This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OUR COMPANY

Introduction

Hilong is a leading PRC-based non-state owned integrated oilfield equipment and service provider with a focus on drill pipes, line pipe and OCTG coatings and oilfield services. According to the Spears' Report, we are the market leader in the supply of drill pipes in China with a 30% market share, and the second largest supplier of drill pipes globally with a 13% market share, both based on 2009 sales. According to the Spears' Report, we are the market leader in the supply of OCTG coating materials and services, with a 67% market share in China, and the second largest globally with a 12% market share, both based on 2009 sales. We are also the largest supplier of line pipe coating materials in China with a 60% market share based on 2009 sales, according to the same source.[(1)] We recently expanded into the oilfield services business with an initial focus on drilling services, which we expect to become an increasingly significant revenue stream in the future.

We have attained our leading market positions by focusing on building capabilities in key components of the drilling equipment value chain: steel pipes (which are the principal raw material in manufacturing drill pipes and are supplied from our joint venture), drill pipe products, coating materials and services as well as hardbanding materials and services. Furthermore, we believe these capabilities help us derive benefits such as better control over product quality, greater ability to expedite delivery and provision of one-stop after-sales services, which contribute to more attractive pricing and greater ability to maintain profit margin. We believe that the quality, deliverability, service and price of our products provide a unique value proposition for our clients and further contribute to our ability to maintain our leading market positions.

Customer Base

Our major customers include China's largest oil and gas companies such as CNPC and Sinopec. We are also a qualified supplier to many of the major international oil and gas companies, including Schlumberger, Gazprom and Weatherford. We have established overseas sales offices strategically located in some of the most active regions in the oil and gas industry, including Russia, the United Arab Emirates and Canada. As our recently established oilfield services business continues to gain momentum, we expect our profile and recognition in the international markets to continue to grow. We believe that the diversity of our customer base and the balanced mix between our PRC sales and international sales contribute to our ability to manage through industry cycles.

In 2007, 2008, 2009 and for the nine months ended September 30, 2010, to our knowledge of our customers' information, sales to CNPC and its affiliates accounted for 39.1%, 44.4%, 28.6% and 23.0% of our revenue, respectively; sales to Sinopec and its affiliates accounted for 32.1%, 5.9%, 7.6% and 14.3% of our revenue, respectively; and sales to Schlumberger, Weatherford and Gazprom, directly and through distributors, in the aggregate accounted for 4.1%, 14.9%, 1.8% and 2.8% of our revenue, respectively. See "Business—Customers."

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(1) According to the Spears' Report, we held 10% and 16% of the global drill pipe market in terms of sales in 2007 and 2008, respectively, and held 30% of the drill pipe market in China during the same period; we held 8% and 13% of the global OCTG coating materials and services market in terms of sales in 2007 and 2008, respectively, and held 60% and 67% of the OCTG coating materials and services market in China during the same period; and we held approximately 30%-40% and 50% of the line pipe coating materials market in China in terms of sales in 2007 and 2008, respectively. Throughout this prospectus, sales of associates and jointly controlled entities calculated based on our equity interests in such entities have been included for purposes of calculating our market share. Accordingly, for purposes of this calculation, our 2009 sales included the following amounts in sales of associates and jointly controlled entities: RMB0.9 million for drill pipes, RMB31.5 million for OCTG coating materials and services, and nil for line pipe coating materials, representing 0.2%, 23.9% and nil of our 2009 sales for purposes of calculating our market share for these products and services, respectively. The inclusion of these amounts for purposes of calculating our market share has not materially affected our market position in these products and services.

Production and Product Quality

Our supplier qualification from the major international oil and gas companies is also a testament to the quality of our products. To ensure our product quality, we seek to utilize advanced equipment in our production. Our production techniques developed in-house have been continuously refined through years of experience and enhance our product quality. As a reflection of our product and service quality, our drill pipe and hardbanding products as well as coating services have been certified to meet the Fearnley Procter NS-1 quality and inspection requirement, which is a quality standard recognized by major oil and gas companies, such as Shell, Weatherford and Schlumberger. According to the Spear's Report, we are one of only three drill pipe manufacturers in the PRC with the Fearnley Procter NS-1 certification. See "Business—Our Products and Services—Drill Pipes and Related Products—Drill Pipes."

Research and Development

We have built our research and development capabilities based on our objective of designing, developing and commercializing new products using advanced technology. In particular, our research and development activities for drill pipe products are primarily conducted through our Shanghai Hilong Tubular Goods Research Institute, which also serves as an independent testing centers for drill pipes in China. Through this institute, we have developed and commercialized a number of high-end drill-pipe products, such as sour service and high-torsion drill pipes. See "Business—Research and Development." Our in-house research and development team has also developed advanced coating materials, such as extreme temperature and high corrosion coating materials. Our current research and development focus includes "intelligent" drill pipes and aluminum alloy based drill pipes.

Operating Results

Our operating results during the Track Record Period have been affected by the recent global financial crisis and the resulting changes in oil and gas drilling activity levels. In particular, our revenue, particularly revenue from the international market, decreased significantly in 2009, reflecting significant decreases in both sales volume and average selling prices of drill pipes sold. Our gross profit margin decreased and our turnover days of inventory and trade receivables increased significantly in 2009. As of the Latest Practicable Date, some of our domestic and international customers, including those with significant transaction value and/or receivable balances with us, may not have fully recovered from the global financial crisis. See "Risk Factors—Risks Relating to Our Business and Industry—The recent global financial crisis has had and may continue to have material adverse effect upon our business, financial condition and results of operations." In addition, we entered the coating business in 2002, the drill pipe manufacturing business in 2005 and the oilfield services business in 2008. As a result, we have a limited operating history for potential investors to evaluate our business prospects. As our historical performance experienced significant fluctuations during the Track Record Period, our historical operating results may not be an indication of our future performance. See "Risk Factors—Risks Relating to Our Business and Industry—It is difficult to evaluate our results of operations and future prospects due to the significant fluctuation in our historical performance and our limited operating history."

We believe that the most significant factors that affect our business and results of operations include (i) level of demand for oil and gas equipment and services in China and globally, (ii) changes in utilization rate and production or service capacity, (iii) fluctuations in raw material prices, (iv) product and service mix and (v) applicable regulatory environment. We were historically and expect to continue to be affected by these factors. See "Financial Information—Factors Affecting Our Results of Operations."

In 2007, 2008 and 2009, our revenue totaled RMB898.9 million, RMB1,701.4 million and RMB1,006.7 million, respectively. In the nine month periods ended September 30, 2009 and 2010, our revenue totaled RMB710.9 million and RMB919.9 million, respectively. The following table sets forth our historical revenue by business segment for the period indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2007		2008		2009		2009		2010	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(In thousands, except for percentages)						(Unaudited)			
Drill pipes and related products	669,996	74.5	1,261,262	74.1	518,586	51.5	374,192	52.6	464,688	50.5
Coating materials and services	228,895	25.5	415,934	24.4	435,026	43.2	307,316	43.3	257,995	28.0
Oilfield services	—	—	24,184	1.5	53,044	5.3	29,379	4.1	197,263	21.5
Total revenue	898,891	100.0	1,701,380	100.0	1,006,656	100.0	710,887	100.0	919,946	100.0

The drill pipes and related products segment has been historically, and we expect it to continue to be, our largest segment in terms of revenue contribution. The significant fluctuation of our historical revenue derived from this segment primarily reflected the fluctuations in international oil and gas prices. The following table sets forth our sales volume, average selling price and revenue of sales of drill pipes in international and PRC market for the periods indicated. For more information, see "Financial Information."

	For the year ended December 31,			For the nine months ended September 30,	
	2007	2008	2009	2009	2010
International market					
Sales volume (tonnes)	4,419	17,120	3,961	2,629	6,554
Average selling price (RMB per tonne)	35,934	37,829	29,395	30,741	26,253
Revenue (thousands of RMB)	158,781	647,642	116,433	80,819	172,061
PRC market					
Sales volume (tonnes)	15,839	21,900	11,314	7,974	9,800
Average selling price (RMB per tonne)	30,941	25,493	26,357	27,714	25,604
Revenue (thousands of RMB)	490,080	558,298	298,204	220,992	250,925

In 2007, 2008 and 2009, our net profit totaled RMB285.7 million, RMB495.4 million and RMB110.0 million, respectively. In the nine month periods ended September 30, 2009 and 2010, our net profit totaled RMB90.1 million and RMB153.1 million, respectively.

Our Directors confirm that there was no material adverse change in our financial or trading positions or prospects during the period between September 30, 2010 and the Latest Practicable Date.

COMPETITIVE STRENGTHS

We believe the following strengths of our company distinguish us from our competitors and enable us to compete effectively in the oilfield equipment and services industry:

- market leadership in key oilfield equipment products and services;
- established relationships with major international oil and gas companies supported by proven product quality;
- significant benefits derived from a vertically integrated business model;
- innovation-driven research and development capabilities; and
- experienced management team with a proven track record.

BUSINESS STRATEGY

Our long-term objective is to become a leading integrated global oilfield equipment and service provider focusing on high-end products and services. We intend to achieve this objective by implementing a business strategy with the following key aspects:

- continue to focus on higher-end products in existing product categories;
- further expand into drilling and other oilfield services areas;
- solidify leadership in the PRC market through capacity upgrades and vertical integration;
- expand international footprint at strategic locations; and
- actively seek strategic acquisitions and alliances.

SUMMARY HISTORICAL COMBINED FINANCIAL INFORMATION

You should read the summary historical combined financial information set forth below in conjunction with our combined financial statements included in the Accountant's Report set forth in Appendix I to this prospectus, which are prepared in accordance with HKFRS, together with the accompanying notes thereto. Operating results in any historical period may not be indicative of the results that may be expected in any future period.

Combined Income Statements

	For the year ended December 31,			For the nine months ended September 30,	
	2007	2008	2009	2009	2010
	(In thousands of RMB)				
				(unaudited)	
Revenue	898,891	1,701,380	1,006,656	710,887	919,946
Cost of sales	(512,718)	(935,615)	(621,083)	(430,540)	(545,812)
Gross profit	386,173	765,765	385,573	280,347	374,134
Selling and marketing expenses	(44,567)	(88,820)	(82,684)	(58,444)	(59,764)
Administrative expenses	(52,665)	(109,503)	(138,103)	(90,563)	(107,314)
Other income	—	7,273	—	—	—
Other gains/(losses)–net	(839)	853	2,760	259	12,306
Operating profit	288,102	575,568	167,546	131,599	219,362
Finance income	619	1,830	1,743	1,622	468
Finance costs	(9,453)	(15,177)	(19,699)	(14,381)	(20,378)
Finance costs–net	(8,834)	(13,347)	(17,956)	(12,759)	(19,910)
Share of results of:					
—Associates	14,739	999	(353)	155	4,656
—Jointly controlled entities	(679)	(1,646)	(13,532)	(9,442)	(11,523)
Profit before income tax	293,328	561,574	135,705	109,553	192,585
Income tax expense	(7,613)	(66,142)	(25,689)	(19,500)	(39,460)
Profit for the year/period	285,715	495,432	110,016	90,053	153,125
Profit attributable to:					
Equity holders of the Company	259,960	437,290	60,627	52,417	118,268
Non-controlling interests	25,755	58,142	49,389	37,636	34,857
	285,715	495,432	110,016	90,053	153,125
Dividends	13,440	108,255	9,001	9,001	10,000

Combined Balance Sheets

	As of December 31,			As of September 30,
	2007	2008	2009	2010
	(In thousands of RMB)			
ASSETS				
Non-current assets				
Property, plant and equipment	240,955	470,708	608,014	713,028
Lease prepayments	47,737	46,698	45,691	48,090
Intangible assets	698	12,190	12,030	11,824
Investments in associates	72,768	64,135	63,782	77,709
Investments in jointly controlled entities	9,441	19,203	15,509	12,962
Deferred income tax assets	2,086	10,539	24,265	26,302
Other long-term assets	8,073	5,513	625	320
	381,758	628,986	769,916	890,235
Current assets				
Inventories	199,439	327,631	333,182	388,726
Trade and other receivables	554,063	812,247	919,166	969,632
Restricted cash	13,335	33,930	23,997	29,870
Cash and cash equivalents	68,190	220,468	141,603	154,559
	835,027	1,394,276	1,417,948	1,542,787
Assets of disposal group held for sale	—	—	—	14,009
	835,027	1,394,276	1,417,948	1,556,796
Total assets	1,216,785	2,023,262	2,187,864	2,447,031
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	—	—	—	—
Other reserve	174,552	196,498	211,007	(92,861)
Retained earnings	294,159	578,368	619,343	727,611
Currency translation differences	35	122	(9,002)	(10,644)
	468,746	774,988	821,348	624,106
Non-controlling interests	68,670	153,837	191,839	203,899
Total equity	537,416	928,825	1,013,187	828,005
LIABILITIES				
Non-current liabilities				
Borrowings	15,300	15,712	12,078	2,375
Deferred income tax liabilities	—	50,357	60,991	71,715
	15,300	66,069	73,069	74,090
Current liabilities				
Deferred revenue	592	1,287	5,574	5,549
Trade and other payables	501,499	725,200	662,784	883,445
Current income tax liabilities	4,828	5,662	6,932	14,529
Derivative financial instruments	—	—	—	3,090
Borrowings	157,150	296,219	426,318	637,514
	664,069	1,028,368	1,101,608	1,544,127
Liabilities directly associated with the disposal group held for sale	—	—	—	809
	664,069	1,028,368	1,101,608	1,544,936
Total liabilities	679,369	1,094,437	1,174,677	1,619,026
Total equity and liabilities	1,216,785	2,023,262	2,187,864	2,447,031
Net current assets	170,958	365,908	316,340	11,860
Total assets less current liabilities	552,716	994,894	1,086,256	902,095

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2010

We believe that on the basis as set out in Appendix III to this prospectus and in absence of unforeseen circumstances as set forth in Rule 11.17 of the Listing Rules, our unaudited estimated combined profit attributable to equity holders of the Company for the year ended December 31, 2010 is expected to be not less than RMB172.0 million, and our unaudited pro forma estimated earnings per Share based on estimated combined profit attributable to equity holders of the Company is expected to be not less than RMB0.11 under HKFRS. We will publish our preliminary results for the year ended December 31, 2010 on or before March 31, 2011 pursuant to Rule 13.49 of the Listing Rules.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering), assuming an Offer Price of HK$3.10 per Share, which represents the mid-point of the proposed Offer Price range of HK$2.50 to HK$3.70 per Share, will be approximately HK$1,161 million. In the event that the Offer Price is determined at the low end and high end of the indicative Offer Price range, the net proceeds from the issue of new Shares will be approximately HK$928 million and HK$1,394 million, respectively. Based on an Offer Price of HK$3.10 per Share (being the mid-point of the Offer Price range), we currently intend to apply these net proceeds for the following purposes:

- approximately 28%, or HK$329 million, for the expansion of our oilfield services business, including
  - approximately 19%, or HK$223 million, for payments towards purchases of drilling rigs; and
  - approximately 9%, or HK$106 million, for payments towards purchases of other equipment;

  we expect all of the net proceeds in this category to be applied by the end of 2012;

- approximately 25%, or HK$290 million, for the expansion of our coating materials and services business, including
  - approximately 12%, or HK$143 million, for the construction of line pipe coating services plants in the PRC;
  - approximately 10%, or HK$117 million, for the construction of OCTG coating services plants overseas; and
  - approximately 3%, or HK$30 million, for the expansion and upgrade of production capacity for coating materials;

  we expect approximately 13%, or HK$147 million, to be applied by the end of 2011 and the remaining 12% to be applied in 2012;

- approximately 20%, or HK$235 million, for the repayment of bank borrowings, including a principal of HK$156 million with interest rate of HIBOR plus 5% and a maturity date on the earlier of (i) the redemption of the equity interest of UMW and (ii) the listing of our Company;

- approximately 16%, or HK$188 million, for the repayment of outstanding balances due to related parties;

- approximately 10%, or HK$118 million, for upgrading of production capacity for our drill pipes
  - approximately 5%, or HK$64 million, for upgrading of existing drill pipe production lines to improve production efficiency and to develop production capabilities in high-end products;

    - approximately 5%, or HK$54 million, for development of production capabilities in "intelligent" drill pipes;

  we expect approximately 5%, or HK$64 million, to be applied by the end of 2011 and the remaining 5% to be applied in the first half of 2012; and

- approximately 1%, or HK$1 million, for working capital and general corporate purposes.

For more information on our planned production capacity and rig count after the Global Offering, see "Business—Business Strategy."

If the Offer Price is set above the mid-point of the proposed Offer Price range, we intend to apply the additional amounts towards merger and acquisition activities and repayment of bank borrowings. If the Offer Price is set below the mid-point of the proposed Offer Price range, we intend to reduce the amounts allocated to the above uses of proceeds on a pro rata basis, other than for the repayment of outstanding balances to related parties, which we still intend to repay in full. To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes, we intend to deposit the proceeds into our accounts with licensed financial institutions.

Hilong Group Limited, one of our Controlling Shareholders, (in such capacity, the "Selling Shareholder") will be selling a portion of its Shares pursuant to the exercise of the Over-allotment Option by the Sole Global Coordinator on behalf of the International Underwriters, after consultation with the Joint Bookrunners as part of the Global Offering. If the Over-allotment Option is exercised in full, we estimate that the aggregate net proceeds to the Selling Shareholder from the Global Offering (after deducting underwriting commissions and estimated expenses payable by it in connection with the Global Offering), assuming an Offer Price of HK$3.10 per Share, will be approximately HK$180 million. In the event that the Offer Price is determined at the low end and high end of the indicative Offer Price range, assuming a full exercise of the Over-allotment Option, the net proceeds to the Selling Shareholder from the Global Offering will be approximately HK$146 million and HK$215 million, respectively. We will not receive any of the proceeds from the sale of Shares by the Selling Shareholder in the Global Offering.

PRE-IPO SHARE OPTION SCHEME

We adopted a Pre-IPO Share Option Scheme which became effective on January 1, 2011, details of which are set out in Appendix VII headed "Statutory and General Information—Pre-IPO Share Option Scheme" to this prospectus.

As at the Latest Practicable Date, options to subscribe for an aggregate of 46,322,000 Shares have been granted to 225 grantees under 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 2.8%. If calculated based on (i) 1,646,322,000 Shares, the assumed number of Shares to be in issue and outstanding throughout the year ended December 31, 2010 solely for purposes of this calculation, comprising 1,600,000,000 Shares to be in issue immediately after the Global Offering and 46,322,000 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, and (ii) our unaudited estimated combined profit attributable to equity holders of the Company for the year ended December 31, 2010, our unaudited pro forma estimated earnings per Share for the year ended December 31, 2010 would not have materially and adversely decreased. Pursuant to the terms of the Pre-IPO Share Option Scheme, no grantee may exercise the outstanding options granted under the Pre-IPO Share Option Scheme prior to the end of the stabilization period, being the 30th day after the last day for lodging applications under the Public Offer. In addition, the grantee may only exercise the options under the Pre-IPO Share Option Scheme once during the period from the date of our formal application for listing to the date on which the price range of the Offer Price is determined on the condition that the total number of options exercised during such period by a particular grantee shall be on a pro-rata basis as determined by the Board with reference to the number of existing Shares to be offered pursuant to the Global Offering. No further options will be granted under the Pre-IPO Share Option Scheme after the Listing Date. Starting in 2011, we expect to incur additional costs and expenses relating to our share option scheme. None of the grantees has exercised the options under the Pre-IPO Share Option Scheme during the period from the date of our formal application for listing to the Latest Practicable Date.

DIVIDENDS

We declared dividends in the amount of RMB13.4 million, RMB108.3 million, RMB9.0 million and RMB10.0 million in 2007, 2008, 2009 and the nine months ended September 30, 2010, respectively.

We will not declare or pay any dividends other than from distributable profit attributable to equity holders. Our shareholders may approve the distribution of dividends in a general meeting, but the amount may not exceed the amount recommended by our Directors. Our Directors may from time to time also declare interim dividends as appear to our Directors to be justified by our profits and may also declare half yearly or at other intervals at a fixed rate if they are of the opinion that the profits available for distribution justify the payment of dividends.

The amount of any dividends to be declared or paid in the future will depend on, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on our articles of association, the Companies Law, applicable laws and regulations and other relevant factors.

OFFERING STATISTICS[1]

	Based on an Offer Price of HK$2.50 per Share	Based on an Offer Price of HK$3.70 per Share
Market capitalization of our Shares[2]	HK$4,000 million	HK$5,920 million
Unaudited pro forma adjusted combined net tangible asset value per Share[3]	HK$1.02	HK$1.31

(1) All statistics in this table are presented based on the assumption that options granted under the Pre-IPO Share Option Scheme and the Over-allotment Option are not exercised.
(2) The calculation of market capitalization is based on 1,600,000,000 Shares expected to be in issue and outstanding following the completion of the Global Offering.
(3) The unaudited pro forma adjusted combined net tangible asset value per Share is arrived at after the adjustments referred to in the section entitled Appendix II—"Unaudited Pro Forma Financial Information" and on the basis of 1,600,000,000 Shares expected to be in issue and outstanding following the completion of the Global Offering.

RISK FACTORS

There are certain risks involved in our business and operations and in connection with the Global Offering. Such risks can be categorized into (i) risks relating to our business and industry; (ii) risks relating to the PRC; and (iii) risks relating to the Global Offering. Please refer to "Risk Factors" in this prospectus for further details.

Risks Relating to Our Business and Industry

- Declines in domestic and international oil and natural gas prices, or domestic and international exploration, drilling and production activities, may adversely affect our profitability.
- The recent global financial crisis has had and may continue to have material adverse effect upon our business, financial condition and results of operations.
- It is difficult to evaluate our results of operations and future prospects due to the significant fluctuation in our historical performance and our limited operating history.
- We may fail to renew our certification as a supplier of CNPC, Sinopec, or our other key customers.
- We may fail to secure engagements for new projects through competitive bidding.
- We depend on a limited number of customers.
- We do not have long-term purchase contracts from our customers.

- We may experience shortages or price increases of raw materials and components.
- We depend on a limited number of suppliers.
- We are vulnerable to the delay or rescheduling of oil and gas pipeline projects.
- We face intense competition in our industry, and failure to compete effectively may adversely affect our business and prospects.
- Loss of or failure to renew the API Monogram, NS-1 Certifications, or other licenses certifying that our products meet benchmark quality standards could materially and adversely affect our business.
- If we fail to develop or adopt new production technologies, our business and prospects may be harmed.
- Our investment in the development of new technologies may not lead to commercial success.
- Our historical outstanding trade receivables and the turnover days of our trade receivables have been relatively high.
- Any failure in accurately predicting product demand may result in high inventory balances and inventory turnover days, which could materially and adversely affect our business, financial condition and results of operations.
- Power shortages or substantial increase in energy costs could have an adverse impact on our operations.
- Our business strategy of growth through investments, acquisitions and strategic cooperation may not succeed.
- We face certain risks inherent in our overseas operations and risks associated with the international expansion of our business.
- We cannot assure you that we will be able to effectively manage or obtain adequate financing for our planned expansion.
- Protectionist measures such as initiation of anti-dumping and anti-subsidy proceedings and imposition of anti-dumping and/or countervailing duties by governments in our overseas markets could materially and adversely affect our export sales.
- We may be unable to prevent possible resale or transfer of our products to countries, governments, entities, or persons targeted by United States economic sanctions.
- Our products may contain undetected flaws or defects. Our business and reputation may be affected by product liability claims, litigation, complaints or adverse publicity in relation to our products.
- The oil and gas equipment manufacturing industry is subject to regulation, and we may not successfully obtain and maintain the necessary regulatory permits, approvals or clearance for the production and sale of our products in certain markets.
- We are required to comply with various environmental, safety and health laws and regulations which are extensive and the compliance of which may be onerous or expensive.
- Failure to maintain a safety performance standard that is acceptable to our customers could result in the loss of future business.

- Our business operations and manufacturing facilities may be adversely affected by unexpected interruptions in production, operating hazards and natural disasters.

- Our business operations involve risks and occupational hazards.

- We face certain risks relating to the real properties that we own, use or lease.

- If disruptions in our transportation network occur or our transportation costs substantially increase, we may be unable to deliver our products in a timely manner and our cost of sales could increase.

- Severe weather conditions may affect our operations.

- We may not maintain sufficient insurance coverage for the risks associated with our business operations.

- Our interests may conflict with those of Mr. Zhang, who may take actions that are not in, or may conflict with, our or our public shareholders' best interests.

- Any material disputes between us and our joint venture partners may adversely affect the results of operations and financial condition of the relevant joint venture and, if unresolved, could potentially lead to a termination of that joint venture.

- If we are unable to attract and retain members of our senior management team and other skilled personnel, our operations could be disrupted and the growth of our business could be delayed or restricted.

- Failure to protect our intellectual property rights may materially and adversely affect our competitive position and operations and we may be exposed to infringement or misappropriation claims by third parties.

- Our historical dividends may not be indicative of our future dividends.

- An occurrence of a widespread health epidemics and other outbreaks could have a material adverse effect on our results of operations.

Risks Relating to the PRC

- Adverse changes in China's economic, political, and social conditions, as well as governmental policies could have a material adverse effect on China's overall economic growth, which in turn, could materially and adversely affect our business, financial condition and results of operations.

- PRC regulation of loans and direct investments by offshore holding companies to PRC entities may delay or prevent us from using the proceeds we receive from this offering to make loans or additional capital contributions to our PRC operating subsidiaries.

- Fluctuations in exchange rate may have a material adverse effect on your investment.

- Failure to comply with the SAFE regulations relating to registration of interests by our PRC resident beneficial owners may adversely affect our business operations.

- The payment of dividends by our operating subsidiaries in China is subject to restrictions under PRC law.

- Any change in the preferential tax treatment we currently enjoy in the PRC may have an adverse impact on our results of operations.

- We face uncertainty with respect to transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

- There are uncertainties regarding the interpretation and enforcement of PRC laws and regulations.

- It may be difficult to serve process within the PRC or to enforce any judgments obtained from non-PRC courts against us or our Directors.

- The implementation of the PRC Labor Contract Law and the Implementation Regulation for the PRC Labor Contract Law may increase our operating expenses and may adversely affect our business and results of operations.

Risks Relating to the Global Offering

- Current volatility in the global financial markets could cause significant fluctuations in the price of our Shares.

- Issuance of Shares pursuant to the Pre-IPO Share Option Scheme will result in dilution to your shareholding in our Company and dilution of the earnings per share.

- If an active market for our Shares does not develop after the Global Offering, the market price and liquidity of our Shares may be materially and adversely affected.

- The liquidity and market price of our Shares following the Global Offering may be volatile, which may result in substantial losses for investors purchasing our Shares in the Global Offering.

- Our Share price may be affected if additional Shares are sold by our substantial shareholder or are issued by us.

- The Laws of the Cayman Islands relating to the protection of the interests of minority shareholders are different from those in Hong Kong.

- Purchase of Offer Shares will incur an immediate and substantial dilution as a result of the Global Offering.

- We strongly caution you not to place any reliance on any information contained in press articles or other media regarding our Global Offering.