You should carefully consider all of the information set out in this prospectus before making an investment in the Offer Shares, including the risks and uncertainties described below in respect of our business and our industry and the Global Offering. You should pay particular attention to the fact that we are a company incorporated in the Cayman Islands and that our principal operations are conducted in China and are governed by a legal and regulatory environment that in some respects differs from what prevails in other countries. Our business could be affected materially and adversely by any of these risks.

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.

Our business is highly correlated with the trend and development of the global consumer electronics industry, including primarily the computers, notebooks, mobile handsets and TVs sectors. The demand for our products relies on the market condition of these sectors which might fluctuate over time. Should the global demand for the products in these sectors fall as a result of adverse economic cycles, the demand for our products may also fall, which would adversely affect our profitability, results of operations and financial condition. Since the second half of 2008, the global financial system has experienced significant difficulties and disruptions, leading to reduced liquidity, greater volatility, widened credit spreads and a lack of price transparency in the global credit and financial markets. The difficulties in the global credit and financial markets have also resulted in a widening global economic crisis. The slowdown experienced in the economies of the United States, the European Union and certain Asian countries adversely affected the markets for our products, including primarily the consumer electronics industry sectors.

As a result of the economic stimulus measures implemented by governments of various countries, there have been significant improvements in the overall global economy and the economies of the United States, China and certain other Asian countries. However, there are significant uncertainties and risks that may adversely affect the continued recovery of the global economy. For example, the recent fiscal difficulties experienced by Greece and certain other countries may slow down the growth of the economy of the European Union and other regions, which could have a material and adverse effect on the global economy. Therefore, there is no assurance that the global economy will continue to grow at a stable pace or at all, or will not experience a recession in the future. If the global economy grows at a lower than expected rate or experiences a recession in the future, demand for our products will decrease and our business, results of operations and financial condition would be materially and adversely affected.

We rely upon a number of major customers for a substantial portion of our revenues.

We derive a substantial portion of our business from a number of major customers. During the Track Record Period, a total of seven customers constituted our top five customers. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, our five largest customers accounted for 56.2%, 44.9%, 41.5% and 39.4% of our revenues, respectively, while the largest customer accounted for 25.3%, 19.6%, 16.6% and 13.0% of our revenues, respectively, for the same periods. The concentration of our sales among a number of major customers exposes us to a variety of risks that could have a material adverse impact on our revenues and profitability, including reductions in a single major customer's demand for our products or loss of a single major customer's business could result in a significant decrease in our revenues. Also, any fluctuations in demand from our major customers could negatively affect our business, results of operations and financial condition.

Our customers primarily place purchase orders with us based on their production needs. While we typically enter into framework sales agreements with our customers, such sales agreements generally have an initial term of not exceeding three years and can be terminated in a short or with no prior notice. As a result, our business and revenues may be materially adversely affected if one or more of our major or other customers:

- do not submit additional purchase orders;
- do not enter into new agreements with us; or
- elect to terminate their relationship with us.

We may not be able to develop, manufacture and introduce new and technologically enhanced products that meet our customers' requirements consistently.

The markets for our products are characterized by rapid changes caused by the frequent emergence of new technologies. This requires us to anticipate and respond rapidly to changes in industry standards and customer needs and to develop, manufacture and introduce new and enhanced products on a timely and cost effective basis. Failure to anticipate and respond to customers' changing needs and emerging technological trends in a timely manner and accurately and to develop, manufacture and introduce products that meet the evolving needs of our customers could adversely affect the relationship with our customers, thus resulting in our loss of market share and will significantly harm our business, results of operations and financial condition.

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.

The selling prices of many of our old products generally decrease over time. We face significant competition in terms of product prices and we often are required by our customers to lower the selling prices of a number of our products as such customers seek to reduce costs in order to offset the declined selling prices of their products. As a result, we must continually explore ways to reduce our manufacturing costs and develop new products which may be sold at a higher selling price. If we fail to achieve these goals, our revenues and gross margins may be adversely affected as a result.

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.

Our business depends on delivering products of consistently high quality. Many of our products are subject to industry technical standards, including, for example, the specifications and standards set by USB Implementer Forum, Inc. that are applicable to our USB assembly products, and we are also required to meet product safety and other requirements imposed by the relevant government authorities in countries that our products or the end-products of our customers are sold to. Moreover, our customers place significant emphasis on product quality and reliability in selecting us as their supplier.

To ensure high quality standards, our products are inspected and tested for quality by our quality control personnel in accordance with our internal procedures. There is no assurance that our quality inspection and testing procedures may be effectively complied with at all times. Failure to comply with such quality inspection and testing procedures by our employees could result in faulty or defective products being delivered to our customers. In addition, our quality testing procedures may not be always sufficient. Our quality testing procedures are generally designed to evaluate product performance under likely and foreseeable failure scenarios. As a result of the occurrence of unforeseeable performance problems, our products may fail to perform. Furthermore, any changes in the relevant industry technical standards or governmental safety requirements will affect our sales if our products do not meet such new standards or requirements. There is no assurance that such problems will not occur in the future. Significant quality, defects of our products may result in damages of our reputation and loss of customers and future sales as well as subject us to potential compensation claims by affected customers.

If our inventories become obsolete, our future performance and operating results will be adversely affected.

Rapid technological developments, changes in industry standards and emergence of new or substitute products in our industry and the markets for our products will render our products and inventories obsolete. Our products and inventories may also become obsolete as a result of adverse changes in end market demands. If we fail to effectively manage our production and inventory levels or otherwise have significant levels of obsolete or excessive inventories, our business, results of operations and financial condition could be materially and adversely affected.

If we fail to effectively implement our production plan, our results of operations may be materially and adversely affected.

We plan our production primarily based on our projection and orders received from our customers. However, we cannot guarantee that our internal projections of demand for our products are accurate. If our projections for orders are inaccurate, we may build up inventories of our products in excess of actual demand. If we fail to effectively implement our production plan during any particular period, our results of operations for that period 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.

We rely on third-party suppliers to meet our raw material requirements. The principal types of raw materials in the manufacturing of our products consist of copper materials (copper rods and copperplates), plastic materials, iron materials and various other consumables. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, purchases from our five largest raw material suppliers together accounted for approximately 42.1%, 36.0%, 32.4% and 39.4% of our total purchases of raw materials, respectively, while the largest raw material supplier accounted for approximately 12.6%, 9.6%, 14.9% and 18.4% of our total purchases of raw materials, respectively. If any of our major suppliers is unable to deliver raw materials according to such schedule or in such volume as is required for our production, and we fail to purchase from other suppliers in a timely and cost-effective manner, our manufacture and delivery of products required by our customers could be delayed. In addition, we may sometimes need to purchase raw materials, components and other supplies in the market at higher prices to meet our production deadlines if the delivery of the raw materials and components that we ordered is delayed. Our relationships with our customers could be adversely affected as a result of any of such delays or increases of our selling price due to an increase in purchase prices of raw materials and other supplies, which may 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.

Some of our raw materials, such as copper materials, are subject to significant price volatility as a result of changes in levels of global demand, supply disruptions and other factors. In particular, copper materials, which constitute a large portion of our raw material requirements, are considered as commodities and the supply prices for the copper we purchase are generally determined based on the future prices on the SHFE or the LME. As a result, we are subject to a significant commodity price risk associated with copper. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, the average monthly price of our copper materials was approximately RMB56,320, RMB52,290, RMB33,960 and RMB49,460 per tonne, respectively. We have managed such price risk primarily through matching of the purchase prices for our copper materials with the price terms of our customers purchase orders. In the event that any of our customers require a fixed cost for copper materials in their purchase orders, we will try to hedge against the related copper price risk exposure through entering into derivative transactions, including primarily copper futures contracts. We cannot assure you that we will be able to effectively manage the copper price risk at all times. If there is a significant increase in the prices of copper, plastic materials and other raw materials that we require for our production, such increase is not sufficiently hedged or controlled by us, and we are not able to shift such corresponding price increase to our customers in a timely manner, our business, results of operations and financial condition could be materially and adversely affected as a result.

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 generate a significant amount of international sales, which principally consist of our sales to customers located outside of China, such as Korea, Hong Kong, Taiwan and Japan. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, our international sales were approximately RMB177.8 million, RMB261.2 million, RMB229.3 million and RMB127.6 million, respectively. We anticipate that international sales will continue to represent a significant portion of our total sales. In particular, with the approval of the Taiwan Investment Commission, MOEA, we have recently established a subsidiary in Taiwan and we intend to further expand the sales and distribution of our products in the international market. As a result, we are subject to a variety of risks and uncertainties associated with international businesses, including:

- foreign exchange rate exposures;
- political and economic instabilities (such as those affecting the cross-strait relationships between the PRC and Taiwan);
- tariffs and other trade barriers;

- longer customer payment cycles and foreign taxes;
- compliance with local laws and industry standards;
- unfamiliar legal systems;
- reduced protection of intellectual property rights in some countries;
- cultural and language differences; and
- difficulty in managing relationship with foreign customers.

We believe that international risks and uncertainties could lead to reduced international sales and reduced profitability associated with such sales, which would reduce our overall sales and profits.

We have experienced, and will continue to experience, fluctuations in sales and operating results from period to period.

The markets for our products, including primarily the consumer electronics industry, are highly cyclical and, as a result, demand of our customers for our products fluctuates from period and period. A significant downturn in any of the markets for our products will result in a decrease in demand of our customers in that market for our products, which could materially and adversely affect our business, results of operations and financial condition. For example, due to the global economic downturn in the second half of 2008, our customers in the global consumer electronics industry generally experienced significant reductions in production later that year, which in turn resulted in a sudden decrease in customer purchaser orders to us in the fourth quarter of 2008. Based on our internal data, the average quarterly amount of customer purchase orders in the fourth quarter of 2008 witnessed a decrease of 30.5% as compared to the average quarterly amount for the first three quarters in 2008. As a result, our operating results and financial performance were adversely affected.

Our results of operations may also fluctuate from period to period due to a number of additional factors, including:

- the lack of obligations by our customers to purchase the products that we produce according to our projection of customers' orders;
- variations in the timing, cancellation or rescheduling of customer orders and shipments;
- high fixed costs that may lead to an increase in operating expenses, especially during a period with a sales shortfall;
- changes in product mix;
- delay in the introduction of our new products and longer than anticipated sales cycles for our products;
- lower than anticipated demand of our certain products due to failure of our customers' products to gain widespread commercial acceptance;
- seasonality of our customers' orders as we generally receive more orders in the second half of each year mainly due to the increase in our customers' production for the sales season before Christmas. For example, for the year ended 31 December 2009, 42.0% and 58.0% of our total revenue was recognized in the first half and second half of 2009, respectively, with May to July contributing on average 7.2% as compared to a monthly average of 8.3% in 2009; and

- declining average sales prices.

Due to the foregoing and other factors, we may experience significant fluctuations in sales and operating results from period to period. Future revenues and operating results may not meet the expectations of public market analysts or investors, and this could result in a material adverse effect on our share price.

Our key managerial and technical personnel are critical to the success of our business and losing their services could adversely affect our business.

We depend, to a significant extent, on the efforts and abilities of our Directors and senior management, particularly Mr. Chi and our other executive Directors set forth in the section headed "Directors, Senior Management and Staff — Board of Directors", and other senior technicians for our future growth and success, as they have contributed their in-depth industry experience and technical knowledge to us. Specifically,

- Mr. Chi, our Chairman and Chief Executive Officer, has been instrumental in the formulation and execution of our business and expansion strategies and his forward-looking growth strategies and management concepts are essential to our rapid growth in recent years.
- Mr. Jiang Taike, our Vice Chief Executive Officer, has assisted Mr. Chi in formulating and executing our overall business and expansion plans, in particular, regarding the development of our wire & cable business.
- Mr. Li Jianming, our Chief Financial Officer, has contributed significantly to the development and improvement of our financial management and internal control systems.
- In addition, each of Mr. Tseng Chih-ming, Mr. Sui Shikai, Mr. Mao Wanjun, Mr. Kang Jin Won and Mr. Tan Zhen has played a critical role in the development of our key operating subsidiaries and/or product types.

We believe that our Directors and members of our senior management team are also critical to develop and maintain relationships with many of our key customers. In addition, we are dependent on other qualified managerial marketing personnel and technicians for our manufacturing, marketing, sales, and research and development operations. Competition for qualified personnel is intense in our industry within China. If we lose the services of our key managerial and technical personnel or fail to attract and retain additional qualified managerial, technical and marketing personnel, our business could be adversely affected.

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.

Since 2006, we have outsourced the manufacturing of a portion of our cable assembly products to selected third-party contract manufacturers primarily in Shandong Province. We intend to outsource an increasing number of our products, in particular, products that we consider to be highly labor intensive and of less stringent technical requirements, to selected third-party contract manufacturers in the future so as to reduce our capital expenditures on production facilities and the costs and efforts associated with maintaining a large number of production personnel. Outsourcing costs during the Track Record Period amounted to approximately RMB8.3 million, RMB16.9 million, RMB33.2

million and RMB29.4 million respectively. As a result, we are subject to a number of risks associated with the utilization of third-party contract manufacturers, including their failure or unwillingness to meet our production criteria, quality or delivery requirements. If any of these risks materialize, our production plan for a particular period 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 recorded a significant amount of trade and other receivables at the end of each reporting period during the Track Record Period. As of 31 December 2007, 2008 and 2009 and 30 June 2010, our trade and other receivables amounted to approximately RMB241.3 million, RMB338.8 million, RMB423.5 million and RMB592.5 million, respectively, representing approximately 57.5%, 66.1%, 64.7% and 66.3% of our total current assets as at the respective balance dates. 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. In the event of any further delays or if any material portion of such trade and note receivables becomes bad debts and cannot be collected by us, our cash flow, working capital position, financial condition and operating results may be materially and adversely affected.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and reputation.

We rely on a combination of patent, trademark and trade secret-related laws as well as nondisclosure agreements and other methods to protect our intellectual property rights. It could be difficult and expensive to police unauthorized use of intellectual property. The steps we have taken may be inadequate to prevent misappropriation of our technologies, trademarks, trade names or other intellectual property. Our inability to prevent others from unauthorized use of our intellectual property could harm our business, reputation and competitive positions. Also, we may have to enforce our intellectual property rights through litigation. Such potential litigation may result in substantial costs and diversion of resources and management attention.

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.

Our success depends largely on our ability to use and develop our technology and know how without infringing the intellectual property rights of third parties. The validity and scope of claims relating to the design and other technologies for our products involve complex scientific, legal and factual questions and analysis and, therefore, the validity and scope of our technology, know how and other intellectual property may be highly uncertain. Our competitors may bring intellectual property infringement claims against us for the purposes of gaining competitive advantages over us. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert the efforts and resources of our technical and management personnel. If any claim is adversely determined against us in any of such potential litigation or proceedings, we could be subject to significant liability to third parties. As a result, we may be required to seek licenses from third parties, pay ongoing royalties and also redesign our products. We could further be subject to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation could also result in our existing or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

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.

Manufacturers and sellers of defective products in the PRC may be liable for loss and injury caused by such products. According to the principal laws and regulations governing this area, such as the General Principles of the Civil Law of the PRC, where a sub-standard product causes property damage or physical injury to any person, the manufacturer or seller of such sub-standard product may be subject to civil liabilities for such damage or injury. In addition, under the Product Quality Law, manufacturers are responsible for the quality of the products they produce, the products must meet certain minimum standards and manufacturers producing defective products may be liable for criminal liability and have its business licensees revoked.

We generally do not carry product liability insurance for our products, business interruption insurance, third-party liability insurance for personal injuries. While there have not been any complaints or claims against us for losses or injuries due to defective products during the Track Record Period, there is no assurance that we will not receive any complaints or claims against us pursuant to, including but not limited to, any of the above-mentioned laws in the future, which may adversely affect our reputation and the operation of our Group. We may also be liable for loss and injury due to defective products sold in other jurisdictions outside the PRC, which may adversely affect our financial condition and results of operations.

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 face significant competition in our business. Our industry and markets for our products, including, among others, the consumer electronics industry, are characterized by factors such as rapid technological change and new product development, rapid product obsolescence, evolving industry standards and significant price erosion over the life of a product. We primarily compete on the following bases:

- product functionality, quality and reliability;
- design, technical and manufacturing capabilities;
- ability to meet customers' delivery schedules;
- customer relationships and services; and
- product price.

There can be no assurance that we will maintain our competitiveness in any of these areas with respect to any of our products. Also, as we plan to expand our product offerings to launch such new products as antennas, automotive wiring harness, specialty power cables and solar connectors, we expect to face strong competition from many established players in the markets for these products. Many of our existing and potential competitors may have significantly greater financial, manufacturing, sales, marketing and other resources than we have. If we fail to compete effectively in the future, our business and prospects for future growth would be materially and adversely affected.

We may fail to achieve or manage future growth and expansions.

We have experienced significant business growth and expansion in the past few years. We plan to further strengthen our sales and marketing operations and our research and development capabilities and to upgrade or expand our existing production facilities. However, there are significant risks and uncertainties involved in such expansion plans, including, among others, lack of financial resources, inability to implement and execute the expansion plans in a timely and cost-effective manner, cost overruns and failure to achieve the anticipated benefits. We may also make other acquisitions or equity investments in the future if suitable opportunities arise. Acquisitions or significant equity investments involve a variety of risks and uncertainties, including, among others:

- potential ongoing financial obligations and unforeseen or hidden liabilities;
- failure to achieve the intended objective or benefits;
- costs and difficulties of integrating acquired businesses and managing the expanded operations; and
- diversion of resources and management attention.

If we fail to address the foregoing risks and uncertainties associated with our future acquisitions, equity investments and other expansion plans, our business, results of operations and financial condition could be materially and adversely affected.

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 have funded our operations and capital requirements from cash generated from our operations, trade credit from our suppliers and short-term bank borrowings. After the Global Offering, we expect to continue to derive our funding from cash generated from our operations and bank and other borrowings. For the years ended 31 December 2007, 2008 and 2009, we recorded a net cash inflow from operating activities of RMB10.8 million, RMB1.7 million and RMB0.5 million, respectively, while we recorded a net cash outflow from operating activities of RMB144.1 million for the six months ended 30 June 2010. Please refer to the subsection headed "Liquidity and Capital Resources" in the section headed "Financial Information" to this prospectus for further details.

Our ability to generate sufficient cash from our operating activities to finance our operations and expansion plans depends on a number of factors, including but not limited to the performance of our operations, inventory purchases and the ability of our customers to settle their payments. If we continue to have a negative operating cash flow in the future, our Group may not be able to generate sufficient funding to finance our working capital and capital expenditure requirements, and our business, results of operations and financial position may be materially and adversely affected.

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 recorded net current liabilities of approximately RMB41.1 million, RMB69.5 million and RMB7.9 million as of 31 December 2007, 2008 and 2009, respectively, primarily due to outstanding amounts of trade and other payables and short-term bank borrowings as at the end of the relevant reporting periods, which were primarily related to the procurement of raw materials and supplies for our production. See "Financial Information — Liquidity and Capital Resources — Net Current Assets/ Liabilities". We cannot assure you that we will not have net current liabilities as of the end of any relevant reporting periods in the future. In the event that we have such net current liabilities in the future, our working capital and liquidity position may be materially and adversely affected, which in turn could have a significant adverse impact on our business and growth prospects.

We may require additional capital in the future, which may not be available or may only be available on unfavorable terms.

Our manufacturing facilities are highly capital-intensive to construct and maintain. For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, our capital expenditures amounted to RMB107.7 million, RMB105.2 million, RMB72.2 million and RMB63.2 million, respectively, which were primarily used to increase our production capacity and purchase machineries. Our future capital requirements may be substantial as we seek to expand our operations, including pursuing acquisitions and significant equity investments. There is no assurance that we will have adequate internal and external resources to fund our future capital requirements, and we may from time to time need to raise additional funds to meet such capital requirements. However, any equity or debt financing, if available at all, may be on terms that are not favorable to us. A large amount of bank borrowings and other debt may result in a significant increase in interest expenses while at the same time exposing us to increased interest rate risks. Equity financings could result in dilution to our shareholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our Shares. If we fail to obtain necessary funding on acceptable terms or at all, we may be forced to delay capital investment projects, research and development activities, potential acquisitions and investments or otherwise curtail or cease operations.

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.

Our business is dependent on the continued and uninterrupted performance of our production facilities. However, these facilities are subject to operating risks, including equipment failures, failures to comply with applicable regulations, disruptions in power supply, industrial accidents, labor shortages, strike, fire, earthquake or other natural calamities, and acts of sabotage. If any unanticipated or prolonged interruption of operations at any of our production facilities occurs as a result of any of the foregoing or other risks or factors, we may not be able to deliver our products to our customers in a timely manner or at all. Consequently, our business reputation and customer relationship may be damaged, we may be subject to compensation claims from customers and our ability to attract new businesses may be adversely affected.

We may experience labor shortage or unrest or incur high labor costs.

Some of our production processes, such as assembly of parts and components, are labor intensive. In addition to recruiting workers on our own, we also use the contract workers provided by third party service providers. During recent years, labor shortages have frequently occurred in some areas in China, in particular, Guangdong Province. While we have not experienced any significant labor shortages in the past, we cannot assure you that we will not face such problems in the future. In addition, as a result of changes in the labor market conditions or industry practices or otherwise, we may be required to increase the wages for our workers. For example, in the aftermath of labor unrest, some manufacturing companies based in China recently significantly increased wages for their employees. We have not been subject to similar or other labor unrest and have not witnessed or expect such demand for pay raise from our employees or contract workers as a direct result of labor unrest that occurred at other manufacturing companies. We expect the pay levels of our employees and contract workers will continue to be determined according to prevailing market wage rate in relevant locations as well as performance of such employees and contract workers for the foreseeable future in order for us to remain competitive. However, we cannot assure you that we will not face labor unrest or we will not raise wages for our employees and contract workers whether due to labor unrest at our Group or as a result of the pay raise of other manufacturing companies in China in response to labor unrest related to them. Labor unrest will disrupt our production and the higher wages will result in increased labor costs for us. If we cannot increase our product prices to offset the additional labor costs in a timely manner or in a sufficient amount or if we experience labor shortage or labor unrest, our business, results of operations and financial conditions will be adversely affected.

Failure to comply with applicable environmental regulations and standards could harm our business.

We are required to comply with various environmental laws and regulations in the PRC, including those requiring that the design and construction of our plants meet with the specified environmental protection standards. Our production operations are also subject to periodic monitoring by the State Environmental Protection Administration of the PRC and the relevant local government environmental protection authorities. In addition, our products must also meet the environmental protection and safety standards of other jurisdictions, including the directive on the toxic and hazardous substances, or RoHS, issued by the European Union in 2003 to exercise control over the toxic and hazardous materials used in certain electronic products. There is no assurance that noncompliance incident in this area will not occur in the future. Moreover, if more stringent environmental protection laws and regulations and standards are introduced, we may need to utilize significant financial resources to ensure compliance, which will result in an increase in our operating costs and have an adverse effect on our profitability.

We have previously entered into bill financing transactions that were not in compliance with PRC laws.

From July 2005 to June 2009, we obtained 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. See "Business — Non-compliant Bill Financing." Our PRC legal advisor, Deheng Law Firm, has advised us that such bill financing arrangements were not in compliance with PRC laws. 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. We have formulated and implemented a series of measures to ensure that such non-compliant bill financing arrangements will not occur in the future. Even though we have received confirmation from endorsing banks and relevant governmental authorities, there is no assurance that the relevant regulatory authorities will not decide to penalize us for such actions in the future. Any such penalties may materially and adversely harm our business and cash flow.

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 have not paid, or have not been able to pay, certain past social security and housing provident fund contributions for and on behalf of our employees due to differences in local regulations and inconsistent implementation or interpretation by local authorities in the PRC, different levels of acceptance of the social security system by employees, as well as insufficient knowledge on our part of the social security system. By June 2010, we completed registration applications for the payment of social insurance and housing fund contributions with the relevant PRC authorities and have commenced payments of social insurance and housing fund contributions in respect of all eligible employees starting from June 2010. We have made an outstanding provision of approximately RMB5.4 million in respect of the overdue social insurance and housing fund contributions for the Track Record Period. For details, please refer to "Business — Employees".

As advised by our PRC legal advisor, Deheng Law Firm, we may be ordered to pay outstanding social insurance and housing fund contributions within a stipulated deadline by the relevant PRC authorities. Any judgment or decision against us in respect of outstanding social insurance and/or housing fund contributions could have an adverse effect on our reputation and cash flow.

We may be required to seek alternative premises for some of our leased properties due to our landlords' lack of title certificates.

As of the Latest Practicable Date, certain building ownership certificates in respect of a total floor area of 11,677 sq.m. of the four properties leased by us in Weihai, Wuhan and Shenzhen had not yet been provided by the relevant landlords to prove their ownership titles or rights to these properties as required under the relevant PRC laws and regulations. As a result, we may be required to cease our occupation and usage of the above properties. In the case of such an event, we will be required to relocate and we may incur additional costs relating to such relocation, as well as business interruption. In addition, we may not be able to find suitable alternative premises for our operation and our business may be adversely affected if we relocate to a less desirable location.

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 economy of the PRC differs from the economies of most developed countries in many respects, including:

- structure;
- level of government involvement;
- level of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. For the past three decades, the PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. In addition, the PRC government continues to play a significant role in regulating industries by imposing industrial policies. Despite the implementation of such reforms, we cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on our current or future business, results of operations or financial condition.

The PRC's legal system embodies uncertainties that could adversely affect our business and results of operations.

As substantially all of our operations are conducted and substantially all of our assets are located in China, our operations are generally affected by and subject to the PRC legal system and PRC laws and regulations. Since 1979, many new laws and regulations covering general economic matters have been promulgated in China. Despite this activity to develop the legal system, China's system of laws is not yet complete. Even where adequate law exists in China, the enforcement of existing laws or contracts based on existing law may be uncertain or sporadic, and it may be difficult to obtain swift and equitable enforcement or to obtain enforcement of a judgment by a court of another jurisdiction. The PRC legal system is based on written statutes and their interpretation, and prior court decisions may be cited for reference but have limited weight as precedents. The relative inexperience of China's judiciary in many cases creates additional uncertainty as to the outcome of any litigation. In addition, interpretation of statutes and regulations may be subject to government policies reflecting domestic political changes.

Our Company may be subject to withholding tax on dividends received from PRC subsidiaries.

We were incorporated in the Cayman Islands, and substantially all of our income will come from dividends that we receive from our PRC subsidiaries. Before the PRC EIT Law came into effect, dividends derived from our business operations in the PRC were not subject to income tax under PRC law. Under the PRC EIT Law, dividends payable to foreign investors that are "derived from sources within the PRC" may be subject to income tax at the rate of 10% by way of withholding, unless otherwise reduced by PRC laws, rules and regulations or through agreements between the PRC Government and the government of other countries or regions. Under PRC EIT Law, equity investment income from sources within the PRC or a foreign territory, such as dividends and bonuses, will be recognized by reference to the locations in which the enterprises that distributed the dividends and bonuses are located. As a result, dividends payable to our foreign investors may be deemed as income derived from sources within the PRC.

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.

Under the PRC EIT Law, a PRC income tax at the rate of 10% is applicable to dividends payable to enterprise investors that are non-resident enterprises to the extent such dividends have their sources within the PRC. Similarly, any gain realized on the transfer of shares by such investors is also subject to a 10% PRC income tax if such gain is regarded as income derived from sources within the PRC. If we are considered a PRC resident enterprise by virtue of having our de facto management in the PRC, it is unclear whether the dividends we pay with respect to our Shares, or the gain you may realize from the sale of our Shares, would be treated as income derived from sources within the PRC and therefore become subject to the PRC EIT Law. If we are required under the PRC EIT Law to withhold PRC enterprise income tax on our dividends payable to our foreign Shareholders, or if you are required to pay PRC enterprise income tax on the transfer of your Shares, the value of your investment in our Shares may be materially and adversely affected.

Fluctuations in the exchange rates of the RMB may adversely affect your investment and could materially affect our financial condition and results of operations.

The exchange rates between the RMB and the Hong Kong dollar, the U.S. dollar, the Taiwan dollars and other foreign currencies is affected by, among other things, changes in the PRC's political and economic conditions. In 2005, the PRC government changed its policy of pegging the value of the RMB to the U.S. dollar. Under that policy, the RMB is pegged against a basket of currencies, determined by the People's Bank of China, against which it can rise or fall by as much as 0.5% each day. In late June 2010, the PBOC announced that it has decided to proceed further with reform of the RMB exchange rate regime and to enhance the RMB exchange rate flexibility. This signals that there may be additional policy changes relating to the RMB exchange rate regime.

There remains significant international pressure on the PRC government to adopt a more flexible policy, which could result in a further appreciation of the RMB against the U.S. dollar, the Hong Kong dollar, the Taiwan dollars or other foreign currency. As we rely on dividends paid to us by our operating subsidiaries, any significant revaluation of the RMB may have a material adverse effect on the value of dividends payable in foreign currency terms, and to the extent that we need to convert the proceeds from the Global Offering and future financing into the RMB for our operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the RMB amount we receive from the conversion.

As of 30 June 2010, we had U.S. dollar and Taiwan dollar-denominated monetary assets in the amounts of RMB270.7 million and RMB14.9 million, respectively, and U.S. dollar-denominated monetary liabilities in the amount of RMB212.6 million. See "Financial Information — Market Risks — Currency Risk". Moreover, following the completion of the Global Offering, we expect a significant portion of our cash and cash equivalents to be denominated in foreign currencies. As our functional currency is RMB, such foreign currency-denominated cash and cash equivalents are exposed to fluctuations in the value of the RMB against the currencies in which these cash and cash equivalents are denominated. Any significant appreciation of the RMB against these foreign currencies may result in significant exchange losses.

Furthermore, any appreciation of RMB increases our cost of production, and any devaluation of RMB may adversely affect the value of our net assets in foreign currency terms. As we expect to continue to derive a significant portion of our future sales from overseas, any appreciation of RMB could give rise of uncertainties in our financial condition and results of operations.

Government control of foreign currency conversion may affect the value of your investment.

The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive a substantial portion of our revenues in RMB. Under our current group structure, our Company's income is primarily derived from dividend payments from our subsidiaries in the PRC. Shortages in the availability of foreign currency may restrict the ability of our subsidiaries in the PRC to remit sufficient foreign currency to pay dividends or other payments to our Company, or otherwise satisfy their foreign currency denominated obligations, if any. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of the PRC State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The restrictions on foreign exchange transactions under capital accounts could also affect the ability of our subsidiaries in the PRC to obtain foreign exchange through debt or equity financing, including by means of loans or capital contribution from us. The PRC Government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy the currency demands, our Company may not be able to pay dividends in foreign currencies to the Shareholders.

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.

Our Company is incorporated in the Cayman Islands. Substantially all of our Directors are residents of the PRC. Our Company is a holding company, and a substantial proportion of the assets of our operating subsidiaries and most of their directors are located within the PRC. Therefore, it may not be possible for investors to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts.

The PRC does not have treaties providing for the reciprocal enforcement of judgments of courts with Japan, the United Kingdom, the United States or most other developed countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgment. Accordingly, it may be difficult to secure recognition and enforcement in the PRC for court judgments obtained in other jurisdictions and to access our assets in China in order to enforce judgment awards entered against us outside of China. Therefore, it may be difficult for you to enforce against us, or our Directors in the PRC, any 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.

In recent years, certain Asian countries, including China, have encountered incidents of SARS, Avian Flu or Influenza A. If any of our employees is identified as a possible source of spreading SARS, Avian Flu, Influenza A or any other similar epidemic, we may be required to quarantine the employees that have been suspected of becoming infected, as well as others that have come into contact with those employees. We may also be required to disinfect our affected premises, which could cause a temporary suspension of our manufacturing capacity, thus adversely affecting our operations. Even if we are not directly affected by the epidemic, an outbreak of SARS, Avian Flu, Influenza A or other similar epidemic, whether inside or outside China, could restrict the level of economic activity generally, which could in turn adversely affect our operating results and our share price.

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.

Our Company is a Cayman Islands holding company and substantially all of our operations are conducted through our PRC operating subsidiaries. See "History, Reorganization and Group Structure — Corporate Structure Upon Completion of the Reorganization and the Global Offering". The ability of our PRC operating subsidiaries to make dividend and other payments to us may be restricted by factors that include changes in applicable foreign exchange and other laws and regulations. In particular, under PRC law, each of our PRC operating subsidiaries may only pay dividends after 10%

of its net profit has been set aside as reserve funds, unless such reserves have reached at least 50% of its registered capital. In addition, the profit available for distribution from our PRC operating subsidiaries is determined in accordance with generally accepted accounting principles in China. This calculation may differ if it were performed in accordance with IFRS. As a result, we may not have sufficient distributions from our PRC operating subsidiaries to enable necessary profit distributions to our shareholders in the future, which would be based upon our financial statements prepared under IFRS.

Distributions by our PRC operating subsidiaries to us other than as dividends may be subject to governmental approval and taxation. Any transfer of funds from our Company to our PRC operating subsidiaries, either as a shareholder loan or as an increase in registered capital, is subject to registration or approval of PRC governmental authorities, including the relevant administration of foreign exchange and/or the relevant examining and approval authority. These limitations on the free flow of funds between us and our PRC subsidiaries could restrict our ability to act in response to changing market conditions in a timely manner.

RISKS 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.

Prior to the Global Offering, there has been no public market for the Shares. The initial public offering price range per Share was the result of negotiations between us and the Sole Global Coordinator on behalf of the underwriters, and the Offering Price may differ significantly from the market price for the Shares following the Global Offering. We have applied to list and trade the Shares on the Stock Exchange of Hong Kong. There is no assurance that the Global Offering will result in the development of an active, liquid public trading market for the Shares. In addition, the price and trading volumes of the Shares may be volatile. Factors such as variations in our revenues, earnings and cash flow or any other developments may affect the volume and price at which the Shares will be traded. Volatility in the price of our Shares may also be caused by factors outside our control and may be unrelated or disproportionate to our operating results.

Purchasers of our Offer Shares will experience substantial and immediate dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of our Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of our Offer Shares in the Global Offering will experience an immediate dilution in unaudited pro forma adjusted net tangible asset value to HK$1.52 per Share, based on the maximum Offer Price of HK$3.70 per Offer Share.

In order to expand our business, we may consider offering and issuing additional Shares in the future. We may also issue additional Shares pursuant to our Share Option Scheme. Purchasers of our Offer Shares may experience dilution in the net tangible assets book value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible assets book value per Share.

Dividends declared in the past may not be indicative of our dividend policy 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 the 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 of our PRC Subsidiaries for the two years ended 31 December 2009 and their profits for the year ending 31 December 2010 will be retained and will not be distributed. The amounts of distributions that any Company of our Group has declared and made in the past are not indicative of the dividends that we may pay in the future. A declaration of dividends proposed by our board and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial condition, future prospects and other factors which our board may determine are important. For further details of our dividend policy, see "Financial Information — Dividend and Dividend Policy." We cannot guarantee if and when we will pay dividends 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.

Future sales of a substantial number of our Shares by our Directors, officers, or shareholders, or the possibility of such sales, could negatively affect the market price in Hong Kong of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. Our Controlling Shareholders as of the Latest Practicable Date have given undertakings on the holding of their Shares. Please refer to the subsections headed "Undertakings in Favor of the Hong Kong Stock Exchange Pursuant To The Listing Rules" and "Undertakings Pursuant to the Hong Kong Underwriting Agreement" in the section headed "Underwriting" to this prospectus for further details. While we are not aware of any intentions of any of our shareholders to dispose of significant amounts of Shares, we are not in a position to give any assurance that our shareholders will not dispose of any Shares in the future or the Controlling Shareholders who have given undertakings on their Shares will not dispose of their Shares upon expiry of the relevant lock-up periods.

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.

Immediately following completion of the Global Offering (without taking into account Shares that may be issued and allotted pursuant to the exercise of the Over-allotment Option), Mr. Chi, our Chairman, Chief Executive Officer and Controlling Shareholder, will be interested in 40.9% of our issued share capital. Subject to compliance with applicable laws, by maintaining such ownership, Mr. Chi is able to exercise substantial influence over our corporate policies and direct the outcome of corporate actions requiring shareholders' approval, including the election of Directors, the amendment of our Articles of Association, the amount and timing of dividends and other distributions, the acquisition of or merger with another company, the sale of all or substantially all of our assets and other significant corporate actions. In addition, Mr. Chi, in his capacity as Chairman and Chief Executive Officer of our Company, is able to exercise substantial control over the management of our business. The interests of Mr. Chi may differ from your interests. We cannot assure you that Mr. Chi will act in our interests. If circumstances arise in which the interest of Mr. Chi is in conflict with other shareholders' interests, minority shareholders could be disadvantaged.

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.

Certain facts and statistics contained in this prospectus relating to the PRC, the PRC economy and the consumer electronics industry have been derived from, among other sources, official PRC government publications generally believed to be reliable. We believe that the sources of the information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, the information has not been independently verified by us, the Sponsor, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy. Also, we cannot guarantee the quality or reliability of such official government publications. They have not been prepared by us, the Global Coordinator, the Sponsor or the Underwriters or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of the facts and statistics, or materials prepared based on the facts and statistics, contained in the official government publications, which may not be consistent with other information compiled within or outside the PRC.