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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

Please see the section entitled “Business — Business Strategies” in this prospectus for a detailed description of our future plans.

### 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 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 CO2 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 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 by

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the first half of 2011 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 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 will be granted 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 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; and
  - (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 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 relate 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.

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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.

We will make an appropriate announcement if there is any change to the above proposed use of net proceeds from the Global Offering.