts and statistics in this prospectus may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions.

Any potential sale of Shares by our existing shareholders could have an adverse effect on our share price.
Future sales of a substantial number of our Shares by our existing shareholders or the Selling Shareholders, or the possibility of such sales, could negatively impact the market price of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by certain of our existing shareholders are subject to lock-up beginning on the date on which trading in our Shares commences on the Hong Kong Stock Exchange. While we are not aware of any intentions of our existing shareholders to dispose of significant amounts of their shares upon expiry of the relevant lock-up periods, we are not in a position to give any assurances that they will not dispose of any Shares they may own. In the event that any of our existing shareholders disposes of Shares upon expiry of the relevant lock-up periods, this would lead to an increase in the number of our Shares in public hands, and could negatively impact the market price of our Shares or lead to volatility in the market price or trading volume of our Shares, affecting the value of your investment.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.
This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking information.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering.
Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering which may or may not include certain financial projections and other information about us and the Global Offering that does not appear in our prospectus. We have not authorised the disclosure of any such information in the press or media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or consistent with the information contained in this prospectus, we disclaim it. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.