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

OVERVIEW

We are a "one-stop" provider of a broad line of cable assembly and connector related products with a leading market share for external signal cable assembly, notebook internal signal cable assembly, power cord assembly and signal transmission wire & cable products for the global high-end consumer electronics industry. We focus on the design, research and development, manufacture and sale of our own "Hong-lin" brand name products and have developed an extensive product portfolio covering signal cable assembly, power cord assembly, wire & cable (primarily for signal transmission purpose) and connector products which are mainly used in (i) personal computers and notebooks, (ii) LCD and LED TV, (iii) mobile handsets and (iv) digital cameras. In addition, we offer a comprehensive range of products of different specifications and varieties within each key product type and are therefore able to provide our target customers with a "one-stop" total solution for their signal cable assembly, power cord assembly, wire & cable and connector products needs. We have also developed and started manufacturing of wireless antenna products for signal transmission use in notebooks, routers and mobile handsets in 2010.

According to Frost & Sullivan, an independent market research and consulting company, in our target global high-end consumer electronics market which amounted to about US$560.5 billion or represented about 82.3% of the global consumer electronics market in 2009 (total size in terms of revenue amounting to about US$681.0 billion in 2009), (i) we are the second largest manufacturer of external signal cable assembly products in the world in terms of revenue for 2009 and the first half of 2010 with a market share of 20.8% and 21.8%, respectively; (ii) among all the notebook internal signal cable assembly manufacturers in the world, we ranked fifth in terms of revenue for 2009 with a market share of 10.7% and third in terms of revenue for the first half of 2010 with a market share of 19.0%; (iii) we ranked fifth among all the power cord assembly manufacturers in the world in terms of revenue for 2009 and the first half of 2010 with a market share of 4.1% and 5.6%, respectively; and (iv) among all the signal transmission wire & cable manufacturers in the world, we ranked fifth in terms of revenue for 2009 with a market share of 3.9% and third in terms of revenue for the first half of 2010 with a market share of 7.3%. According to Frost & Sullivan, the global external signal cable assembly and power cord assembly markets catering to the consumer electronics industry and the global notebook internal signal cable assembly market are dominated by a few players with the top five players capturing about 85.3%, 90.3% and 90.6% of market share respectively in 2009 and 86.2%, 94.2% and 94.1% of market share respectively in the first half of 2010 whereas the global signal transmission wire & cable market is fairly concentrated, with the top five players capturing about 54.0% and 71.0% of market share respectively in 2009 and the first half of 2010. For details on the top five players in such global product markets for the consumer electronics industry, please refer to the sections headed "Industry Overview — Global External Signal Cable Assembly Market — Competitive Landscape", "— Global Notebook Internal Signal Cable Assembly Market — Competitive Landscape", "— Global Power Cord Assembly Market — Competitive Landscape" and "— Global Signal Transmission Wire & Cable Market — Competitive Landscape".

We have been selected as a core supplier for a number of our products to Samsung, LG, Eastman Kodak, Amphenol, Haier, Hisense, Quanta, Compal, Qisda, TPV Technology, Wistron, Innolux, ZTE and Inventec. Of such customers, LG, TPV Technology, Samsung, Compal, Quanta and Haier were among our ten largest customers during the Track Record Period whereas Eastman Kodak, Amphenol, Hisense, Qisda, Wistron, Innolux, ZTE and Inventec were not. The Directors believe that the reasons for us being selected as core supplier were because we were able to meet the key criteria that these customers normally require for their selection of core suppliers, including but not limited to (i) strong research and development capabilities that allow their core suppliers to design and develop new products and solutions that meet such customers' requirements in a timely manner; (ii) ability to meet their requirements for high product quality and timely product delivery; (iii) comprehensive product offerings; and (iv) strong manufacturing capabilities. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, total sales to these customers (determined on the basis that sales to all the member companies of a group company are combined as sales to one customer) amounted to approximately RMB284.5 million, RMB407.1 million, RMB449.5 million and RMB321.5 million, accounting for 43.6%, 45.3%, 51.5% and 50.6% of total revenue, respectively. We believe that our strong research and development capability, continuous focus on product innovation and stringent quality control enable us to provide a range of high and stable quality products that meet the requirements of our customers and become a strategic partner and major supplier to many of our key customers, such as Samsung, LG, Eastman Kodak, Haier, Hisense, Compal, Qisda, TPV Technology and Amphenol, with which we have established strong and long-standing relationships. Sales to our top ten customers amounted to about RMB433.9 million, RMB540.4 million, RMB549.0 million and RMB381.7 million and accounted for about 66.5%, 60.2%, 62.9% and 60.0% of the total sales during the Track Record Period. In terms of total number of customers, our customers increased from 68 as at the end of 2007 to 97 as at the end of 2008, 124 as at the end of 2009, and 147 as at the end of June 2010.

Our key manufacturing facilities are strategically located in (i) Weihai, Shandong Province; (ii) Suzhou, Jiangsu Province; (iii) Wuhan, Hubei Province; and (iv) Shenzhen, Guangdong Province, which are major consumer electronics manufacturing and/or distribution hubs in China. We believe that our proximity to our key customers enables us to provide a more timely response to customer requirements and quality services in terms of customer communications, understand their latest product development strategies, provide prompt technical support and maintain closer collaboration with such customers.

We adopt a vertically integrated production process starting from the production of our own plastic materials, drawing of our own copper, and processing of wire & cable products into finished signal cable assembly and power cord assembly products. For production of our connector products, we are able to conduct key processes in-house such as product design and development, stamping and plastic mold design, metal stamping, plastic injection and final product assembly. This vertically integrated strategy enables us to, among others, conduct highly coordinated research and development and production activities to design and produce new products in a timely manner in order to meet the requirements of our customers, to have better control over the quality of our products, and to enhance our cost effectiveness, thereby increasing our overall competitiveness.

Due to the ever changing nature of the consumer electronics industry, we place a strong emphasis on research and development which allows us to continuously develop innovative high quality products, working closely with our customers in the initial design of the cable assembly and connector related components they require for use in their new products and meet their quality and delivery requirements. We also focus our research and development efforts on ways to reduce the cost and increase the manufacturing efficiency of our existing products while investing significant resources in developing new products. To further strengthen our research and development capability, our research and development staff within the engineering department located in each key manufacturing facility will only focus on improving the quality of existing products and increasing manufacturing efficiency while research and development of new types of products will be carried out in dedicated research and development centers. Major research and development projects that we undertook during the Track Record Period include, among others, those related to high speed parallel data cable, data transmission line, wireless communication signal coaxial cable, high-frequency signal transmission wire and preparation method, and power supply signal cable. Our current research and development projects for new products include specialty power cable, high speed cable, environmentally friendly low smoke halogen-free insulating materials, solar connectors and automotive wiring harness products. According to Frost & Sullivan, we are one of the first Chinese manufacturers to develop and produce one-piece shield plug (一體式屏蔽插頭) and high speed cable (高速平衡對稱數據線纜) and also one of the few Chinese manufacturers which have successfully developed LVDS assembly and high frequency data cable which exceeds 20 Gigabit Ethernet. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, our research and development expenses amounted to approximately RMB23.2 million, RMB26.3 million, RMB27.3 million and RMB12.7 million, accounting for 3.5%, 2.9%, 3.1% and 2.0% of total revenue, respectively.

In line with our initiatives to explore new potential markets and in response to increasing market demand for cable assembly and connector related products with an increasing variety of applications, in addition to our newly developed antenna products, we plan to increase our product offerings to include automotive wiring harness products, specialty power cables and solar connectors and also increase our focus on the manufacture and sale of low smoke halogen-free insulating materials, a relatively new type of environmental friendly materials increasingly used for cable jacketing in the wire and cable industry. We will establish a research and development center in Weihai in December 2010, dedicated to developing new products such as automotive wiring harness and specialty power cables. The new research and development center in Suzhou expected to be operational in December 2010 would primarily be used for research and development of high frequency data type of communication cables, antennas, solar connectors and environmentally friendly low smoke halogen-free insulating materials while the new research and development center in Taipei, Taiwan which started to be operational in September 2010 will primarily focus on antennas and connectors used in mobile handsets, notebooks, GPRS systems and network communications (including routers and network cards).

For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, we recorded revenue of approximately RMB652.6 million, RMB898.0 million, RMB872.4 million and RMB635.7 million, respectively. For the same period, we recorded net profit attributable to owners of our Company of RMB62.7 million, RMB54.4 million, RMB88.3 million and RMB69.7 million, respectively. The decrease in revenue in 2009 as compared to 2008 was primarily due to an overall decrease in average unit selling prices of our products mainly as a result of lower average copper price in 2009, which was partially offset by an overall increase in sales volume of our products as we increased production to meet customer demand as the global economy started to recover in 2009. Net profit attributable to owners of our Company decreased in 2008 as compared to 2007 primarily due to (i) the decrease in gross profit margin and increases in bad debt provision and provision for impairment of inventories in 2008 as compared to 2007, mainly as a result of the negative impact of the economic downturn in 2008; and (ii) an increase in income tax expenses from RMB2.4 million in 2007 to RMB11.5 million in 2008 as we recognized the withholding tax of RMB6.2 million on profits to be distributed to our shareholders as dividends in 2008 pursuant to the new PRC income tax law while there was no such withholding tax in the prior year.

COMPETITIVE STRENGTHS

- "One-stop" provider of cable assembly and connector related products with leading market share for signal cable assembly, power cord assembly and signal transmission wire & cable products in the global high-end consumer electronics industry
- Strong research and development capabilities and commitment to product innovation and quality
- Comprehensive products offering
- Vertically integrated and cost efficient business model
- Solid customer base and strategically located production facilities

BUSINESS STRATEGIES

- Further strengthen our leading market position and increase our market share
  - Further strengthening our research and development capabilities
  - Development of new products
  - Expanding our production capacity
- Leveraging our close relationship with reputable customers to further develop existing and new markets for our products
- Expand our existing customer base by leveraging on our Taipei subsidiary to focus on leading and sizable consumer electronic products equipment manufacturers in Japan, Europe and North America
- Pursue opportune acquisition opportunities to complement our business development focuses and strengthen our research and development capabilities
- Attract and retain skilled and experienced professionals

SUMMARY FINANCIAL INFORMATION

You should read the summary consolidated financial information below in conjunction with the audited historical consolidated financial statements of our Company, which have been prepared in accordance with IFRS and are included in the Accountant's Report as Appendix I to this prospectus. The summary historical consolidated statements of comprehensive income information and the summary historical consolidated statements of cash flows information for the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2009 and 2010 and the summary historical consolidated statements of financial position information as of 31 December 2007, 2008 and 2009 and 30 June 2009 and 2010 set forth below have been derived from our audited historical consolidated financial statements.

Summary Consolidated Statements of Comprehensive Income

	For the year ended 31 December			For the six months ended 30 June	
	2007	2008	2009	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	652,628	897,999	872,396	366,566	635,680
Cost of sales	(517,283)	(723,211)	(674,422)	(283,765)	(491,706)
Gross profit	135,345	174,788	197,974	82,801	143,974
Other gains and losses	10,821	(2,506)	8,273	1,620	(1,958)
Distribution and selling expenses	(14,809)	(18,891)	(20,480)	(8,981)	(12,859)
Administrative and general expenses	(30,915)	(45,422)	(47,978)	(22,282)	(29,039)
Research and development expenses	(23,152)	(26,280)	(27,278)	(12,212)	(12,735)
Finance costs	(9,117)	(15,625)	(13,924)	(6,746)	(8,929)
Share of loss of an associate	(214)	—	—	—	—
Profit before taxation	67,959	66,064	96,587	34,200	78,454
Income tax expenses	(2,449)	(11,529)	(8,090)	(3,354)	(8,253)
Profit and total comprehensive income for the year/period	65,510	54,535	88,497	30,846	70,201
Profit and total comprehensive income attributable to:					
— Owners of the Company	62,663	54,402	88,265	31,240	69,701
— Non-controlling interests	2,847	133	232	(394)	500
	65,510	54,535	88,497	30,846	70,201
Earnings per share — basic (RMB cents)	13.2	11.2	16.9	6.0	13.3

Summary Consolidated Statements of Financial Position

	As of 31 December			As of 30 June
	2007	2008	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	193,782	268,408	308,576	325,960
Prepaid lease payments	17,264	16,904	16,544	26,568
Intangible assets	1,868	4,029	5,821	8,631
Deferred tax assets	4,518	4,435	3,904	3,499
Interest in an associate	1,210	—	—	—
	218,642	293,776	334,845	364,658
CURRENT ASSETS				
Inventories	139,116	115,309	115,594	185,306
Trade and other receivables	241,327	338,798	423,521	592,455
Derivative financial assets	—	—	—	1,774
Prepaid lease payments	360	360	360	565
Restricted bank balances	19,272	34,976	41,471	39,046
Bank balances and cash	19,805	23,413	73,744	75,170
	419,880	512,856	654,690	894,316
CURRENT LIABILITIES				
Trade and other payables	320,600	335,341	302,007	311,343
Derivative financial liabilities	—	920	—	1,202
Income tax liabilities	204	2,859	7,139	8,970
Bank borrowings	140,168	243,276	353,439	501,755
	460,972	582,396	662,585	823,270
NET CURRENT (LIABILITIES) ASSETS	(41,092)	(69,540)	(7,895)	71,046
TOTAL ASSETS LESS CURRENT LIABILITIES	177,550	224,236	326,950	435,704
CAPITAL AND RESERVES				
Paid-in capital/share capital	127,401	60,943	60,943	62,894
Reserves	42,680	160,203	255,615	361,078
Equity attributable to owners of the Company	170,081	221,146	316,558	423,972
Non-controlling interests	7,469	—	10,392	11,732
Total equity	177,550	221,146	326,950	435,704
NON-CURRENT LIABILITIES				
Deferred tax liabilities	—	3,090	—	—
	177,550	224,236	326,950	435,704

Summary Consolidated Statements of Cash Flows

	For the year ended 31 December			For the six months ended 30 June	
	2007	2008	2009	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
NET CASH FROM (USED IN) OPERATING ACTIVITIES	10,753	1,743	470	33,505	(144,099)
NET CASH USED IN INVESTING ACTIVITIES	(91,953)	(117,525)	(70,495)	(40,059)	(38,641)
NET CASH FROM FINANCING ACTIVITIES	90,904	119,390	120,356	19,376	184,166
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,704	3,608	50,331	12,822	1,426
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	10,101	19,805	23,413	23,413	73,744
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD, Represented by bank balances and cash	19,805	23,413	73,744	36,235	75,170

We had cash inflow from operating activities of RMB10.8 million, RMB1.7 million and RMB0.5 million for the years ended 31 December 2007, 2008 and 2009, respectively. The reasons for the relatively low cash flows from operating activities for the three years ended 31 December 2009 were primarily due to the strong expansion of the Group's business scale in general during the Track Record Period, resulting in increase in credit sales and leading to subsequent increase in trade and bills receivable and also inventories as we increased our production capacity and stock up of raw materials and finished goods in order to meet our customer demand. In particular, the revenue of the Group increased from about RMB652.6 million in 2007 to about RMB872.4 million in 2009, representing a CAGR of 15.6%. In terms of number of customers, our customers increased from 68 as at end of 2007 to 124 as at end of 2009, representing an increase of 82.4%. Our trade and bills receivable turnover days increased from 118 days in 2007 and 2008 to 154 days in 2009 primarily due to changes in the mix of our customer base because we managed to further establish our reputation, increased our research and development capability and product offerings range which allowed us to win major new customers in the global consumer electronics industry in particular new Taiwanese customers. Normal credit terms granted to these Taiwanese customers in general is 120-180 days which is more than what we offer to our other customers which typically ranges from 60-90 days.

We experienced negative cash flows from operating activities for the six months ended 30 June 2010 and a substantial increase in trade and bill receivables, inventories as at 30 June 2010 and inventory turnover days for the first half of 2010 primarily due to our strong sales performance in the first half of 2010 partly attributable to the continued recovery of the global consumer electronics industry which according to Frost and Sullivan is expected to grow at 10.9% in 2010 as compared to a negative growth of 1.6% in 2009 and also because we continued to increase our production capacity to meet current and future expected customer demand. In particular, the revenue of the Group amounted to about RMB635.7 million for the six months ended 30 June 2010 as compared to RMB366.6 million for the same period in 2009, representing an increase of 73.4%. Our customer base continued to strengthen, increasing from 124 as at the end of 2009 to 147 as at the end of June 2010, representing an increase of 18.5%. Nonetheless, as at 30 June 2010, 90.4% of our total trade and bills receivables of RMB499.0 million was still aged within 3 months. In addition, we strategically increased purchases of copper materials during May and June 2010 in anticipation of increased production needs in the second half of 2010 after considering the trend of copper price and we expanded production resulting in increase of finished goods in preparation for the anticipated increase in customer orders for the second half of 2010.

The Group manages its funds stringently and ensures that the Group has adequate funds to meet its commitments by:

(i) effectively utilizing our cash generated from our operations and trade credit from our suppliers;

(ii) ensuring prompt and timely collection of trade and bills receivables to improve our cash flow position. For illustration purpose, as at 30 June 2010, 90.4% of our total trade and bills receivables of RMB499.0 million was aged within 3 months as compared to 83.1% as at 31 December 2009. In addition, our trade and bills receivable turnover days improved to 143 days for the six months ended 30 June 2010 as compared to 154 days for the year ended 31 December 2009;

(iii) leveraging on bank borrowings while maintaining a reasonable gearing ratio;

(iv) exploring ways to continue improving the capital structure and provide a long-term and stable source of funding to our Group such as the investment by the pre-IPO investors and the Listing; and

(v) formulating an annual business plan and budget and performing regular budget review to determine including but not limited to, our capital requirements, expansion plans and business needs.

As of 30 September 2010, approximately RMB295.3 million of the RMB408.2 million trade receivables outstanding as of 30 June 2010 had been settled. As of 30 September 2010, approximately RMB67.1 million of the RMB90.9 million bills receivables outstanding as of 30 June 2010 had been settled.

As of 30 September 2010, we used up approximately RMB178.4 million of the RMB185.3 million inventories outstanding as of 30 June 2010 for production.

As of 30 September 2010, the Group has unutilized banking facilities of approximately RMB205.4 million and RMB372.1 million that are expected to expire as of 31 December 2011 and 31 December 2012 respectively.

PROFIT FORECAST

The following unaudited pro forma forecast earnings per Share for the year ending 31 December 2010 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2010. This unaudited pro forma forecast earnings per Share has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of financial results of the Group following the Global Offering.

For the year ending 31 December 2010

Forecast consolidated profit attributable to owners of our Company (*notes 1 and 2*)	not less than RMB150.0 million (equivalent to about HK$175.2 million)
Unaudited pro forma forecast earnings per Share *(note 3)*	approximately RMB0.21 (approximately HK$0.25)

Notes:

(1) The forecast consolidated profit attributable to owners of our Company for the year ending 31 December 2010 is extracted from the section headed "Financial Information — Profit Forecast for the Year Ending 31 December 2010" in this prospectus. The bases and assumptions on which the above profit forecast for the year ending 31 December 2010 has been prepared are summarized in Appendix III to this prospectus.

(2) The forecast consolidated profit attributable to owners of our Company for the year ending 31 December 2010 prepared by our Directors is based on the audited consolidated results of the Group for the six months ended 30 June 2010, the unaudited consolidated results of the Group for the two months ended 31 August 2010 and a forecast of the consolidated results of the Group for the remaining four months ending 31 December 2010. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Company as summarized in the Accountants' Report as set out in Appendix I to this prospectus.

(3) The calculation of the unaudited pro forma forecast earnings per Share is based on the forecast consolidated profit attributable to owners of our Company for the year ending 31 December 2010, assuming the Global Offering, the Subdivision of Shares and the Capitalization Issue had been completed on 1 January 2010 and a weighted average of 712,753,645 Shares in issue during the entire period, taking no account of any additional income the Group may have earned from the estimated net proceeds from the Global Offering and any Shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option.

OFFERING STATISTICS

	Based on an Offer Price of HK$2.70	**Based on an Offer Price of HK$3.70**
Market capitalization of the Shares[(1)]	HK$1,944.0 million	HK$2,664.0 million
Prospective price/earnings multiple on a pro forma basis[(2)]	10.8 times	14.8 times
Unaudited pro forma adjusted consolidated net tangible assets per Share[(3)]	HK$1.29	HK$1.52

Notes:

(1) The calculation of market capitalization is based on 720,000,000 Shares expected to be in issue following the Global Offering, the Subdivision of Shares and the Capitalization Issue, but takes no account of any Shares which may be allotted and issued upon exercise of the Over-allotment Option or any Shares that may be allotted and issued or repurchased by the Company.

(2) The calculation of the prospective price/earnings multiple on a pro forma basis is based on the forecast earnings per Share for the year ending 31 December 2010 on a pro forma basis at the respective Offer Prices of HK$2.70 and HK$3.70 per Share. This calculation does not take into account Shares which may be issued upon exercise of the Over-allotment Option or any Shares that may be allotted and issued or repurchased by the Company.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in Appendix II and based on 720,000,000 Shares expected to be in issue following the Global Offering, the Subdivision and the Capitalization Issue, taking no account of any additional income the Group may have earned from the estimated net proceeds from the Global Offering and any Shares which may fall to be allotted and issued upon exercise of the Over-allotment Option.

DIVIDENDS

We currently do not have a fixed dividend policy. The declaration, payment and amount of dividends in the future will be subject to the discretion of the Board and will depend on our results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by us or our operating subsidiaries in the PRC, future prospects and other factors that our Directors may consider relevant. If any dividends are declared and paid by us, holders of our Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares. The declaration, payment, and amount of dividends will be subject to the discretion of the Directors.

Dividends may be paid only out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations. There can be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

Prior to the Reorganization, dividends in the amount of approximately RMB0.3 million were paid by Weihai Cable to its then shareholders for the year ended 31 December 2007 and dividends in amount of RMB24.0 million were paid by Weihai Electronic to its then shareholders for the year ended 31 December 2008. The shareholders of the PRC Subsidiaries resolved that the remaining profits from operation of our PRC Subsidiaries for the two years ended 31 December 2009 and their profits from operation for the year ending 31 December 2010 will be retained and will not be distributed.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to our Company from the Global Offering (after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us and assuming that the Over-allotment Option is not exercised and an Offer Price of HK$3.20 per Offer Share, being the mid-point of the indicative offer price range stated in this prospectus) will be approximately HK$527.8 million. We currently intend to apply such net proceeds for the following purposes:

- As to about HK$211.1 million (approximately RMB180.7 million), representing about 40.0% of the net proceeds from the Global Offering will be used to expand production capacity of existing products, of which:

  (i) 10.0% will be used in Wuhan for construction of new production plant for production of power cord assembly products and installation of additional production lines for production of external signal cable assembly, including new production equipment for, among others, automatic cutting/stripping, circuit testing production pipelines, and new equipment for power cord assembly products for, among others, injection molding, cooling and laboratory testing equipment, which is expected to increase our production capacity of external signal cable assembly and power cord assembly products by about 10-15 million units and 17-21 million units respectively. Such increase in production capacity in Wuhan is expected to be completed by the third quarter of 2011;

  (ii) 10.0% will be used in Dezhou for installation of additional production lines in existing premise for production of internal signal LVDS cable assembly including new production equipment for, among others, fully automatic crimping, jacket removing and CO_2 laser wire stripping, construction of new production plant for production of external signal cable assembly and building of new dormitory. Our production capacity of internal signal cable assembly products is expected to increase by about 5-10 million units and such increase in production capacity in Dezhou is expected to be completed by the third quarter of 2011;

  (iii) 17.0% will be used in Chongqing towards purchasing the new land we have identified located in Changshou District of Chongqing, building of new production plant and dormitory, and purchase of new production equipment for the production of internal signal LVDS cable assembly, wire & cable and power cord assembly products, including new production equipment for, among others, automatic crimping, jacket removing, CO2 laser wire stripping and soldering. For this new land, we entered into a letter of intent with a district government of the People's Government of Chongqing municipality in April 2010, pursuant to which we shall pay a total of RMB32 million (subject to final auction results) in cash for such land with a site area of about 400 mu in Changshou District. It is expected that the completion of the first phase of the acquisition for approximately 200 mu land use right in Chongqing will take place and we expect to commence production of internal signal LVDS cable assembly, wire & cable and power cord assembly products in Chongqing by the first half of 2011. Upon establishing our Chongqing base, production capacity of internal signal LVDS cable assembly is expected to increase by about 5-6 million units; and

(iv) 3.0% will be used in Guangdong Province towards acquiring a new piece of land with a site area of about 52,596 sq.m., where we expect to build new production plants for the new production lines of antennas. For this new land, we entered into a letter of intent with a district government in Huizhou, Guangdong Province in September 2010, pursuant to which we intend to acquire a land with a site area of about 52,596 sq.m. in Huizhou Hi-tech Technology Development Zone.

- As to about HK$232.2 million (approximately RMB198.8 million), representing about 44.0% of the net proceeds from the Global Offering will be used for production of new products, of which:

  (i) 17.0% will be used in Weihai towards acquiring a new piece of land next to our existing production plants, where we expect to build new production plants and purchasing of new production equipment for the production of specialty power cables for, among others, electron accelerating, core wire extruding, copper wire bunching, cabling and jacketing. We expect to purchase the land in Weihai by the first quarter of 2011 and commence production of our new products in Weihai by the first half of 2011. We expect our production capacity of our new specialty power cables to reach 65-75 million units respectively at the end of 2011;

  (ii) 17.0% will be applied to the development of our automotive wiring harness products. For the development of our new automotive wiring harness products, we will consider building our own production facilities and/or making future strategic acquisitions, for which we have not yet identified any specific targets, and the suitability of any such targets will depend upon, among others, the compatibility of the target's business and whether the target's business or operations will help us to achieve our strategies in rolling out automotive wiring harness products;

  (iii) 10.0% will be used in Chongqing towards acquiring a new piece of land located in Changshou District of Chongqing, where we expect to build new production plants for the production of specialty power cables. It is expected that the completion of the first phase of the acquisition for approximately 200 mu land use right in Chongqing will take place by the first half of 2011 and we expect to complete the constructions by the end of 2011 and commence production of our new products in Chongqing in 2012;

- As to about HK$31.7 million (approximately RMB27.1 million), representing about 6.0% of the net proceeds from the Global Offering, for the establishment of new research and development center in Suzhou, procurement of advanced equipment for research and development, and development projects related to solar connectors, antennas and environmentally friendly low smoke halogen-free insulating materials; and
- As to about HK$52.8 million (approximately RMB45.2 million), representing about 10.0% of the net proceeds from the Global Offering, for our general working capital and other general corporate purposes.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

Any additional net proceeds that we would receive from any exercise at any price within the stated offer price range, in full or in part, of the Over-allotment Option may be applied in the manner and the proportions stated above.

To the extent that our net proceeds are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit the net proceeds into short-term interest bearing deposits and/or money market instruments.

NON-COMPLIANT BILL FINANCING

From July 2005 to June 2009, we obtained additional funding for our business operations through issuing bank acceptance notes that were within the credit limits stipulated by the endorsing banks and supported by the initial deposits by us, but were used for purposes other than the payment for the purchases from relevant suppliers ("non-compliant bill financing"). See "Business — Non-compliant Bill Financing". As the discounted interest rates of bank acceptance notes are normally lower than the prevailing interest rates for short-term bank loans, to take advantage of these lower interest rates, we used the non-compliant bill financing arrangements to fund a portion of our business operations. The funding for our business operations obtained from the banks through such non-compliant bill financing in 2007, 2008 and 2009 was estimated to be approximately RMB14.9 million, RMB49.7 million and RMB34.6 million, respectively, and based on relevant prevailing interest rates of short-term bank loans, for illustration purpose only, we estimated that our savings in interest payments from the non-compliant bill financing arrangements were approximately RMB204,000, RMB936,000 and RMB789,000 in 2007, 2008 and 2009, respectively. We ceased entering into non-compliant bill financing transactions in June 2009 and all bank acceptance notes involved in such non-compliant bill financing were fully settled by December 2009. Our PRC legal advisor has advised us that (1) due to the fact that the relevant banks and third parties have not incurred any losses, we will not have any liability under any civil claims arising from such non-compliant bill financing, (2) our Directors and senior management will not be personally liable for any civil claims, and (3) there are no relevant PRC laws or regulations, nor are there any relevant rules promulgated by the PBOC or the China Banking Regulatory Commission (中國銀行業監督管理委員會) ("CBRC") imposing administrative or criminal liability in respect of such non-compliant bill financing. In particular, pursuant to Article 3 of the PRC Criminal Law (中華人民共和國刑法) and Article 4 of the PRC Administrative Penalty Law (中華人民共和國行政處罰法) describing the principles of "a legally prescribed punishment for a specified crime" and "administrative penalty decided by statutory regulations," there is no legal basis for any PRC regulating authority to impose administrative or criminal liability on us, our Directors or senior management in relation to the overstated bill financing. Since June 2009, we have formulated and implemented a series of measures to ensure that such non-compliant bill financing arrangements will not occur in the future. Since April 2010, we have engaged independent internal control advisors who assisted us to strengthen our internal control system and implement various rectifying measures to ensure that such non-compliant bill financing activities will not occur in the future. See "Business — Non-compliant Bill Financing — Strengthening our internal control system and corporate governance measures" and "Business — Internal Control".

RISK FACTORS

Our operations, the industry in which we operate and the Global Offering involve certain risks, a summary of which is set forth in the section headed "Risk Factors" in this prospectus. These risks can be classified as follows:

Risks related to our business and industry

- Our business, results of operations and financial condition are adversely affected by economic cycles, including the recent global financial and economic crisis
- We rely upon a number of major customers for a substantial portion of our revenues
- We may not be able to develop, manufacture and introduce new and technologically enhanced products that meet our customers' requirements consistently
- The selling prices of a number of our products may decrease over time. If we cannot supplement our product portfolio with new products that have higher selling prices or lower the production costs of our products, our revenues and gross margins will decline
- Our products are required to meet industry technical standards or governmental safety requirements and our customers place significant emphasis on product quality and reliability in selecting their suppliers. As a result, if our products experience quality deficiency issues, our business, results of operations and financial condition could be materially and adversely affected
- If our inventories become obsolete, our future performance and operating results will be adversely affected
- If we fail to effectively implement our production plan, our results of operations may be materially and adversely affected
- Our failure to acquire raw materials or to fill our customers' orders in a timely and cost-effective manner could materially and adversely affect our business operations
- Significant fluctuations in the prices of our major raw materials could adversely affect our business, results of operations and financial condition
- We generate a significant amount of international sales. Conducting business in international markets involves risks and uncertainties such as foreign exchange rate exposure and political and economic instability that could lead to reduced international sales and reduced profitability associated with such sales

- We have experienced, and will continue to experience, fluctuations in sales and operating results from period to period
- Our key managerial and technical personnel are critical to the success of our business and losing their services could adversely affect our business
- We have utilized and expect to continue utilize third-party contract manufacturers for the manufacturing of a portion of our products. If any of our contract manufacturers fail or are unwilling to meet our production criteria, quality or delivery requirements, our production plan may be adversely affected
- We may experience delays or defaults in collecting trade receivables from our customers, which may adversely affect our cash flow, working capital position, financial condition and operating results
- We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and reputation
- We may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to us, could cause us to pay significant damage awards
- We may be subject to civil and criminal liabilities for our defective products; also, we generally do not carry product liability insurance for our products, and any significant product liability claim could have a material and adverse effect on our financial condition
- We face significant competition in our business and our inability to compete effectively would be detrimental to our business and prospects for future growth
- We may fail to achieve or manage future growth and expansions
- We had negative operating cash flow for the six months ended 30 June 2010 and may not be able to generate sufficient cash from our operations or obtain adequate financing to fund our operations and capital requirements
- We recorded net current liabilities during the Track Record Period and we cannot assure you that we will not have net current liabilities again in the future
- We may require additional capital in the future, which may not be available or may only be available on unfavorable terms
- An unanticipated or prolonged interruption of operations at production facilities would have a material and adverse effect on our results of operations and financial condition
- We may experience labor shortage or unrest or incur high labor costs
- Failure to comply with applicable environmental regulations and standards could harm our business
- We have previously entered into bill financing transactions that were not in compliance with PRC laws
- Our non-compliance with certain social security and housing provident fund contribution regulations in the PRC could lead to the imposition of fines or penalties
- We may be required to seek alternative premises for some of our leased properties due to our landlords' lack of title certificates

Risks related to the PRC

- Changes in the PRC's political, economic and social conditions, laws, regulations and policies may have an adverse effect on us
- The PRC's legal system embodies uncertainties that could adversely affect our business and results of operations
- Our Company may be subject to withholding tax on dividends received from PRC subsidiaries
- Gain on the sales of our Shares and dividends payables by us to our foreign investors may be subject to withholding tax under the PRC income taxes
- Fluctuations in the exchange rates of the RMB may adversely affect your investment and could materially affect our financial condition and results of operations
- Government control of foreign currency conversion may affect the value of your investment
- It may be difficult to effect service of process upon us or our Directors who live in the PRC or to enforce against us or them in the PRC judgments obtained from non-PRC courts
- An outbreak of Severe Acute Respiratory Syndrome (SARS), Avian Flu (H5N1), Influenza A (H1N1) or any other similar epidemic may, directly or indirectly, adversely affect our operating results and the price of our Shares
- Our corporate structure may restrict our ability to receive dividends from, and transfer funds to, our PRC operating subsidiaries, which could restrict our ability to act in response to changing market conditions in a timely manner

Risk related to the Global Offering

- There has been no prior public market for our Shares and the liquidity and market price of the Shares may be volatile
- Purchasers of our Offer Shares will experience substantial and immediate dilution and may experience further dilution if we issue additional Shares in the future
- Dividends declared in the past may not be indicative of our dividend policy in the future
- Future sales by our Directors, officers and our current shareholders of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares
- Mr. Chi Shaolin, our controlling shareholder, is able to exercise substantial influence over our corporate policies and direct the outcome of corporate actions, and its interests may not be aligned with the interests of our other shareholders
- We cannot guarantee the accuracy of certain facts and statistics with respect to the PRC, the PRC economy and the consumer electronics industry contained in this prospectus