This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read the prospectus in its entirety before you decide to invest in the Offer Shares.

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

OVERVIEW

We are one of the largest developers and manufacturers of polyester filament yarns in China, including drawn textured yarn, or DTY, and fully drawn yarn, or FDY, the two main polyester filament yarns, which have a variety of end applications in consumer products, including apparel, footwear and home furnishings. We also produce partially oriented yarn, or POY, which may be used as a raw material for our DTY or sold separately to our customers. As of December 31, 2010, we had a designed capacity of approximately 450,000 tpa of FDY and POY and a designed capacity of approximately 260,000 tpa of DTY, which add up to a combined designed capacity of approximately 710,000 tpa of DTY, FDY and POY. According to CMAI, in 2010, we were the sixth largest manufacturer in China in terms of combined designed capacity of DTY, FDY and POY, and we were the second largest DTY manufacturer in China in terms of designed capacity.[(1)]

Our sales are primarily focused in south China. According to CMAI, we were the largest manufacturer in terms of both designed capacity of DTY and designed capacity of FDY and POY in south China in 2010; and south China represented approximately 6.3% of China's total designed capacity for the polyester filament yarn market in 2010. According to Frost & Sullivan, the apparel and footwear industry is expected to experience rapid growth in south China and, in particular, Fujian and Guangdong provinces are expected to grow from representing 33.3% of China's entire production volume in 2009 to representing 45.0% of China's entire production volume by 2015. CMAI expects that the demand for polyester filament yarns in south China will continue to increase and there will continue to be a supply shortage of polyester filament yarns for the coming years in south China.

A majority of our DTY and FDY are "differentiated", which is recognized in the industry as having special physical features and functionalities achieved through diversifying the chemical components of the filament or through changing the shape or linear density of the filament. We are able to produce differentiated DTY and FDY with special features and functionalities, such as ultraviolet resistant, water absorbing and sweat-dissipating, flame resistant, anti-abrasion, ultra-soft, ultra-white, ultra-bright and anti-bacterial. These products are widely utilized in the production of high-end fabrics and textiles for various consumer products that require such special features or functionalities. We believe that with increased disposable income, consumers in China will gradually increase their demand for more diversified properties of apparel, footwear and home furnishings. As a result, we expect the demand for differentiated polyester filament yarns to continue to be higher than the demand for regular polyester filament yarns.

Note:

(1) The polyester filament yarn industry uses "designed capacity" as a ranking tool as the production volume for polyester filament yarns may vary depending on the thickness, or linear density, of the yarns produced, while "designed capacity" is calculated by using a uniform linear density of 150D, which according to CMAI, is the most common linear density in the industry, thus creating a consistent basis for comparison.

We market and sell our polyester filament yarns under our brands "百宏" and "Billion". Our customers are mainly fabric and textile manufacturers based in China who produce and sell knitted fabrics and textiles to manufacturers of apparel, footwear and home furnishings. We also directly export a small portion of our products to North America, Europe, Southeast Asia and South America. In 2010,we sold polyester filament yarns to approximately 2,100 customers in China and elsewhere in the world. Due to our established reputation in the polyester filament yarn industry and our ability to provide a wide variety of high-quality differentiated polyester filament yarns, many well-known leading apparel and footwear manufacturers in China, with whom we have no direct business relationship, have specifically requested their suppliers to supply fabrics and textiles made from our polyester filament yarns. These manufacturers include listed companies, such as Anta (安踏), 361 Degrees (361度), Xtep (特步), Peak (匹克), Lilanz (利郎), SeptWolves (七匹狼), and certain well-known apparel companies, such as K-boxing (勁霸). Many leading Chinese fabric and textile manufacturers are our direct customers who provide high-quality fabrics and textiles to domestic and international branded apparel companies, including several Hong Kong listed and China's A-share listed companies, such as Fynex Textile (鳳竹), some of which have established long-term relationships with us. We have also been appointed by SBS Zipper (SBS 潯興), China's largest and the world's second largest manufacturer of zippers, and one of our direct customers, as one of its designated suppliers for polyester filament yarns. In addition, we also have many direct overseas customers, including Bekaert, a multi-national home textile company based in Europe, and Universal Tekstil, a large textile manufacturer in Turkey.

In 2010, with the increasing recognition of our brand name and as we established closer relationships with our customers, we entered into annual strategic framework agreements with 186 of our large customers. These framework agreements, which are legally binding, provide for minimum purchase volume commitments by our customers, the collaborative research and development of differentiated polyester filament yarns and the sharing of various market information. Our revenue generated from customers who entered into such framework agreements was RMB2,484.2 million for the year ended December 31, 2010, accounting for 57.6% of our total revenue in 2010. All of these customers renewed their framework agreements with us in 2011, and substantially all of these agreements provide for equal or higher minimum purchase volume commitments.

Supported by our highly qualified research and development staff, comprising approximately 500 engineers and researchers, we have independently developed 19 types of differentiated polyester filament yarns, for which we have obtained patents for 17 types in the PRC and have applied for patents in the PRC for the remaining two types. Of these 19 types of differentiated polyester filament yarns, we currently manufacture and sell 11 patented products to our customers. Of the remaining eight types of differentiated polyester filament yarns, six are being tested for production and two have passed trial production, and we plan to offer all of them in the future. Our revenue from patented differentiated polyester filament yarns as well as those under the patent application process amounted to RMB2,817.5 million for the year ended December 31, 2010, representing 65.4% of our total revenue in 2010. We believe our patented products are well recognized and highly competitive in the domestic and global markets. We also believe that our products undergoing patent applications have the potential to help us gain more market share in the differentiated polyester filament yarn market.

During the Track Record Period, we received various awards for our achievements. With our advanced research and development capabilities and achievements, we were recognized by China National Textile and Apparel Council, China Chemical Fiber Industry Association and China Textile Product Development Center as a National Development Site for Functional Differentiated Polyester Filament Yarns* (國家功能性差別化聚酯纖維開發基地). In addition, we were recognized as a High and New Technology Enterprise* (高新技術企業), Provincial Enterprise Technology Center of Fujian Province* (福建省省級企業技術中心) and Fujian Province Innovative Pioneer Enterprise* (福建省創新試點企業) by the relevant provincial bureaus of Fujian Province. We were also selected as one of the Top One Hundred Key Industrial Enterprises in Fujian Province* (福建省百家重點工業企業) by Fujian Province Economy and Trade Committee, and were identified as one of the Top One Hundred Enterprises in Fujian Province* (福建企業100強) by Fujian Enterprise Evaluation Association, as well as AA Type Custom Administration Enterprise* (海關AA類管理企業) by Xiamen Custom and A Level Credible Tax Payer* (納稅信用A級納稅人) and one of the Top One Hundred Tax Paying Enterprises in Fujian Province for 2010* (福建省2010納稅百強企業) jointly by the state and local tax bureau of Fujian Province.

We commenced commercial production of polyester filament yarns in 2005 in the Fenglin Industrial Zone located in Longhu County, Jinjiang City, Fujian Province. Through organic growth, our designed capacity of FDY and POY increased from approximately 200,000 tpa as of January 1, 2008 to approximately 450,000 tpa as of December 31, 2010. We plan to further increase our designed capacity of FDY and POY at our current production site to approximately 475,000 tpa in June 2011. Our designed capacity of DTY increased from approximately 110,000 tpa as of January 1, 2008 to approximately 260,000 tpa as of December 31, 2010, and we plan to increase our designed capacity of DTY at our current production site to approximately 305,000 tpa by June 2011. In addition, we plan to construct a new production site, which is expected to commence productions progressively starting from November 2011, to increase our designed capacity of FDY and POY by approximately 310,000 tpa to approximately 785,000 tpa and of DTY by approximately 188,000 tpa to approximately 493,000 tpa by the end of 2013 upon its completion.

Our primary raw materials for the production of polyester filament yarns are PTA and MEG, both of which are crude oil-based downstream commodities. Although there are a large number of PTA and MEG suppliers in China, we purchase substantially all of our PTA and MEG from a limited number of suppliers that have consistently supplied us with qualified raw materials at favorable discounts in large volumes and in a timely manner. We enter into annual supply agreements with some of these suppliers. We have more than four years of business relationships with our two largest suppliers and have on average more than two years of business relationships with our other large suppliers. During the Track Record Period, we did not experience any shortage of supply of PTA or MEG. Purchases from our five largest suppliers of raw materials accounted for 82.6%, 85.6% and 75.6% of our total purchases of raw materials for the years ended December 31, 2008, 2009 and 2010, respectively, and purchases from our largest supplier of raw materials accounted for 41.1%, 53.8% and 44.4% of our total purchases of raw materials during the respective periods.

For the years ended December 31, 2008, 2009 and 2010, our revenue was RMB2,113.6 million, RMB2,963.1 million and RMB4,309.7 million, respectively. Our gross profit for the same periods was RMB124.5 million, RMB249.6 million and RMB630.9 million, respectively, our gross profit margin for the same periods was 5.9%, 8.4% and 14.6%, respectively, and our net profit for the same periods was RMB56.7 million, RMB101.4 million and RMB446.0 million, respectively. The increase in our sales volume contributed to the increase in our revenue, which was primarily due to the continuous expansion of our production capacities and because the demand for our products and their end products, primarily apparel and footwear, recovered after the global financial crisis in 2008. The substantial increase in our gross profit margin for the year ended December 31, 2010 was primarily due to the increase in the average sales prices of our products at a much faster rate than that of our raw material prices, which was driven by the increasing market demand, as the domestic economies recovered from the financial crisis, and was stimulated by the substantial increase in the price of cotton. In particular, cotton prices increased substantially in the fourth quarter of 2010, during which time the market demonstrated a strong demand for polyester filament yarns, which have the ability to serve as a substitute for cotton yarns to some extent. CMAI expects that the market will continue to demonstrate a strong demand for polyester filament yarns, which will continue to be used as partial substitutes for cotton yarns, considering the short supply of cotton in the near future, the continuous wide price difference between cotton yarns and polyester filament yarns, and the continuing development of technologies used to manufacture polyester filament yarns that have more cotton yarn-like features and additional advantages.

OUR COMPETITIVE STRENGTHS

We believe that our success is attributable to the following competitive strengths:

- We are a leader in the polyester filament yarn industry in China, the largest polyester filament yarn market in the world;
- Our strong research and development and commercialization capabilities allow us to offer a comprehensive portfolio of differentiated polyester filament yarns with higher profit margins;
- We are well-positioned to benefit from the rapid growth of China's consumer product market;
- We are strategically located in an area with developed upstream and downstream industries as well as convenient transportation networks;
- We provide high-quality products and timely services which help us build our brand awareness and customer loyalty; and
- We are led by a professional management team with extensive experience in the industry.

For details of our competitive strengths, please see "Business — Our Competitive Strengths" in this prospectus.

OUR BUSINESS STRATEGIES

Our goal is to maintain the leading position in the polyester filament yarn industry in China and continue to increase our market share. We will continue to seek opportunities to achieve business growth and maximize the benefits to our shareholders. We plan to achieve this goal through the following strategies:

- Further expand our production capacity and improve our production efficiency and product quality;
- Continue to utilize technologically advanced equipment to produce differentiated products with strong demand and special features and functionalities;
- Continue to strengthen our research and development capabilities and further commercialize our new products; and
- Further expand our marketing network and strengthen our relationships with fabric and textile manufacturers and end customers to enhance our brand awareness and reputation.

For details of our business strategies, please see "Business — Our Business Strategies" in this prospectus.

SUMMARY HISTORICAL FINANCIAL INFORMATION

Combined Statements of Comprehensive Income

The table below sets forth our selected combined statements of comprehensive income information for the years ended December 31, 2008, 2009 and 2010:

	Year ended December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Revenue	**2,113,614**	**2,963,098**	**4,309,731**
Cost of sales	(1,989,150)	(2,713,454)	(3,678,783)
Gross profit	**124,464**	**249,644**	**630,948**
Other revenue	42,705	28,223	35,073
Other net (loss)/gain	452	(2,574)	21,287
Distribution costs	(8,384)	(25,055)	(26,580)
Administrative expenses	(23,774)	(81,851)	(91,049)
Profit from operations	135,463	168,387	569,679
Finance costs	(63,062)	(40,013)	(32,227)
Profit before taxation	72,401	128,374	537,452
Income tax	(15,677)	(26,978)	(91,493)
Profit and total comprehensive income for the year	**56,724**	**101,396**	**445,959**

Combined Balance Sheets

The table below sets forth our selected combined balance sheets information as of December 31, 2008, 2009 and 2010:

	As of December 31,		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Non-current assets	2,473,132	2,490,325	2,498,477
Current assets	1,869,712	1,866,806	2,037,526
Current liabilities	(2,351,710)	(2,243,272)	(1,883,674)
Total assets less current liabilities	1,991,134	2,113,859	2,652,329
Non-current liabilities	(116,011)	(132,274)	(296,790)
Net assets	1,875,123	1,981,585	2,355,539

Combined Cash Flow Statements

The table below sets forth our selected combined cash flow information for the years ended December 31, 2008, 2009 and 2010:

	Year ended December 31,		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Net cash generated from/(used in) operating activities	(130,692)	1,016,830	(36,556)
Net cash (used in) /generated from investing activities	(169,353)	(150,821)	88,542
Net cash generated from/(used in) financing activities	373,385	(825,470)	(38,029)
Net increase in cash and cash equivalents	73,340	40,539	13,957

OTHER HISTORICAL FINANCIAL INFORMATION

The tables below set forth our revenue breakdown by geographical area and by product for the years ended December 31, 2008, 2009 and 2010:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
Domestic sales						
Fujian Province	1,738,878	82.3	2,301,057	77.7	3,276,500	76.0
Guangdong Province	205,353	9.7	321,722	10.9	569,691	13.2
Other Provinces	25,326	1.2	27,012	0.8	46,975	1.1
Export sales	144,057	6.8	313,307	10.6	416,565	9.7
Total	**2,113,614**	**100.0**	**2,963,098**	**100.0**	**4,309,731**	**100.0**

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
DTY	1,148,892	54.4	2,207,113	74.5	2,870,583	66.6
FDY	417,667	19.8	358,920	12.1	940,102	21.8
POY	379,479	17.9	211,240	7.1	122,709	2.9
Others(1)	167,576	7.9	185,825	6.3	376,337	8.7
Total	2,113,614	100.0	2,963,098	100.0	4,309,731	100.0

Note:

(1) Others represents PET chips and wasted filament.

PROFIT FORECAST

We believe that, in the absence of unforeseen circumstances, our forecast profit after taxation for the year ending December 31, 2011 is unlikely to be less than RMB847.5 million. On a pro forma basis and on the assumption that we had been listed since January 1, 2011 and a total of 2,299,000,000 Shares were issued and outstanding during the entire year, our pro forma forecast earnings per Share for the year ending December 31, 2011 is unlikely to be less than RMB0.369.

The above forecasts have been prepared on the basis of the accounting policies being consistent in all material aspects with those currently adopted by us as summarized in "Appendix I — Accountants' Report" in this prospectus and have been prepared based on the principal assumptions set out in "Appendix III — Profit Forecast" in this prospectus. In preparing the above forecasts, our management has also considered the minimum volume of products that may be purchased by our large customers under the framework agreements.

SENSITIVITY ANALYSIS

The average sales prices of our products and the average purchase prices of our raw materials fluctuated during the Track Record Period. The average sales prices of our products were RMB10,610 per ton, RMB8,845 per ton and RMB11,362 per ton for the years ended December 31, 2008, 2009 and 2010, respectively. Our average purchase price of PTA was RMB6,223 per ton, RMB5,913 per ton and RMB6,741 per ton and our average purchase price of MEG was RMB6,330 per ton, RMB4,395 per ton and RMB6,108 per ton for the years ended December 31, 2008, 2009 and 2010, respectively. The changes in the average sales prices of our products and the average purchase prices of our raw materials have affected our results of operations in the past and may have an impact on our profit in the future. For details of such historical effect, please see "Financial Information — Factors Affecting Our Results of Operations and Financial Condition" and "Financial Information — Results of Our Operations" in this prospectus. The following sensitivity analysis illustrates the impact of hypothetical changes in the average sales price per ton of our products, the average purchase price per ton of PTA and the average purchase price per ton of MEG on our forecast profit after taxation and the resulting forecast profit after taxation for the year ending December 31, 2011.

% change in average sales price per ton of our products	-15%	-10%	-5%	+5%	+10%	+15%
Impact on our forecast profit after taxation (RMB million)	(676.5)	(451.0)	(225.5)	225.5	451.0	676.5
Resulting forecast profit after taxation (RMB million)	171.1	396.5	622.0	1,073.0	1,298.5	1,524.0
% change in average purchase price per ton of PTA	-15%	-10%	-5%	+5%	+10%	+15%
Impact on our forecast profit after taxation (RMB million)	312.7	208.5	104.2	(104.2)	(208.5)	(312.7)
Resulting forecast profit after taxation (RMB million)	1,160.2	1,056.0	951.8	743.3	639.0	534.8
% change in average purchase price per ton of MEG	-15%	–10%	–5%	+5%	+10%	+15%
Impact on our forecast profit after taxation (RMB million)	100.4	66.9	33.5	(33.5)	(66.9)	(100.4)
Resulting forecast profit after taxation (RMB million)	947.9	914.5	881.0	814.0	780.6	747.1

The table above includes forward-looking information and is for illustrative purposes only. Please see "Forward-looking Statements" in this prospectus. For risks related to the average sales prices of our products and the average purchase prices of our raw materials see "Risk Factors — Risks Relating to Our Business – Our business and profitability may be affected by fluctuations in raw material prices as we may not always be able to pass on the increase in raw material costs to our customers" and "— We may not be able to maintain the increasing trend of our gross profit margins or to maintain our profit margins at the levels we recorded during the Track Record Period."

OFFER STATISTICS

	Based on an Offer Price of HK$4.53 per Share	Based on an Offer Price of HK$6.08 per Share
Market capitalization of our Shares[1]	HK$10,414.5 million	HK$13,977.9 million
Prospective price/earnings multiple on pro forma basis[2]	10.3 times	13.8 times
Unaudited pro forma adjusted net tangible assets per Share[3]	HK$2.20	HK$2.58

Notes:

(1) All statistics in this table are based on the assumption that the Over-allotment Option is not exercised. The calculation of market capitalization is based on 2,299,000,000 Shares expected to be issued and outstanding following completion of the Global Offering.

(2) The calculation of the prospective price/earnings multiple on a pro forma basis is based on our forecast earnings per Share for the year ending December 31, 2011 and the forecast earnings is converted to HK dollars at the rate of RMB1.00 to HK$1.1950. Such translations should not be construed as representations that amounts in HK dollars were or may have been converted into Renminbi at such rates or any other exchange rates, or vice versa.

(3) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information" and is based on 2,299,000,000 Shares expected to be issued and outstanding following completion of the Global Offering.

The unaudited pro forma adjusted net tangible assets per Share has been prepared as if the Global Offering had taken place on December 31, 2010, therefore, no adjustment has been made to reflect any trading and other transactions of our Group entered into subsequent to December 31, 2010. In particular, no account has been taken in respect of the dividend of RMB324.6 million declared by Billion Fujian on January 10, 2011, which was paid to Billion H.K., its then shareholder, on January 17, 2011. Had such dividend been declared as of December 31, 2010, our unaudited pro forma adjusted net tangible assets would have been reduced by RMB324.6 million and our unaudited pro forma adjusted net tangible assets per Share would have been reduced by RMB0.14.

DIVIDEND POLICY

Billion Fujian, our sole operating subsidiary in the PRC, declared dividends for the distributable profits generated for the years between 2005 and 2007, which were paid to Billion H.K. on April 21, 2010 in the amount of RMB66.4 million. Billion Fujian also declared dividends of RMB33.7 million, RMB79.9 million and RMB324.6 million for the distributable profits generated for the years ended December 31, 2008, 2009 and 2010, respectively. These dividends were paid to Billion H.K. in May 2010, June 2010 and January 2011, respectively.

PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions, including HKFRS. PRC laws also require foreign-invested enterprises, such as our subsidiary in the PRC, to set aside part of their net profit as statutory reserves. These statutory reserves may not be distributed as cash dividends. Under the applicable PRC law, our subsidiary in the PRC may only distribute its after-tax profits after it has made allocations or allowances for (i) recovery of accumulated losses; (ii) allocations to the statutory reserves; and (iii) allocation to a discretionary common reserve fund as may be approved by its board of directors.

Following completion of the Global Offering, all of our Shareholders will be entitled to receive dividends if we declare dividends to our Shareholders. The payment and the amount of any dividends will be at the discretion of our Directors and will depend on, among other things, our results of operations and earnings, cash flows and general financial condition, capital requirements and surplus, the amount of distributable profit, the constitution of our Company, the applicable laws and regulations and other factors that our Directors may consider as relevant.

Our Directors currently do not intend for Billion Fujian, our sole PRC subsidiary, to distribute any of its remaining undistributed earnings to Billion Development, our Hong Kong subsidiary and the holding entity of Billion Fujian, in the foreseeable future. In the event our Directors determine to declare and pay dividends by our Company to our Shareholders, our Directors may, at their sole discretion, determine the manner, currency and sources of our dividend, as they deem appropriate, and we may use cash from operating, investing or financing activities of our Company, if any, to finance the payment of dividends to our Shareholders. There is no guarantee, representation or indication that we must or will declare and pay dividends or declare and pay any dividend in any manner or currency.

You should note that historical dividend distributions are not indicative of our future dividend policy.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$2,931.5 million from the Global Offering, assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions (excluding any discretionary incentive fees) and other estimated offering expenses payable by us and assuming the initial public Offer Price of HK$5.305 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus.

We intend to use the proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 74.5% (HK$2,183.9 million) for the construction and installation of our new production site in Jinjiang City with a designed capacity of FDY and POY of approximately 310,000 tpa and a designed capacity of DTY of approximately 188,000 tpa and an operation center in Quanzhou City, of which (i) approximately 7.9% (HK$172.5 million) is intended to be used for the payment for land use rights and related fees for the new production site, which we intend to apply for; (ii) approximately 44.1% (HK$963.1 million) is intended to be used for the payment for imported equipment; (iii) approximately 26.3% (HK$574.4 million) is intended to be used for the payment for domestic equipment; and (iv) approximately 21.7% (HK$473.9 million) is intended to be used for the payment for construction of production facilities, the operation center in Quanzhou City and related costs. Please refer to the sections headed "Business — Production — Production Facilities and Capacity" and "Business — Real Properties" for detailed information;

- approximately 6.0% (HK$175.9 million) for the construction and installation of our additional production facilities at our current production base with a designed capacity of FDY and POY of approximately 25,000 tpa and a designed capacity of DTY of approximately 45,000 tpa, of which (i) approximately 21.7% (HK$38.2 million) is intended to be used for the payment for land use right fees, construction of production facilities and related costs; (ii) approximately 50.0% (HK$87.9 million) is intended to be used for the payment for imported equipment; and (iii) approximately 28.3% (HK$49.8 million) is intended to be used for the payment for domestic equipment. Please refer to the sections headed "Business — Production — Production Facilities and Capacity" and "Business — Real Properties" for detailed information;

- approximately 5.0% (HK$146.6 million) for the repayment of a portion of our RMB200.0 million short-term bank borrowings we drew down from our credit lines granted by China Construction Bank and Agriculture Bank of China;

- approximately 3.0% (HK$87.9 million) for the further enhancement of our research and development capabilities, including hiring more senior and experienced experts and engineers, buying more advanced research and development equipment and testing equipment, cooperating with third party research and development institutes and establishing a National Standard Laboratory;

- approximately 1.5% (HK$44.0 million) for the further expansion of our sales networks and promoting our brand awareness, including attending industrial exhibitions in China and abroad, and advertising through various medias, such as Internet, outdoor billboards, newspapers and magazines; and

- approximately 10.0% (HK$293.2 million) for working capital and general corporate purposes.

In the event that the Offer Price is set at the high-end of the proposed Offer Price range and the Over-allotment Option is not exercised, we will receive net proceeds of approximately HK$3,365.8 million. We currently intend to apply the additional net proceeds for the purposes set forth above on a pro rata basis.

In the event that the Offer Price is set at the low-end of the proposed Offer Price range, we will receive reduced net proceeds of approximately HK$2,497.2 million. In such case, the amount of net proceeds assigned for purposes set forth above will be reduced on a pro rata basis. To the extent the net proceeds are not sufficient to fund the uses set forth above, we currently intend to finance the shortfall by cash flows from operating activities and/or financing activities.

If the Over-allotment Option is exercised in full, the net proceeds from the Global Offering will increase to approximately HK$3,377.4 million, assuming an Offer Price of HK$5.305 per Share, being the mid-point of the proposed Offer Price range. If the Offer Price is set at the high-end or low-end of the proposed Offer Price range, the net proceeds of the Global Offering (including the proceeds from the exercise of the Over-allotment Option) will increase or decrease by approximately HK$499.4 million, respectively. We intend to apply the additional net proceeds for the purposes set forth above on a pro rata basis or otherwise finance the shortfall by cash flows from operating activities and/or financing activities.

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 interest-bearing bank accounts, such as short-term savings accounts, with licensed commercial banks and/or authorized financial institutions in Hong Kong or China.

RISK FACTORS

Risks Relating to Our Business

- We may not be successful in effectively and efficiently implementing our business plans and we may not achieve our desired results from the implementation of such plans.
- Our business and profitability may be affected by fluctuations in raw material prices as we may not always be able to pass on the increase in raw material costs to our customers.
- We rely on a limited number of suppliers for certain raw materials.
- Our sales are geographically concentrated in Fujian Province and Guangdong Province.
- We may be unable to secure enough capital to implement our expansion plans in full and to finance our increased need for working capitals.
- We may face increased competition and an increase in the cost of sales as the economy of the PRC strengthens and the global economy recovers.
- Our research and development of new types of differentiated polyester filament yarns may not be successful and our newly-developed products may fail to achieve our desired results.
- We may not be able to retain our key management personnel and/or recruit qualified and experienced personnel to join us.
- Our intellectual property rights may be infringed by our competitors.
- We may be affected by claims by third parties alleging possible infringement of their intellectual property rights.
- We may encounter work-related accidents in our operations.
- Our operations are subject to uncertainties and we may not have sufficient insurance coverage for all the risks related to our operations.

- We have limited experience in operating framework agreements with our customers and we cannot assure you that all of our customers will meet the minimum purchase volume commitments contained in these agreements.

- Our customers with whom we do not enter into framework agreements only enter into sales orders with us and we are thus subject to uncertainty and potential volatility with respect to our revenue from period to period.

- We rely on external supplies of electricity and water for our production processes.

- Failure to maintain an effective quality control system may result in profit loss.

- An increase in the cost of labor may adversely affect our business, financial condition, results of operations and growth prospects.

- We had net current liabilities positions as of December 31, 2008 and 2009 and negative cash flows from operating activities for the years ended December 31, 2008 and 2010.

- We may not be able to maintain the increasing trend of our gross profit margins or to maintain our profit margins at the levels we recorded during the Track Record Period.

Risks Relating to the Polyester Filament Yarn Industry

- Any over-supply in the domestic and international polyester filament yarn markets could negatively affect our business.

- The polyester filament yarn industry can be affected by the market demand for products manufactured in downstream industries and macroeconomic conditions.

- Competition in the polyester filament yarn market in the PRC may continue to be intense and we may fail to compete successfully against our competitors.

- Our polyester filament yarns may be rendered less competitive or obsolete by other yarn products.

- Anti-dumping investigations and trade protection measures conducted by other countries on polyester filament yarns may have an adverse effect on our operations.

- Certain information and statistical data used in this prospectus have been derived from research reports and supplied by other parties and should not be unduly relied upon.

Risks Relating to Conducting Business in the PRC

- Fluctuations in consumer spending in the PRC may significantly affect our business and financial performance.

- Adverse changes in the PRC economic, political and social conditions as well as laws and government policies, may materially and adversely affect our business, financial condition, results of operations and growth prospects.

- Foreign exchange transactions and the convertibility of Renminbi into foreign currencies are subject to certain limitations.

- The value of Renminbi and foreign currencies we trade in may fluctuate and may affect our results of operations.

- The PRC economy may experience inflationary pressure and the potential inflation may affect our business.

- We may be deemed as a PRC resident enterprise under the EIT Law and be subject to the PRC taxation on our worldwide income.

- We will be required to record a deferred PRC withholding tax liability if we intend to distribute dividends from our PRC subsidiary to our offshore holding company, which will adversely impact of our financial results.

- New labor laws in the PRC may materially and adversely affect our results of operations.

- Gains on the sales of our Shares by foreign investors and dividends on our Shares payable to foreign investors may become subject to the PRC income taxes.

- Negative publicity on the PRC products may materially and adversely affect our business and reputation.

- The PRC environmental laws and regulations may change and our environmental compliance liabilities and costs may increase.

- Any outbreak of severe communicable diseases in the PRC may cause suspension of our operations and affect the economic condition of the PRC which may, in turn, affect our operations.

Risks Relating to the Global Offering

- There has been no prior public market for our Shares and an active trading market for our Shares may not develop.
- The liquidity, trading volume and trading price of our Shares may be volatile, which could result in substantial losses for Shareholders.
- Prior dividend distributions are not an indication of our future dividend policy and we do not expect our PRC subsidiary to distribute dividends in the foreseeable future.
- The interests of our Controlling Shareholders may not always coincide with our interests and the interests of our other Shareholders, and the Controlling Shareholders may exert significant control or substantial influence over us and may take actions that are not in, or may conflict with, our best interests and public Shareholders' best interests.
- The sale or availability for sale of substantial amounts of our Shares in the future could materially and adversely affect the market price of our Shares.
- Shareholders' interests may be diluted as a result of additional equity fund-raising.
- The costs of options to be granted under the Share Option Scheme may negatively affect our results of operations and any exercise of the options granted will result in dilution to our Shareholders.
- You may face difficulties in protecting your interests under Cayman Islands law.
- You should not rely on any information contained in press coverage or other media in relation to the Global Offering, our business operations or our Group in connection with a decision to invest in the Shares.