OVERVIEW OF OUR HISTORY

In June 2006, immediately following our incorporation, our Company was beneficially owned as to 70% by Mr. Wu and 30% by Ms. Tang Wai Fong. Over the past years, the shareholding in our Company has experienced a number of changes, as a result of which, as at the date of this prospectus, (i) SAIF and GS are our Pre-IPO Investors beneficially interested in approximately 30.73% and 9.39% of our Shares (on an as-converted basis), respectively, with SAIF being the largest Shareholder of our Company; (ii) Mr. Wu is beneficially interested in 29.33% of our Shares, being the second largest Shareholder of our Company; (iii) Mr. Wu Jiannong, through his subsidiary, Signkey, becomes our third largest Shareholder, beneficially interested in 14.75% of our Shares; (iv) Ms. Tang Wai Fong is beneficially interested in 7.74% of our Shares; and (v) the remaining beneficial Shareholders, namely, Mr. Wu Kezhong, SCGC, Ms. Yip Chi Yu and Mr. Zhu Jia, become our minority Shareholders with an aggregate shareholding of 8.05%. The Directors confirm that, other than the shareholding in our Company, all the Shareholders are independent of each other. Details of the above changes are set out in the paragraphs headed "Second Restructuring", "Development of our Business" and "Pre-IPO Investment" below.

In addition, with a view to further strengthening our capital structure and expanding our business, we have, during the Track Record Period, entered into a series of Pre-IPO Investments with SAIF and GS, and strategically acquired certain companies and assets, which include the acquisitions of the respective interests in World Through (and its subsidiaries) as well as Shanghai Arcata. Details of the Pre-IPO Investment and our acquisitions are set out in the paragraphs headed "Pre-IPO Investment" and "Development of Our Business", respectively.

The table below sets out a summary of the above events:

	Time	Nature of the Event	Description	Beneficial Shareholding in the Company (as applicable) after the Specified Event
1.	2 March 2006	Restructuring — incorporation	• Mr. Wu incorporated our Company in the BVI through Ms. Tang Wai Fong. One Share was issued and allotted to Ms. Tang Wai Fong, who held the shares in our Company on behalf of Mr. Wu, for a nominal consideration.	Mr. Wu (through nominee): 100%
	27 June 2006		• Our Company allotted and issued for cash at par additional 6,999 shares in our Company to Ms. Tang Wai Fong who held the shares in our Company on behalf of Mr. Wu.	
2.	27 June 2006	Restructuring — issue of shares	Our Company issued and allotted 3,000 shares in our Company to Front Venture, an investment vehicle held by Ms. Tang Wai Fong, for an aggregate consideration of US$9.94 million.	Mr. Wu (through nominee): 70% Ms. Tang Wai Fong (indirectly): 30%
3.	28 June 2006	Restructuring — Transfer of shares	Ms. Tang Wai Fong, through Front Venture, transferred 1,000 shares in our Company to Kingview, an investment vehicle owned by Chen Jinxia, Wu Kezhong and Jiang Liping, for a consideration of US$4 million. The Company then went through a sub-division of shares on 1 August 2006.	Mr. Wu (through nominee): 70% Ms. Tang Wai Fong (indirectly): 20% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 10%

	Time	Nature of the Event	Description	Beneficial Shareholding in the Company (as applicable) after the Specified Event
4.	14 August 2006	Restructuring — transfer of shares to discharge loans	Mr. Wu, through Ms. Tang Wai Fong, transferred 50,000 common shares in our Company to Grandsun (an investment vehicle owned by Ms. Yip Chi Yu) to discharge a loan with a principal of US$2 million.	Mr. Wu (through nominee): 65% Ms. Tang Wai Fong (indirectly): 20% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 10% Yip Chi Yu (indirectly): 5%
5.	14 August 2006, 25 October 2007	Pre-IPO investment	SAIF and its affiliate subscribed for 555,556 Series A-1 Preference Shares for a total consideration of US$22 million. On 25 October 2007, SAIF acquired the interest in our Company from its affiliates for a consideration of US$2,174,999.	Mr. Wu (through nominee): 41.79% SAIF: 35.71% (as converted) Ms. Tang Wai Fong (indirectly): 12.86% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 6.43% Yip Chi Yu (indirectly): 3.21%
6.	September 2006.	Restructuring in connection with our establishment	• The residential luminaire and lighting components businesses owned and operated by Mr. Wu through his associates were not transferred to the Group • See the section headed "Our History and Structure — Second Restructuring — (3) Asset Transfer from NVC Industry to Huizhou NVC and Development of Huizhou NVC" for details.	N/A
7.	2 January 2008	Restructuring — transfer of shares	Ms. Tang Wai Fong, through Front Venture, transferred 11,993 common shares in our Company to SCGC for a consideration of US$780,000, and 6,458 common shares in our Company to ABLE, a company owned by Wu Kezhong, for a consideration of US$245,000.	Mr. Wu (through nominee): 41.79% SAIF: 35.71% (as converted) Ms. Tang Wai Fong (indirectly): 11.67% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 6.43% Yip Chi Yu (indirectly): 3.21% SCGC: 0.77% Wu Kezhong indirectly: 0.42%

	Time	Nature of the Event	Description	Beneficial Shareholding in the Company (as applicable) after the Specified Event
8.	August 2008	Pre-IPO investment — SAIF & GS	SAIF exercised a warrant and purchased 97,125 Series A-2 Preference Shares for a consideration of US$5 million; SAIF subscribed for 28,471 Series B Preference Shares for a consideration of US$5 million; and GS subscribed for 208, 157 Series B Preference Shares in our Company for a consideration of US$36,555,556.	Mr. Wu (indirectly): 34.4% SAIF: 36.05% (as converted) GS: 11.02% (as converted) Ms. Tang Wai Fong (indirectly): 9.61% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 5.29% Yip Chi Yu (indirectly): 2.65% SCGC: 0.63% Wu Kezhong (indirectly): 0.34%
9.	August 2008	Acquisition — share transfer	• We acquired World Through from Signkey, an associate of Mr. Wu Jiannong, together with World Through's wholly-owned subsidiaries including Sunny, Jiangshan Phoebus and Zhangpu Phoebus for a cash consideration of US$49,314,000 plus issue and allotment of 326,930 common shares of our Company to Signkey (which is owned by Mr. Wu Jiannong as to 85%, Mr. Jiang Jianming as to 8%, Mr. Xu Shuisheng as to 3%, Mr. Qiao Jianping as to 3% and Ms. Shen Menghong as to 1%). • See the section headed "Our History and Structure — Development of Our Business — (6) Acquisition of World Through" for details of the acquisition.	Mr. Wu (indirectly): 29.33% SAIF: 30.73% (as converted) Signkey (owned by Mr. Wu Jiannong as to 85%): 14.8% GS: 9.39% (as converted) Ms. Tang Wai Fong (indirectly): 8.19% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 4.51% Yip Chi Yu (indirectly): 2.26% SCGC: 0.54% Wu Kezhong (indirectly): 0.29%
10.	December 2008	Acquisition — asset transfer	• We acquired all inventories and fixed assets of Chongqing Lianxin Lighting Co., Ltd. for a consideration of RMB46,764,678 from Yan Ya, Li Xinmin and He Ming, Independent Third Parties.	N/A

	Time	Nature of the Event	Description	Beneficial Shareholding in the Company (as applicable) after the Specified Event
			• See the section headed "Our History and Structure — Development of Our Business — (1) Establishment of Chongqing NVC" for details of the acquisition.	
11.	February 2009	Acquisition — share transfer	• We acquired Shanghai Arcata, a producer of electronic ballasts based in Shanghai, China, from Shanghai Huihui Electronics Co., Ltd. and Mr. Hu Jack Jianli, Independent Third Parties, for an aggregate consideration of approximately RMB17.3 million. • See the section headed "Our History and Structure — Development of Our Business — (7) Acquisition of World Through" for details of the acquisition.	N/A
12.	June 2009.	Acquisition — asset transfer	• we acquired all of the fixed assets including the production facilities and raw materials for producing ceiling lights of Huizhou Huixin Hardware Co., Ltd for a consideration of RMB7.7 million from He Zhongyong and Long Yansong, Independent Third Parties. • See the section headed "Our History and Structure — Second Restructuring — (3) Asset Transfer from NVC Industry to Huizhou NVC and Development of Huizhou NVC" for details of the acquisition.	N/A
13.	1 October 2009	Restructuring — transfer of shares	Ms. Tang Wai Fong, through Front Venture, transferred 10,000 common shares in our Company to Parkview (an investment vehicle owned by Mr. Zhu Jia) for a consideration of US$2 million.	Mr. Wu (indirectly): 29.33% SAIF: 30.73% (as converted) Signkey (owned by Mr. Wu Jiannong as to 85%): 14.8% GS: 9.39% (as converted) Ms. Tang Wai Fong (indirectly): 7.74% Chen Jinxia, Wu Kezhong and Jiang Liping (indirectly): 4.51% Yip Chi Yu (indirectly): 2.26% SCGC: 0.54% Zhu Jia (indirectly): 0.45% Wu Kezhong (indirectly): 0.29%

	Time	Nature of the Event	Description	Beneficial Shareholding in the Company (as applicable) after the Specified Event
14.	23 December 2009 . . .	Restructuring — transfer of shares	Chen Jinxia and Jiang Liping, through Kingview, transferred 70,000 common shares of our Company to PreIPO Capital Partners Limited, an investment vehicle owned by ABLE, which is in turn owned by Mr. Wu Kezhong. Chen Jianxia and Jiang Liping received US$9 million and US$5 million, respectively, from Mr. Wu Kezhong as consideration for the transfer and ceased to be our Shareholders.	Mr. Wu (indirectly): 29.33% SAIF: 30.73% (as converted) Signkey (owned by Mr. Wu Jiannong as to 85%): 14.75% GS: 9.39% (as converted) Ms. Tang Wai Fong (indirectly): 7.74% Wu Kezhong (indirectly): 4.80% Yip Chi Yu (indirectly): 2.26% SCGC: 0.54% Zhu Jia (indirectly): 0.45%

ESTABLISHMENT OF HUIZHOU NVC LIGHTING CO., LTD.

We started our business of producing lighting products in Huizhou, Guangdong Province in 1998, when Huizhou NVC Lighting Co., Ltd. (惠州雷士照明有限公司) was established on 13 December 1998 by Mr. Wu, together with Du Gang (杜剛) and Hu Yonghong (胡永宏), his business partners and Independent Third Parties. Upon its establishment, Mr. Wu, Du Gang and Hu Yonghong held 45%, 27.5% and 27.5%, respectively, of the equity interest in Huizhou NVC Lighting Co., Ltd..

FIRST RESTRUCTURING

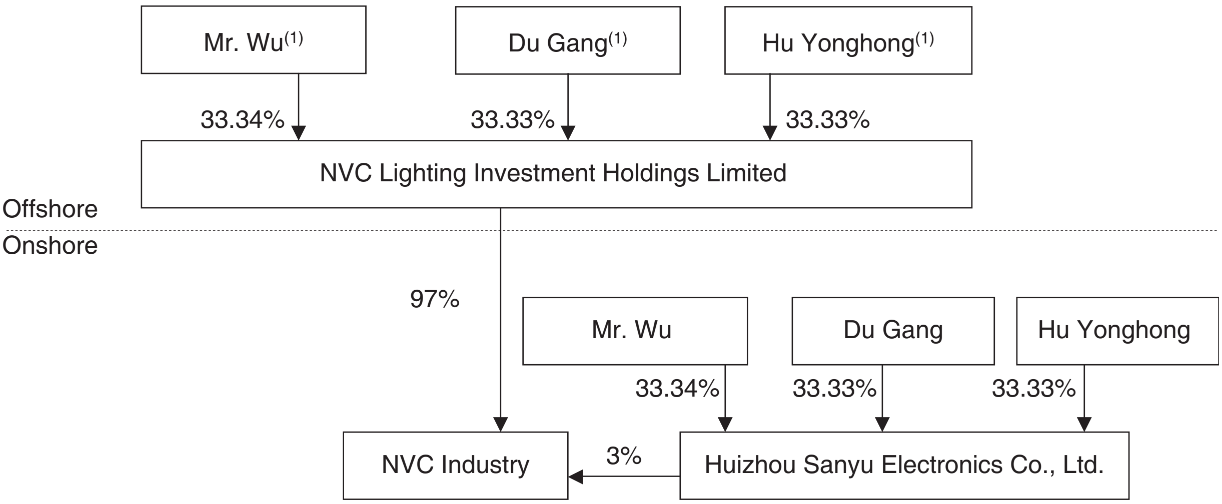
Between 2003 and 2005, we undertook a restructuring of the ownership structure of our Group, as a result of which our Group was owned through an offshore incorporated vehicle.

On 28 January 2003, NVC Industry was incorporated in Huizhou by Huizhou NVC Lighting Co., Ltd. and Kargent International Limited (啟祥國際有限公司), a Hong Kong-incorporated company owned by Mr. Wu, Du Gang and Hu Yonghong, each holding 45%, 27.5% and 27.5% of the share capital, respectively, through a nominee, who is an Independent Third Party. Huizhou NVC Lighting Co., Ltd. and Kargent International Limited held 70% and 30%, respectively, of the equity interest in NVC Industry upon the incorporation of NVC Industry. After the establishment of NVC Industry, Huizhou NVC Lighting Co., Ltd. transferred all its business to NVC Industry and Huizhou NVC Lighting Co., Ltd. ceased its business operation in 2003 but has not been wound up yet.

In 2004, Mr. Wu, Du Gang and Hu Yonghong incorporated NVC Lighting Investment Holdings Limited (雷士照明投資控股有限公司) in Hong Kong and Huizhou Sanyu Electronics Co., Ltd. (惠州三愚電子有限公司) in Huizhou. Neither NVC Lighting Investment Holdings Limited nor Huizhou Sanyu Electronics Co., Ltd. is engaged in any business operations or trading activities, or has any ownership in an enterprise other than NVC Industry. Mr. Wu, Du Gang and Hu Yonghong each held 45%, 27.5% and 27.5%, respectively, of the share capital of NVC Lighting Investment Holdings Limited, as well as 33.34%, 33.33% and 33.33%, respectively, of the equity interest in Huizhou Sanyu Electronics Co., Ltd.. Huizhou NVC Lighting Co., Ltd. transferred a 67% equity interest in NVC Industry to NVC Lighting Investment Holdings Limited, and a 3% equity interest in NVC Industry to Huizhou Sanyu Electronics Co., Ltd.;

Kargent International Limited transferred a 30% equity interest in NVC Industry to NVC Lighting Investment Holdings Limited. Immediately after these transfers, NVC Lighting Investment Holdings Limited held 97% of the equity interest in NVC Industry and Huizhou Sanyu Electronics Co., Ltd. held the remaining 3%. Subsequently, in September 2005, Mr. Wu transferred to each of Du Gang and Hu Yonghong 5.83% of the share capital of NVC Lighting Investment Holdings Limited for a nominal consideration.

Set forth below is the corporate structure of NVC Industry immediately after these transfers:

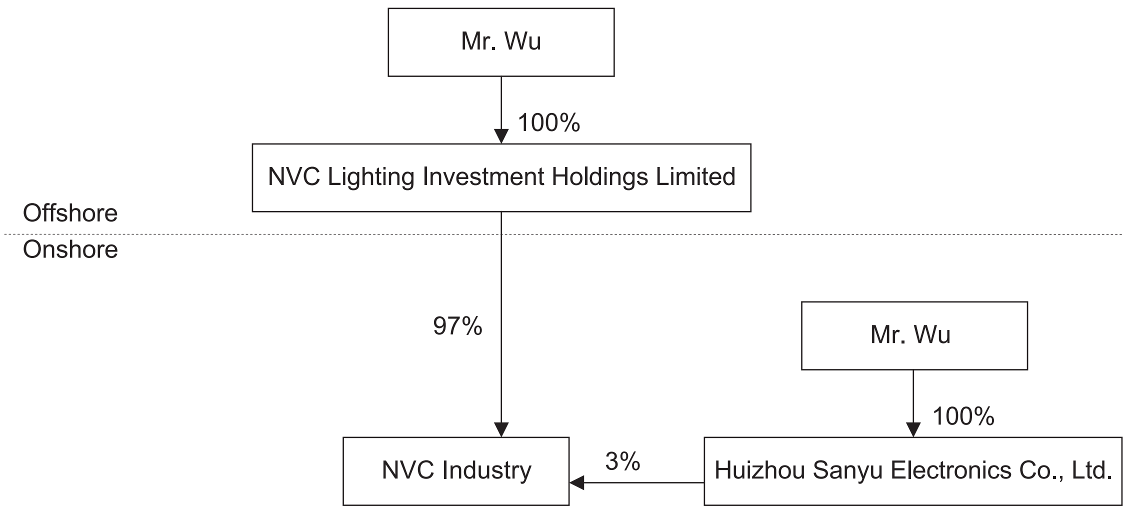


Note:

(1) Mr. Wu and Du Gang held their respective interests in NVC Lighting Investment Holdings Limited through a nominee, Wan Hung (貟虹), a Hong Kong resident and Independent Third Party, at the time of its establishment. Hu Yonghong held his interest in NVC Lighting Investment Holdings through a nominee, Yiu Yin Fun (姚燕芬), a Hong Kong resident and Independent Third Party, at the time of its establishment. These nominee arrangements were entered into based on an understanding that, through such nominee arrangements, it is easier and more efficient to obtain and arrange financing offshore. Although the parties did not have any specific financing plans in mind at the time such nominee arrangements were entered into, it was their understanding that such nominee arrangements are not uncommon in an offshore reorganization process. Our PRC legal advisors, Jun He Law Offices, have confirmed that, to the best of their knowledge, such nominee arrangements do not violate PRC laws, rules or regulations (including any foreign investment or foreign exchange rules and regulations). In September 2005, Wan Hung returned all the entrusted shares to Mr. Wu and Du Gang; Yiu Yin Fun returned all the entrusted shares to Hu Yonghong. Our PRC legal advisors, Jun He Law Offices, have confirmed that, to the best of their knowledge, the return of all entrusted shares to Mr. Wu, Du Gang and Hu Yonghong is not subject to any approvals under the laws of the PRC. Other than disclosed in this prospectus, there is no other relationship between Mr. Wu, Du Gang and Wan Hung nor is there other relationship between Hu Yonghong and Yiu Yin Fun.

Pursuant to an agreement between Mr. Wu, Du Gang and Hu Yonghong dated 21 November 2005, Du Gang and Hu Yonghong each transferred to Mr. Wu 33.33% of the equity interest in Huizhou Sanyu Electronics Co., Ltd. and 33.33% of the share capital of NVC Lighting Investment Holdings Limited for an aggregate consideration of RMB160 million which was determined based on arm's length negotiations. As a result of these transfers, NVC Industry became wholly owned by Mr. Wu.

Set forth below is the corporate structure of NVC Industry immediately after these transfers:



SECOND RESTRUCTURING

In anticipation of the Series A Investment (see "Our History and Structure — Pre-IPO Investment — Series A Investment"), our Group underwent the following restructuring steps:

(1) Incorporation of Our Company

Ms. Tang Wai Fong (鄧惠芳), a Hong Kong resident, incorporated our Company in the BVI on 2 March 2006 on behalf of Mr. Wu. In anticipation of the listing of its Shares on the Stock Exchange, the Company re-domiciled from the BVI to the Cayman Islands on 30 March 2010. At the time of its establishment, our Company's authorised share capital was US$500 divided into 50,000 shares, of which one share was allotted and issued to Ms. Tang Wai Fong who held the shares on behalf of Mr. Wu. Other than disclosed in this prospectus, there is no other relationship between Mr. Wu and Ms. Tang Wai Fong.

On 27 June 2006, our Company allotted and issued for cash at par additional 6,999 shares to Ms. Tang Wai Fong who held the shares on behalf of Mr. Wu. The nominee arrangement was entered into on an understanding that such nominee arrangements are not uncommon in an offshore reorganisation process. Our PRC legal advisors, Jun He Law Offices, have confirmed that, to the best of their knowledge, such nominee arrangements do not violate PRC laws, rules or regulations (including any foreign investment or foreign exchange rules and regulations).

To expand our business, we approached Front Venture to attract financing from other individual investors, i.e. Mr. Zhu Jia (竺稼), Mr. Wu Kezhong (吳克忠), Chen Jinxia (陳金霞), Jiang Liping (姜麗萍) and Ms. Yip Chi Yu (葉志如) and an institutional investor, Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司).

Pursuant to a share subscription agreement entered into between us, Mr. Wu and Mr. Xia Lei dated 8 February 2006, we also issued and allotted 3,000 shares to Front Venture, an investment vehicle held by Ms. Tang Wai Fong, for an aggregate consideration of US$9.94 million on 27 June 2006. Such consideration was satisfied by (i) a cash payment of US$8.94 million made to Mr. Wu and (ii) a waiver of payment of US$1 million by us for the provision of financing consultancy service provided by a related company owned by Ms. Tang's family. The consideration was determined based on arm's length negotiations between the parties. Ms. Tang Wai Fong is an Independent Third Party (other than being a Shareholder). Mr. Xia Lei was responsible for handling various matters in relation to Ms. Tang's subscription on behalf of Ms. Tang and had coordinated the negotiation between Ms. Tang and Mr. Wu. As a result, Ms. Tang and Mr. Wu believed that it was in their mutual interest to have Mr. Xia Lei as a party to the agreement so as to offer additional assurance to the successful completion of the share subscription as contemplated. Mr. Xia Lei is not an associate (as defined under the Listing Rules) of Ms. Tang. Neither Mr. Wu nor any Group companies have paid any benefits to Mr. Xia in connection with the share subscription.

On 28 June 2006, Front Venture transferred 1,000 shares in our Company to Kingview, an investment vehicle owned by Chen Jinxia (陳金霞) (as to 45%), Wu Kezhong (吳克忠) (as to 30%) and Jiang Liping (姜麗萍) (as to 25%), each an Independent Third Party (other than being a Shareholder), for a consideration of US$4 million which was determined based on arm's length negotiations between the parties.

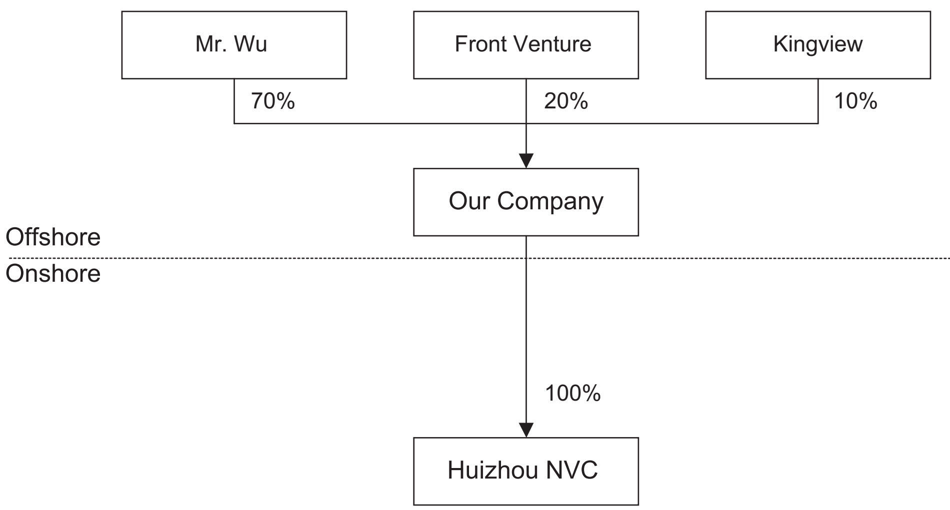
On 1 August 2006, our Company undertook a sub-division of its share capital, as a result of which the authorised share capital of our Company was 5,000,000 shares, comprising 3,000,000 common shares and 2,000,000 preference shares. After the sub-division, Ms. Tang Wai Fong held 700,000 common shares on behalf of Mr. Wu, Front Venture held 200,000 common shares and Kingview held 100,000 common shares of our Company.

On 23 December 2009, Kingview transferred 100,000 common shares it held in our Company to PreIPO Capital Partners Limited, an investment vehicle owned by ABLE, which is in turn owned by Mr. Wu Kezhong (吳克忠), for a nominal consideration. Chen Jinxia (陳金霞) and Jiang Liping (姜麗萍) received US$9 million and US$5 million, respectively, from Mr. Wu Kezhong (吳克忠) as consideration for the transfer.

(2) Establishment of Huizhou NVC

Our Company established Huizhou NVC in Huizhou on 29 April 2006. The registered capital of Huizhou NVC was US$250,000 at the time of establishment, which was paid up by our Company in July 2006. In August 2006, Huizhou NVC increased its registered capital from US$250,000 to US$13,250,000. The additional capital was contributed by our Company in August 2006.

Set forth below is the shareholding structure of Huizhou NVC as at 1 August 2006:



As part of the arrangements under the Series A Investment, on 14 August 2006, Mr. Wu instructed Ms. Tang Wai Fong to transfer 650,000 common shares of our Company to SAIF (which held the shares on Mr. Wu's behalf) for a nominal consideration. Mr. Wu then established NVC Inc. in the BVI on 22 September 2006. After Mr. Wu completed the requisite registration procedures under the SAFE Notice and other post-closing matters under the Series A Investment, SAIF transferred the 650,000 common shares to NVC Inc. for a nominal consideration on 29 April 2008. Mr. Wu completed the requisite registration procedures under the SAFE Notice on 7 December 2007 with regard to his round-trip investment in Huizhou NVC and Chongqing NVC. Our PRC legal advisors, Jun He Law Offices, have confirmed that Mr. Wu complied with the registration requirements under the SAFE Notice for such round-trip investment as at 7 December 2007. The scope of his round-trip investment had changed since then and Mr. Wu completed the requisite registration procedure under the SAFE Notice regarding the changed situation on 10 February 2010. Our PRC legal advisors, Jun He Law Offices, has confirmed that Mr. Wu has complied with the registration requirements under the SAFE Notice as at the Latest Practicable Date.

Mr. Wu, NVC Industry, Grandsun (an investment vehicle owned by Ms. Yip Chi Yu (葉志如), a Hong Kong resident and an Independent Third Party other than being a Shareholder) and NVC Lighting Investment Holdings Limited entered into a loan agreement dated 2 March 2006, pursuant to which NVC Lighting Investment Holdings Limited received a loan from Grandsun in the amount of US$2 million for a term of 180 days starting from the date of the loan agreement. On 14 August 2006, Mr. Wu instructed Ms. Tang Wai Fong to transfer 50,000 common shares of our Company to Grandsun to discharge such loan in full. The number of shares was determined based on arm's length negotiations between the parties.

(3) Asset Transfer from NVC Industry to Huizhou NVC and Development of Huizhou NVC

To streamline our corporate structure, Huizhou NVC and NVC Industry entered into an asset purchase agreement on 1 August 2006 and an amendment on 2 September 2006. In accordance with the asset purchase agreement and its amendment, Huizhou NVC acquired substantially all of the businesses of NVC Industry for a consideration of RMB130.1 million which was determined based on arm's length negotiations between the parties. Our PRC legal advisors, Jun He Law Offices, confirm that such asset transfer was valid, legal and effective under the PRC laws, rules and regulations. Our PRC legal advisors, Jun He Law Offices, have advised that outstanding liabilities with a total amount of RMB87,561,755 were assigned from NVC Industry to Huizhou NVC along with the asset transfer.

NVC Industry was liquidated on 7 September 2007. The residential luminaire and lighting components businesses that used to be operated by NVC Industry were not transferred to Huizhou NVC and instead have remained to be operated by Mr. Wu through his associates (as defined under the Listing Rules) other than members of our Group because (i) we decided to be more focused on commercial lighting business at that stage and (ii) such businesses were not yet at a mature stage. We have entered into trademark licensing agreements with Zhongshan Sheng Di Ai Si Lighting Co., Ltd., Shandong NVC Lighting Development Co., Ltd. and Chongqing Enlin Electronics Co., Ltd., pursuant to which we granted them the licences to use our trademarks (see "Relationship with Our Largest Shareholder and Founder and Connected Transactions — Continuing Connected Transactions" of this prospectus.)

NVC Lighting Investment Holdings Limited and Huizhou Sanyu Electronics Co., Ltd. were liquidated on 23 January 2009 and 13 December 2007, respectively.

On 17 June 2009, Huizhou NVC acquired all of the fixed assets including the production facilities and raw materials for producing ceiling lights of Huizhou Huixin Hardware Co., Ltd. for a consideration of RMB7.7 million which was determined based on arm's length negotiations between the parties. Most of the skilled workers and administrative staff of Huizhou Huixin Hardware Co., Ltd. were transferred to Huizhou NVC upon the acquisition. Our PRC legal advisors, Jun He Law Offices have confirmed that such asset transfer was valid, legal and effective under the PRC laws, rules and regulations and have advised that according to the agreement governing such transfer and applicable PRC laws and regulations, we will not continue to be liable for the liabilities of Huizhou Huixin Hardware Co., Ltd. which were incurred before the completion of the asset transfer. Prior to transferring all of its fixed assets to us, Huizhou Huixin Hardware Co., Ltd. was one of our contract manufacturers and was principally engaged in producing ceiling lights. The aggregate amount for purchase of ceiling lights payable by us to Huizhou Huixin Hardware Co., Ltd. for the years ended 31 December 2007, 2008 and 2009 are US$5.52 million, US$6.16 million and US$3.61 million respectively prior to such asset transfer. Huizhou Huixin Hardware Co., Ltd. is owned by He Zhongyong (何忠勇) (as to 60%) and Long Yansong (龍岩松) (as to 40%), who are Independent Third Parties. Huizhou Huixin Hardware Co., Ltd. has been liquidated and deregistered. The acquisition of Huizhou Huixin Hardware Co., Ltd. has enabled us to increase our production capacity of the ceiling lights in a more cost-efficient manner. Since the size of this acquisition is small, it did not have any material impact on our business and financial position.

DEVELOPMENT OF OUR BUSINESS

(1) Establishment of Chongqing NVC

On 1 December 2006, our Company established Chongqing NVC in Chongqing. The registered capital of Chongqing NVC as at its establishment was US$4 million and was paid up by our Company by 27 August 2007. Chongqing NVC is engaged in manufacturing and sales of luminaire products.

On 27 December 2008 and 31 December 2008, Chongqing NVC entered into agreements with Chongqing Lianxin Lighting Co., Ltd. to acquire all of its inventories and fixed assets for a total consideration of RMB46,765,000 which was determined based on arm's length negotiations between the parties. The transactions were completed on 2 January 2009. Most of the employees of Chongqing Lianxin Lighting Co., Ltd. were transferred to Chongqing NVC upon the acquisition. Our PRC legal advisors, Jun He Law Offices, have confirmed that such asset transfer was valid, legal and effective under the PRC laws, rules and regulations and have advised that according to the agreement governing such transfer and applicable PRC laws and regulations, we will not continue to be liable for the liabilities of Chongqing Lianxin Lighting Co., Ltd. which were incurred before the completion of the asset transfer. Prior to transferring all of its inventories of downlights and fixed assets (including the production facilities and raw materials for producing downlights), to us, Chongqing Lianxin Lighting Co., Ltd. was one of our contract manufacturers and was principally engaged in producing downlights. The aggregate amount for purchase of downlights payable by us to Chongqing Lianxin Lighting Co., Ltd. for the years ended 31 December 2007, 2008 and 2009 are US$4.84 million, US$11.18 million and US$0.13 million, respectively. Chongqing Lianxin Lighting Co., Ltd. is owned by Yan Ya (顏亞) (as to 60%), Li Xinmin (李新明) (as to 25%) and He Ming (何明) (as to 15%), who are Independent Third Parties. Chongqing Lianxin Lighting Co., Ltd. has been liquidated and deregistered. As our Group was, prior to the acquisition, and still is, engaged in producing downlights, the acquisition of Chongqing Lianxin Lighting Co., Ltd. has enabled us to increase our production capacity of downlights in a more cost-efficient manner. Given that the size of the acquisition is small, this acquisition, though in the interest of the Group, did not have any material impact on the business and financial position of the Group.

(2) Establishment of Mianyang Leici and Chongqing Chidian

On 11 May 2007, we established Mianyang Leici in Mianyang, Sichuan Province, together with our business partners. Huizhou NVC, China Electronics Technology Group Corporation No. 9 Academy (中國電子科技集團公司第九研究所), Wen Jiatao (文家濤) and Zhao Qiyi (趙七一) each holds 35%, 36%, 15% and 14%, respectively, of the equity interest in Mianyang Leici. The registered capital of Mianyang Leici upon its establishment was RMB10 million and was paid up by 11 May 2007. Mianyang Leici is engaged in the research and development, production and sale of magnetic electronic components, lighting electronics and photoelectric components.

On 16 July 2008, Mianyang Leici and Wen Jiatao established Chongqing Chidian in Chongqing. Mianyang Leici and Wen Jiatao each holds 95% and 5%, respectively, of the equity interest in Chongqing Chidian. The registered capital of Chongqing Chidian upon its establishment was 10 million and was contributed by its shareholders by 10 November 2009. Chongqing Chidian is engaged in the research and development, production and sale of magnetic electronic components, lighting electronics and photoelectric components.

The total revenue (consolidated) of Mianyang Leici for the years ended 31 December 2007, 2008 and 2009 are US$1.93 million, US$4.71 million and US$6.64 million respectively.

(3) Establishment of UK NVC

On 31 May 2007, Mr. Wu established a joint venture, UK NVC, with Mr. Henry Hangmin Sun and Mr. Steven Mark Jacobs, his business partners, in the United Kingdom. At the time of UK NVC's establishment, Mr. Wu subscribed and purchased 70 shares of UK NVC for a consideration of GBP70, and Mr. Henry Hangmin Sun and Mr. Steven Mark Jacobs each subscribed and purchased 15 shares of UK NVC for a consideration of GBP15. On 1 October 2007, Mr. Wu transferred 70 shares of UK NVC to our Company. At the same time, UK NVC allotted and issued additional 50 shares to our Company for a consideration of GBP50, as a result of which our Company, Mr. Henry Hangmin Sun and Mr. Steven Mark Jacobs each holds 80%, 10% and 10%, respectively, of the share capital of UK NVC. On 30 October 2008, the authorised capital of UK NVC was increased from GBP100,000 to GBP1 million by the creation of 900,000 new ordinary shares of GBP1 each, among which 399,880 were allotted and issued to our Company for a consideration of GBP399,880 and 49,985 were allotted and issued to each of Mr. Henry Hangmin Sun and Mr. Steven Mark Jacobs for a consideration of GBP49,985 on 31 December 2008, with the proportion of each shareholder's equity interest in UK NVC remaining unchanged. As at the Latest Practicable Date, the total paid up share capital of UK NVC is GBP500,000.

UK NVC is engaged in the sales and marketing of our products in Europe.

(4) Establishment of Hong Kong TYU

On 17 July 2007, Huizhou NVC incorporated Hong Kong TYU in Hong Kong. On 11 September 2007, Huizhou NVC transferred all of the shares it held in Hong Kong TYU to our Company for a consideration of HK$200,000. Hong Kong TYU is engaged in the sale of our products overseas.

(5) Establishment of Zhejiang NVC

On 28 September 2007, Huizhou NVC and Jiangshan Phoebus jointly established Zhejiang NVC in Jiangshan, Zhejiang Province with registered capital of RMB20 million. Huizhou NVC held 51% and Jiangshan Phoebus held 49% of the equity interest in Zhejiang NVC. Jiangshan Phoebus transferred its entire interest in Zhejiang NVC to Zhejiang Tonking on 8 September 2008 for a consideration of RMB10,144,059 which represented its book value. Zhejiang NVC is mainly engaged in manufacturing and sale of energy-saving lamp products.

Pursuant to an agreement dated 9 April 2010 entered into between Zhejiang Tonking and Huizhou NVC, if Zhejiang Tonking proposes to transfer any equity interest of Zhejiang NVC to third parties, Huizhou NVC and any of its Affiliates have a right of first refusal to purchase, in the aggregate, all the offered equity interest at the same price and subject to the same material terms and conditions as agreed between Zhejiang Tonking and the proposed transferees.

(6) Acquisition of World Through

In August 2008, with a view to increasing our capability in manufacturing energy-saving lamps, we acquired World Through, together with its wholly-owned subsidiaries including Sunny, Jiangshan Phoebus, and Zhangpu Phoebus. These subsidiaries of World Through are engaged in manufacturing light tubes for energy-saving lamps and related products. The principal activities of these subsidiaries of World Through are carried out in the PRC. Prior to the acquisition, World Through was owned by Mr. Wu Jiannong (吳建農), Mr. Jiang Jianming (姜建明), Mr. Xu Shuisheng (徐水升), Mr. Qiao Jianping (喬建平) and Ms. Shen Menghong (沈孟紅). In preparation for the acquisition, in 2008, the shareholders transferred their shares in World Through to Signkey, a company incorporated in the BVI, in exchange for shares in Signkey. Immediately prior to and after the share exchange, Mr. Wu Jiannong, Mr. Jiang Jianming, Mr. Xu Shuisheng, Mr. Qiao Jianping and Ms. Shen Menghong each held 85%, 8%, 3%, 3% and 1% of the share capital in Signkey. After such share exchange, Signkey held 100% of the share capital in World Through.

Pursuant to a share purchase agreement dated 14 August 2008 entered into by and among our Company, Signkey, World Through and Mr. Wu Jiannong, Signkey sold all of the issued and outstanding shares of World Through to our Company for a consideration of US$49,314,000 in cash plus allotment and issue of 326,930 common shares of our Company to Signkey, which were determined based on arm's length negotiations between the parties and also taking into account the equity investments to be transferred to Zhejiang Tonking as set out in the following paragraph. In addition, loans with an aggregate balance of US$10,431,000 as at 31 December 2008 were acquired upon the acquisition of World Through. These loans were extended to Mr. Jiang Jianming, Mr. Xu Shuisheng and Mr. Qiao Jianping, who were the original minority shareholders of Sunny, by the subsidiaries of World Through. As at the Latest Practicable Date, the outstanding balance has been fully settled. Our PRC legal advisors, Jun He Law Offices, have advised that, to the best of their knowledge, the loans provided to Mr. Jiang Jianming, Mr. Xu Shuisheng and Mr. Qiao Jianping do not violate any PRC laws and regulations. As at the Latest Practicable Date, an aggregate amount of approximately US$44 million of the cash consideration has been paid to Signkey while approximately US$5 million remains outstanding. The outstanding cash consideration was agreed to be paid to Signkey within 10 days upon receipt of repayment to our Group by Mr. Jiang Jianming and Mr. Xu Shuisheng of the outstanding loans which had been made in full as of 23 April 2010. 326,930 common shares of our Company were issued to Signkey on 27 August 2008. The acquisition was financed with funding received from SAIF and GS as consideration for the Company issuing Series A-2 Preference Shares to SAIF and Series B Preference Shares to SAIF and GS.

In connection with the acquisition of World Through and according to the aforesaid share purchase agreement, all equity investments made by Sunny and Jiangshan Phoebus (except for Sunny, which subsequently became a subsidiary of Jiangshan Phoebus) were spun off and transferred to Zhejiang Tonking on 8 September 2008 for an aggregate consideration of RMB18,349,265 which represented the book value of such equity investments. Zhejiang Tonking is owned by Mr. Wu Jiannong (as to 86%), Mr. Jiang Jianming (as to 8%), Mr. Qiao Jianping (as to 3%) and Mr. Xu Shuisheng (as to 3%). It was not the intention of the parties to acquire these equity investments. Because the parties wished to complete the acquisition as soon as possible, the parties agreed that these equity interests were acquired by our Company in connection with the acquisition and then transferred to Zhejiang Tonking soon after the completion of the acquisition. Details of the spin-off are as follows:

- a 49% equity interest in Zhejiang NVC was transferred form Jiangshan Phoebus to Zhejiang Tonking for a consideration of RMB10,144,059;
- a 51% equity interest in Hangzhou Tongren Software Co., Ltd. (杭州同人軟件有限公司) was transferred from Sunny to Zhejiang Tonking for a consideration of RMB783,725;
- an 80% equity interest in Jiangshan Youhe Machinery Co., Ltd. (江山市友和機械有限公司) was transferred from Sunny to Zhejiang Tonking for a consideration of RMB5,754,685;
- a 50% equity interest in Jiangshan Liming Transportation Co., Ltd. (江山市黎明貨運有限公司) was transferred from Sunny to Zhejiang Tonking for a consideration of RMB250,000;
- a 10% equity interest in Jiangshan Wudeng Lighting Co., Ltd. (江山吳燈照明電器有限公司) was transferred from Sunny to Zhejiang Tonking for a consideration of RMB260,000;
- a 51% equity interest in Jiangshan Sanfeng Gas Co., Ltd. (江山市三峰氣體有限公司) was transferred from Sunny to Zhejiang Tonking for a consideration of RMB414,296; and
- a 33% equity interest in Hangzhou Tianmeng Textile Electronic Technology Co., Ltd. (杭州天盟紡織電子科技有限公司) was transferred from Sunny to Zhejiang Tonking for a consideration of RMB742,500.

It was brought to the attention of our Board in January 2010 that Mr. Wu Jiannong and our Company shared a different understanding as to the scope of assets that were subject to the spin-off. According to the share purchase agreement, the assets subject to the spin-off are such assets listed in the preceding paragraph. Our view is that such assets had already been spun-off from the Company in 2008. Mr. Wu Jiannong was of a general view that additional assets are subject to the spin-off but was not able to specify what assets or which entities are subject to the spin-off or to specify the grounds of his claim. Although we believe Mr. Wu Jiannong had no grounds for his understanding, with a view to resolving such misunderstanding, on 21 February 2010, our Company, World Through, Signkey and Mr. Wu Jiannong entered into a supplementary agreement to the share purchase agreement, pursuant to which, among other things, (i) Mr. Wu Jiannong and Signkey have unconditionally waived any objection they may have arising from the share purchase agreement and have undertaken not to raise any claim, or initiate any lawsuit or arbitration against, us in connection with the share purchase agreement in any jurisdiction; (ii) NVC Inc., a company wholly owned by Mr. Wu, agreed to sell to Mr. Wu Jiannong, for a nominal consideration, an option to purchase from NVC Inc. 6,391 common shares at US$0.0001 each in the Company, representing approximately 0.29% of the then issued share capital of our Company, as a consideration for Mr. Wu Jiannong's agreement to this arrangement; and (iii) Mr. Wu Jiannong and Signkey have confirmed that the acquisition was completed on 29 August 2008 and that since such date, our Company has been the legal shareholder of a 100% interest in World Through. These 6,391 common shares were part of the 28,000 shares of US$0.0001 each held by Mr. Wu through NVC. Inc. that were planned to be transferred to the senior management of the Company and Huizhou NVC (see

"Appendix VI Statutory and General Information — E. Mr. Wu's Undertaking of Transferring Common Shares to the Management" of this prospectus). Having made due and careful inquiries, our Directors are of the view that the misunderstanding and the arrangement stated above have not affected, and will not affect, the acquisition of World Through, completed on 29 August 2008. Our PRC legal advisors, Jun He Law Offices, have confirmed that, to the best of their knowledge, the acquisition does not violate PRC laws.

Quzhou Guoguang Electronic Co., Ltd. was acquired by our Company in connection with the acquisition since it held a 51% equity interest in Sunny and was existing for the sole purpose of holding equity interests in Sunny immediately prior to the completion of the acquisition. After Quzhou Guoguang transferred its 51% equity interest in Sunny to Jiangshan Phoebus, Quzhou Guoguang was liquidated and then deregistered on 16 February 2009.

(7) Acquisition of Shanghai Arcata

In 2009, we acquired Shanghai Arcata, a company established in Shanghai in 2005 and mainly engaged in manufacturing lighting electronics. Prior to the acquisition, Shanghai Arcata was held by Shanghai Huihui Electronics Co., Ltd. (上海匯慧電子通訊有限公司), Arcata Universal Limited (a Cayman registered investment vehicle owned by Mr. Hu Jack Jianli) and Mr. Kevin J. Yang (a US citizen), each holding 26%, 53% and 21% of the equity interests in Shanghai Arcata, respectively.

On 7 November 2008, Jiangshan Phoebus acquired 26% of the equity interests in Shanghai Arcata from Shanghai Huihui Electronics Co., Ltd. for a consideration of RMB2,098,717 which was determined based on arm's length negotiations between the parties. To facilitate the negotiation process, we negotiated with Mr. Hu Jack Jianli, who agreed to negotiate with Mr. Kevin J. Yang and to procure the transfer of a 74% interest in Shanghai Arcata to Max Rich, which in turn was to be acquired by us. Mr. Hu Jack Jianli, through his investment vehicle, Max Rich, acquired 53% and 21% of the equity interests in Shanghai Arcata from Arcata Universal Limited and Mr. Kevin J. Yang for a consideration of US$530,000 and US$210,000, which were determined with reference to the registered capital of Shanghai Arcata contributed by each of Arcata Universal Limited and Mr. Kevin J. Yang, respectively. On 20 February 2009, Mr. Hu Jack Jianli sold all the equity interests he held in Shanghai Arcata to us by transferring all his shares in Max Rich to World Through for a consideration of approximately RMB15.2 million which was determined based on arm's length negotiations. Shanghai Arcata became a wholly-owned subsidiary of our Company. Mr. Hu Jack Jianli is an Independent Third Party.

PRE-IPO INVESTMENT

Series A Investment

In order to raise funds for our long-term growth, and to benefit from SAIF's knowledge and experience in the development of business strategy, corporate governance, mergers and acquisitions and capital markets, on 1 August 2006, our Company, Front Venture, Ms. Tang Wai Fong, Mr. Wu, Mr. Xia Lei, SAIF and SAIF Tianjin entered into a share purchase and share subscription agreement, pursuant to which, SAIF and SAIF Tianjin agreed to subscribe for and purchase, and our Company agrees to issue, sell and deliver to SAIF 505,051 Series A-1 Preference Shares for a consideration of US$20 million and SAIF Tianjin 50,505 Series A-1 Preference Shares for a consideration of US$2 million, representing 32.46% and 3.246%, respectively, of our Company's then total issued and outstanding common shares on an as-converted basis upon the completion of the Series A Investment. SAIF and SAIF Tianjin completed the subscription under the Series A Investment on 14 August 2006. In addition, our Company agreed to issue and deliver to SAIF a warrant to purchase additional 97,125 Series A-2 Preference Shares of our Company for US$51.48 per share and an aggregate consideration of US$5 million.

On 25 October 2007, SAIF Tianjin transferred all of its 50,505 Series A-1 Preference Shares to SAIF for a consideration of US$2,174,999 and ceased to be a Shareholder.

Series B Investment

Pursuant to a share purchase and share subscription agreement dated 9 May 2008 entered into among our Company, Huizhou NVC, Chongqing NVC, NVC Inc., Front Venture, Kingview, Grandsun, SCGC, Mr. Wu, SAIF and GS, in August 2008:

- SAIF exercised the warrant dated 1 August 2006, issued by our Company to SAIF and purchased 97,125 Series A-2 Preference Shares for a consideration of US$5 million;
- SAIF subscribed for 28,471 Series B Preference Shares for a consideration of US$5 million; and
- GS subscribed for 208,157 Series B Preference Shares, representing 10%[(1)] of our Company's then total issued and outstanding common shares on a fully-diluted and as-converted basis upon the closing of the Series B Investment for a consideration of US$36,555,556.

Immediately prior to the completion of the Global Offering, these Series A Preference Shares on an as-converted basis constitute 29.4% shareholding in our Company, all held by SAIF. These Series B Preference Shares on a as-converted basis constitute 10.7% shareholding in our Company, 1.3% held by SAIF and 9.4% held by GS. SAIF is the largest shareholder of our Company as of the date of this prospectus.

Principal Terms of the Pre-IPO Investment

Pursuant to (i) a share purchase and share subscription agreement dated 1 August 2006 between our Company, Front Venture, Ms. Tang Wai Fong, Mr. Wu, Mr. Xia Lei, SAIF and SAIF Tianjin; (ii) a share purchase and share subscription agreement dated 9 May 2008 among our Company, Huizhou NVC, Chongqing NVC, NVC Inc., Front Venture, Kingview, Grandsun, SCGC, Mr. Wu, SAIF and GS, (iii) an amended and restated shareholders agreement dated 29 August 2008 among our Company, SAIF, Huizhou NVC, Chongqing NVC, Mr. Wu, Front Venture, Kingview, Grandsun, ABLE, SCGC, Signkey, NVC Inc., and GS, amended as at 23 February 2009 (which was subsequently adhered to by Parkview, NVC 1, NVC 2, NVC 3 and PreIPO Capital Partners Limited), (iv) an amended and restated right of first refusal and co-sale agreement dated 29 August 2008 among our Company, NVC Inc., Mr. Wu, Front Venture, Kingview, Grandsun, ABLE, SCGC, Signkey, SAIF and GS (which was subsequently adhered to by Parkview, NVC 1, NVC 2, NVC 3 and PreIPO Capital Partners Limited), and (v) the third amended and restated memorandum and articles of association of our Company adopted on 23 February 2009 (collectively, the "**Pre-IPO Investment Agreements**"), SAIF and GS have, among others, the following rights and obligations under the Series A Investment and the Series B Investment.

Automatic Conversion of Preference Shares into the Shares upon a Qualified IPO

Without any action being required by SAIF and GS, Preference Shares are automatically converted, without the payment of any additional consideration, into the Shares immediately upon the closing of the Qualified IPO (as defined below) based on the then effective conversion price subject to adjustments upon the occurrence of certain events, such as (i) our Company declaring a dividend or such other distribution to the Shareholders payable in additional Shares or other securities of the our Company, (ii) the sub-division or reclassification of the outstanding Shares, (iii) any consolidation, merger or amalgamation of our Company with others, (iv) our Company issuing additional Shares below the conversion price, (v) events triggering the special performance-based adjustments, and (vi) other dilutive events.

For the purpose of the Pre-IPO Investment Agreements, a Qualified IPO is a firm-commitment underwritten public offering by the Company of its common shares in the United States, Hong Kong or any other jurisdiction, and a listing of the common shares on the New York Stock Exchange or the NASDAQ Global Market, the Main Board of the Stock Exchange or any internationally recognised stock exchange in any other jurisdiction reasonably acceptable to the holders of a majority of the then outstanding Series A Preference Shares, the holders of a majority of the then outstanding Series B Preference Shares and the Company; provided that the market capitalisation of the Company immediately following such Qualified

Note:

(1) This percentage excludes the effect of the issuance of common shares to Signkey in connection with the acquisition of World Through, which was completed on the same date.

IPO shall not be less than US$720 million (which, to the extent required by the market conditions at the time of the Qualified IPO and in the reasonable judgment of the managing underwriter or underwriters for the Qualified IPO, may be reduced by up to 10%), the gross proceeds receivable by the Company from the Qualified IPO shall not be less than US$120 million and the terms and conditions of the Qualified IPO, including without limitation those relating to share lock-up and sale of shares by shareholders of the Company shall not discriminate against GS vis-à-vis other shareholders of our Company.

SAIF and GS have confirmed that, no event triggering the special performance-based adjustment under the Pre-IPO Investment Agreements has occurred as at the Latest Practicable Date and therefore no performance-based adjustments have been or are expected to be made. In addition, in anticipation of the Global Offering, the holders of our Preference Shares entered into a waiver letter dated 31 December 2009 (the "**Preference Shares Waiver Letter**"), pursuant to which, such holders waived the right to adjust the conversion price in the event of (iv) and (vi) in the above paragraph. The terms of the Preference Shares were modified by such waiver which has resulted in the extinguishment of the liability components of the conversion features of the Preference Shares, and the recognition of the conversion feature as an equity component. Therefore, there will be no fair value changes of the Preference Shares in 2010.

The Global Offering and the proposed listing of our Company on the Hong Kong Stock Exchange is a Qualified IPO for the purpose of the Series A Investment and the Series B Investment. Upon conversion of the Series A Preference Shares and Series B Preference Shares, the Company will have one class of shares, being the Shares.

Assuming there is no transfer of ownership in our Preference Shares prior to the completion of our Global Offering and an Offer Price of HK$2.465, being the mid-point of our indicative Offer Price range, the table below sets out the expected number of the Shares to be held by each of SAIF and GS and their respective shareholding in our Company upon the completion of our Global Offering (without taking into account any exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme).

Name of the Shareholders	No. of Shares held by the Shareholders immediately upon the completion of our Global Offering	Percentage of total issued Shares (on as-converted basis) upon completion of our Global Offering
SAIF	681,152,000	23.41%
GS	208,157,000	7.15%
Total	889,309,000	30.56%

Cash Award

As part of the performance-based adjustments provided under the Series B Investment, to the extent the adjusted 2008 net income exceeds US$36 million, SAIF and GS agreed to pay certain cash award to our Company, provided that no cash award would be payable to our Company if our Company's consolidated net profit after minority interest as reported in the 2009 financial statements does not exceed the adjusted 2008 net income by at least 30%. The Company, SAIF and GS have confirmed that no event triggering the cash award has occurred as at the Latest Practicable Date and therefore no cash award has been or is expected to be made.

Transfer Restrictions

So long as SAIF and GS hold any Preference Shares, Mr. Wu and NVC Inc. may not transfer any direct or indirect interest in any equity securities of the Company at any time before 29 August 2011, except that each of them is permitted, (i) from and after six months of the closing of a Qualified IPO, to transfer up to 10% of the equity securities of the Company owned by it as at the Qualified IPO, (ii) from and after one year of the closing of a Qualified IPO, to transfer an additional 20% of the equity securities of the Company owned by it as at the Qualified IPO, and (iii) from and after 18 months of the closing of a Qualified IPO, to transfer all remaining equity securities of the Company owned by it. So long as any holder holds any Preference Share, other shareholders including Front Venture, NVC 1, NVC 2, NVC 3, PreIPO Capital Partners Limited, Grandsun, ABLE, SCGC, Parkview and Signkey may not, prior to a Qualified IPO, transfer any direct or indirect interest in any equity securities of the Company unless first complying with the right of first refusal and co-sale rights of SAIF and GS or otherwise approved in writing by SAIF and GS. Each of SAIF and GS has a right of first refusal and a co-sale right in relation to any permitted transfer of equity securities by Mr. Wu, Front Venture, NVC 1, NVC 2, NVC 3, PreIPO Capital Partners Limited, Grandsun, ABLE, SCGC, Parkview and Signkey.

Right of First Refusal and Co-sale Right

So long as SAIF and GS hold any Preference Shares, if prior to a Qualified IPO any of, NVC Inc., Mr. Wu, Front Venture, NVC 1, NVC 2, NVC 3, PreIPO Capital Partners Limited, Grandsun, ABLE, SCGC, Parkview and Signkey proposes to make a permitted transfer of equity interest to third parties, SAIF and GS have the options to purchase, in the aggregate, up to all the offered shares at the same price and subject to the same material terms and conditions as agreed between the transferor and the third-party transferee. If any transferor is permitted to transfer any equity securities to any person other than SAIF or GS, SAIF and GS have the options to participate in such sale of equity securities on the same terms and conditions as agreed between the transferor and the transferees. The right of first refusal and co-sale right will terminate on the date that is 18 months after the closing of a Qualified IPO.

Dividends

Pursuant to the third amended and restated memorandum and articles of association of the Company adopted on 23 February 2009, each of SAIF and GS is entitled to participate in any dividends paid by the Company pro rata (on an as-converted basis) with common shares. All accrued, accumulated but undistributed dividends for SAIF as at 23 February 2009 have been cancelled.

Redemption Rights

If a Qualified IPO does not occur by 1 August 2011, SAIF may, at any time prior to our Listing Date, require the Company to redeem all the then outstanding Series A-1 Preference Shares it holds. In addition, if (i) either SAIF has exercised its right to redeem its Series A-1 Preference Shares, or (ii) a Qualified IPO does not occur by 29 August 2011, GS may, at any time prior to our Listing Date, require our Company to redeem all the then outstanding Series B Preference Shares. Under the third amended and restated memorandum and articles of association of our Company adopted on 23 February 2009, our Company was required to pay accrued interest at the time of redemption. As a result of the Preference Shares Waiver Letter, beginning on 31 December 2009, the holders of our preference shares waived the accrued interest portion of the original redemption price, thereby significantly reducing deemed interest to be recognized in future periods.

Other Rights

Under the Series A Investment and the Series B Investment, SAIF and GS have also been granted various rights such as pre-emptive rights, voting rights, board representation rights, and information and inspection rights. Such other rights will expire immediately upon the completion of the Global Offering.

Description of Our Pre-IPO Investors

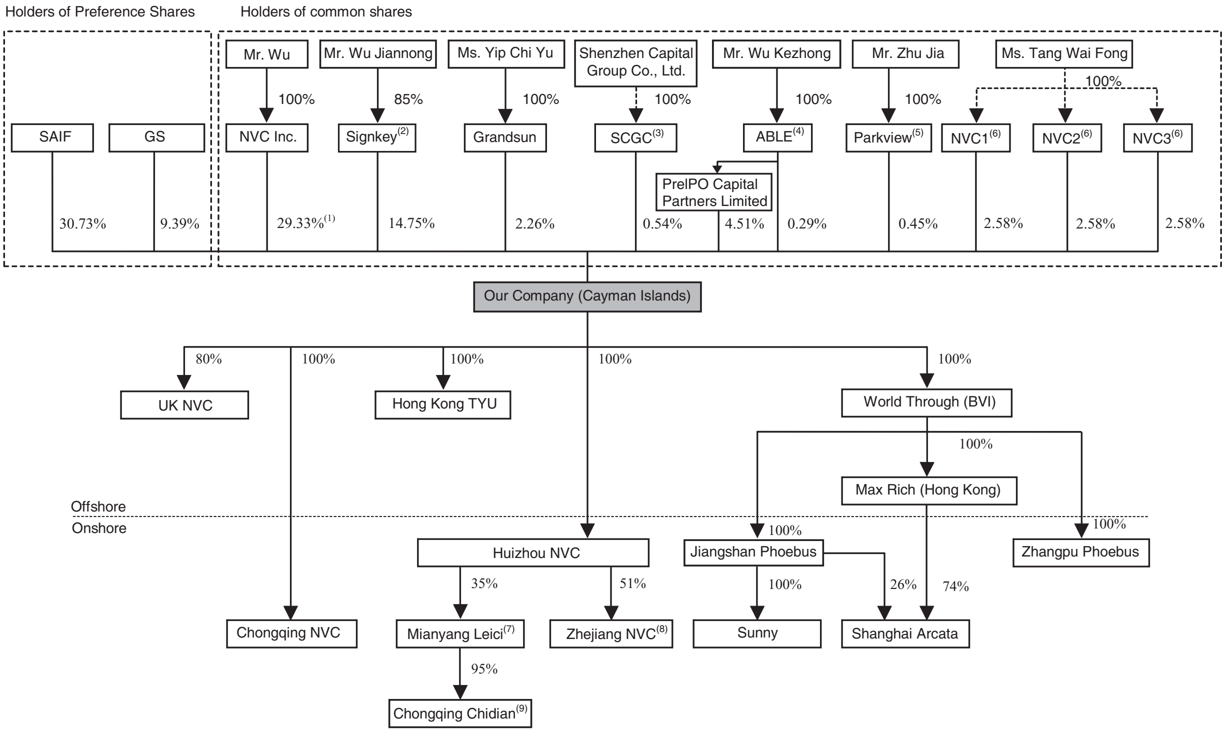
SAIF and SAIF Tianjin

SAIF is an exempted limited partnership organised and existing under the laws of the Cayman Islands. SAIF Tianjin is a Sino-foreign cooperative joint venture existing under the laws of the PRC. Both SAIF and SAIF Tianjin are investment funds managed by SAIF Partners or its affiliates. SAIF Partners is a leading private equity firm that provides growth capital to companies in Asia.

GS

GS is a limited liability company established under the laws of the State of Delaware, United States. GS is a wholly-owned subsidiary of The Goldman Sachs Group, Inc., a bank holding Company and a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

Set forth below is our corporate structure immediately prior to the completion of the Global Offering:



Notes:

(1) Including 28,000,000 shares of US$0.0000001 each (assuming the share split for the Global Offering having taken place) representing 1.26% of the share capital of the Company, options to purchase which are granted or to be granted to members of the senior management of the Company and Huizhou NVC (see "Appendix VI Statutory and General Information — E. Mr. Wu's Undertaking of Transferring Common Shares to the Management" of this prospectus).

(2) Mr. Jiang Jianming(姜建明), Mr. Xu Shuisheng(徐水升), Mr. Qiao Jianping(喬建平) and Ms. Shen Menghong(沈孟紅) held 8%, 3%, 3% and 1%, respectively, of the remaining share capital of Signkey.

(3) On 2 January 2008, Front Venture transferred 11,993 common shares in our Company to SCGC for a consideration of US$780,000, which was determined based on arm's length negotiations between the parties. SCGC is owned by Shenzhen Capital (Hong Kong) Co., Ltd (創新資本(香港)有限公司), a limited liability company incorporated in Hong Kong, which is in turn owned by Shenzhen Capital Group Co., Ltd. 深圳市創新投資集團有限公司, an institutional investor based in Shenzhen, Guangdong Province. Shenzhen Capital Group Co., Ltd., an Independent Third Party (other than being a Shareholder) has a diversified shareholder base comprising various institutions and other kinds of investors, which, as the Company understands, may include government controlled entities and government bodies.

(4) To seek financing from Mr. Wu Ke Zhong (吳克忠), an individual investor, on 2 January 2008, Front Venture transferred 6,458 common shares in our Company to ABLE for a consideration of US$245,000, which was determined based on arm's length negotiations between the parties. ABLE is owned by Mr. Wu Kezhong (吳克忠), an Independent Third Party (other than being a Shareholder).

(5) To seek financing from Mr. Zhu Jia (竺稼), an individual investor, on 1 October 2009, Front Venture transferred 10,000 common shares in our Company to Parkview for a consideration of US$2 million, which was determined based on arm's length negotiations between the parties. Parkview is owned by Mr. Zhu Jia (竺稼), an Independent Third Party (other than being a Shareholder).

(6) In order for Ms. Tang to more conveniently manage her investment vehicles, on 3 November 2009, Front Venture transferred 57,183 shares in our Company for cash at par to each of NVC1, NVC2 and NVC3 which are wholly owned by Front Venture. As a result of these transfers, NVC1, NVC2 and NVC3 each holds 2.58% of the then entire share capital of our Company.

(7) The remaining 65% equity interest of Mianyang Leici is owned by China Electronics Technology Group Corporation No. 9 Academy (中國電子科技集團公司第九研究所) (as to 36%), Wen Jiatao (文家濤) (as to 15%) and Zhao Qiyi (趙七一) (as to 14%).

(8) The remaining 49% equity interest of Zhejiang NVC is owned by Zhejiang Tonking.

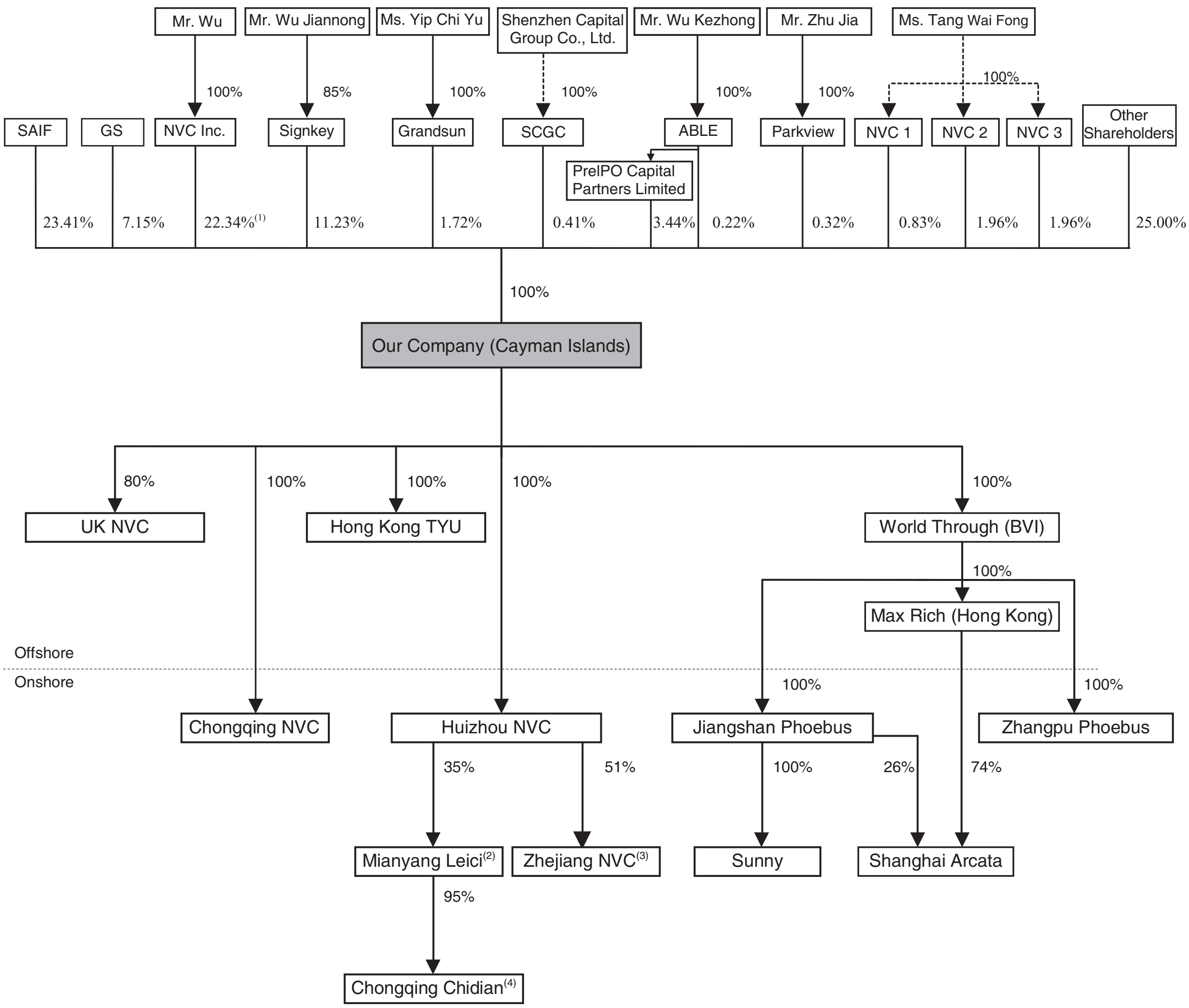
(9) The remaining 5% equity interest of Chongqing Chidian is owned by Wen Jiatao (文家濤), an Independent Third Party (other than being a shareholder of Mianyang Leici and Chongqing Chidian).

SALE OF SHARES IN THE GLOBAL OFFERING

Certain of our existing shareholders intend to sell their Shares under the Global Offering. Please see the section headed "Substantial Shareholders and Selling Shareholders" for further details. 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 own now or may own in the future.

OUR STRUCTURE UPON THE COMPLETION OF THE GLOBAL OFFERING

Set forth below is our corporate structure upon completion of the Global Offering, assuming (i) the Over-allotment Option has not been exercised, and (ii) all outstanding Series A Preference Shares and Series B Preference Shares have been fully converted into Shares:



Notes:

(1) Including 28,000,000 Shares of US$0.0000001 each in the share capital of the Company, options to purchase which are granted or to be granted to members of the senior management of the Company and Huizhou NVC (see Appendix VI Statutory and General Information — E. Mr. Wu's Undertaking of Transferring Common Shares to the Management" of this prospectus).

(2)-(4) See notes (7) to (9) on the previous page.