TRIGIANT

俊知集團有限公司*

TRIGIANT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code：1300

GLOBAL OFFERING

Sole Sponsor

永豐金證券(亞洲)有限公司
SinoPac Securities (Asia) Limited

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

第一上海
First Shanghai Group
FIRST SHANGHAI SECURITIES LIMITED
第一上海證券有限公司

永豐金證券(亞洲)有限公司
SinoPac Securities (Asia) Limited

* For identification purpose only

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

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GLOBAL OFFERING

Number of Offer Shares	:	**250,000,000 Shares, comprising 200,000,000 New Shares and 50,000,000 Sale Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**25,000,000 New Shares (subject to re-allocation)**
Number of International Placing Shares	:	**225,000,000 Shares, comprising 175,000,000 New Shares and 50,000,000 Sale Shares (subject to re-allocation and the Over-allotment Option)**
Maximum Offer Price	:	**HK$1.50 per Offer Share payable in full on application, subject to refund, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%**
Nominal value	:	**HK$0.01 each**
Stock code	:	**1300**

Sole Sponsor

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The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents delivered to the Registrar of Companies" in Appendix VI to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters), the Company and the Selling Shareholder on the Price Determination Date. The Price Determination Date is expected to be on or around Friday, 9 March 2012 and, in any event, not later than Wednesday, 14 March 2012. The Offer Price will be not more than HK$1.50 and is currently expected to be not less than HK$1.10 unless otherwise announced. Investors applying for Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK$1.50 for each Offer Share together with a brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined should be lower than HK$1.50.

The Joint Global Coordinators, on behalf of the Underwriters, may, with the consent of the Company and the Selling Shareholder, reduce the number of Offer Shares being offered pursuant to the Global Offering and/or the indicative Offer Price range below that stated in this prospectus (which is HK$1.10 to HK$1.50 per Offer Share) at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published on the Company's website at **www.trigiant.com.hk** and the Stock Exchange's website at **www.hkexnews.hk** not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. If applications for the Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offer, then even if the number of Offer Shares and/or the Offer Price range is so reduced, such applications cannot be subsequently withdrawn. If, for any reason, the Offer Price is not agreed among the Company, the Selling Shareholder and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering (including the Hong Kong Public Offer) will not proceed and will lapse.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offer – Grounds for termination" of this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law of the United States and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. Persons, except (i) pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (ii) in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act.

* *For identification purpose only*

6 March 2012

Latest time to complete electronic applications under **HK eIPO White Form** service through the designated website **www.hkeipo.hk**[4] . . . . 11:30 a.m. on Friday, 9 March 2012

Application lists open[2] . . . . 11:45 a.m. on Friday, 9 March 2012

Latest time for lodging **WHITE** and **YELLOW** Application Forms . . . . 12:00 noon on Friday, 9 March 2012

Latest time to give **electronic application instructions** to HKSCC[3] . . . . 12:00 noon on Friday, 9 March 2012

Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfers or PPS payment transfers[4] . . . . 12:00 noon on Friday, 9 March 2012

Application lists close[2] . . . . 12:00 noon on Friday, 9 March 2012

Expected Price Determination Date[5] . . . . at or before 5:00 p.m. on Friday, 9 March 2012

Announcement of:

- the final Offer Price,
- the level of applications in the Hong Kong Public Offer,
- the level of indications of interests in the International Placing, and
- the basis of allotment of Hong Kong Offer Shares

to be published in The Standard (in English) and the Hong Kong Economic Times (in Chinese) and on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.trigiant.com.hk** on or before . . . . Friday, 16 March 2012

Results of allocations in the Hong Kong Public Offer (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (see the section headed "How to apply for the Hong Kong Offer Shares – Results of allocations") from . . . . Friday, 16 March 2012

Results of allocations in the Hong Kong Public Offer
will be available at **www.tricor.com.hk/ipo/result**
with a "search by ID" function from . . . . Friday, 16 March 2012

Despatch of share certificates in respect of wholly or
partially successful applications and despatch of
White Form e-Auto Refund payment instructions/refund cheques
in respect of wholly successful (if applicable) or
wholly or partially unsuccessful applications pursuant to
the Hong Kong Public Offer on or around[6] [7] [8] [9]. . . . . Friday, 16 March 2012

Dealings in Shares on the Stock Exchange to
commence at 9:00 a.m. on . . . . Monday, 19 March 2012

(1) All times and dates refer to Hong Kong local times and dates. Details of the structure of the Global Offering, including its conditions of the Hong Kong Public Offer, are set out in the section headed "Structure of the Global Offering" in this prospectus.

(2) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 9 March 2012, the application lists will not open or close on that day. Please refer to the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" under the paragraph headed "When to apply for the Hong Kong Offer Shares" under the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

(3) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed "How to apply for the Hong Kong Offer Shares – How to apply by giving **electronic application instructions** to HKSCC" in this prospectus.

(4) You will not be permitted to submit your application to the **HK eIPO White Form** Service Provider through the designated website **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close. Applicants who apply for the Hong Kong Offer Shares by completing the **HK eIPO White Form** should refer to the paragraph headed "How to apply through the **HK eIPO White Form** service" under the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

(5) Please note that the Price Determination Date, being the date on which the Offer Price is to be determined, is expected to be on or about Friday, 9 March 2012 and, in any event, not later than Wednesday, 14 March 2012. If, for any reason, the Offer Price is not agreed between the Company (for itself and on behalf of the Selling Shareholder) and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering (including the Hong Kong Public Offer) will not proceed and lapse. Notwithstanding that the Offer Price may be less than the maximum Offer Price of HK$1.50 per Share, applicants must pay the maximum Offer Price of HK$1.50 per Share at the time of application, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%, but will be refunded the surplus application monies, without interest, as provided in the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

(6) Share certificates for the Offer Shares are expected to be issued on Friday, 16 March 2012, but will only become valid certificates of title at 8:00 a.m. on Monday, 19 March 2012 provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated. If the Global Offering does not become unconditional or either of the Underwriting Agreements is terminated, the Company will make an announcement as soon as possible.

(7) e-Auto Refund payment instructions/Refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offer and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable on application.

(8) Applicants who have applied on **WHITE** Application Forms for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offer and have indicated in their application forms that they wish to collect any refund cheques and share certificates in person from the Hong Kong Share Registrar of the Company, Tricor Investor Services Limited, may do so between 9:00 a.m. to 1:00 p.m. on Friday, 16 March 2012. Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporation's chop. Identification and (where applicable) authorisation documents acceptable to Tricor Investor Services Limited must be produced at the time of collection. Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offer may collect their refund cheques, if any, in person but may not elect to collect their share certificates, which will be deposited into CCASS for the credit of their designated CCASS Participant's stock account or CCASS Investor Participant's stock account, as appropriate. The procedures for the collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

If you apply for 1,000,000 Hong Kong Offer Shares or more through the **HK eIPO White Form** service by submitting an electronic application to the designated **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk**, you may collect your share certificates (where applicable) in person from Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 16 March 2012. If you apply through the **HK eIPO White Form** service by paying the application monies through a single bank account, e-Auto Refund payment instructions (if any) will be despatched to your application payment bank account on or around Friday, 16 March 2012. If you apply through the **HK eIPO White Form** service by paying the application monies through multiple bank accounts, refund cheque(s) will be despatched to the address specified in your **HK eIPO White Form** application on or around Friday, 16 March 2012, by ordinary post and at your own risk.

(9) Uncollected share certificates and refund cheques will be despatched by ordinary post at the applicants' own risk to the addresses specified in the relevant Application Forms. Further information is set out in the paragraph under the section headed "If your application for the Hong Kong Offer Shares is successful (in whole or in part)" under the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus. e-Auto Refund payment instructions/refund cheques will be despatched in respect of wholly or partially unsuccessful applications and also in respect of successful applications in the event that the final Offer Price is less than the initial price per Hong Kong Offer Share payable on application. Part of the Hong Kong identity card number/passport number of the first-named applicant provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque.

You should read carefully the sections headed "Underwriting", "How to apply for the Hong Kong Offer Shares" and "Structure of the Global Offering" in this prospectus for additional information regarding the Global Offering, including the conditions to the Global Offering, how to apply for the Hong Kong Offer Shares, the expected timetable, the effects of bad weather, the despatch of share certificates and the refund of application monies.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision.

The Company has not authorised anyone to provide you with information that is different from what is contained in this prospectus and the Application Forms.

Any information or representation not made in this prospectus and the Application Forms must not be relied on by you as having been authorised by the Company, the Directors, the Sole Sponsor, the Joint Global Coordinators, the Underwriters, any of their respective directors, officers, employees, agents or representatives or any other parties involved in the Global Offering.

This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. Since this is only a summary, it does not contain all information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" of this prospectus. You should read that section carefully before making any decision to invest in the Offer Shares.

OVERVIEW

Established in March 2007, the Group is one of the leading PRC manufacturers engaged in research, development and sales of RF coaxial cables series, new-type electronic components and other related accessories for use in mobile communications and telecommunications equipment. According to the notices issued by OEC in February 2011 and February 2012, which covered all major RF cables manufacturers in the PRC, Jiangsu Trigiant, the principal operating subsidiary of the Group, ranked first in terms of sales volume for RF cables among all RF cables manufacturers in the PRC in 2010 and 2011 respectively. The Group experienced remarkable growth in its business in recent years. During the Track Record Period, its turnover and net profit attributable to owners of the Company recorded a CAGR of approximately 45.2% and 55.7% respectively.

The principal products of the Group are RF coaxial cables series (including RF cables for mobile communications and leaky coaxial cables). In FY2009, FY2010 and FY2011, sales of the RF coaxial cables series of the Group accounted for approximately 71.8%, 92.5% and 91.5% of its total turnover respectively. In addition, the Group manufactures and sells new-type electronic components (such as RF coaxial connectors, antenna lightning arresters and jumpers) and other related accessories (such as flame-retardant flexible cables, splitters, couplers and combiners). The products of the Group are mainly used in the transmission systems of telecommunications operators and service providers and major equipment manufacturers in the PRC. In particular, the products can be applied in different mobile network systems, highways, railways, tunnels, underground facilities and high-rise buildings.

The Group has been dependent on the sales of its RF coaxial cables series for a substantial portion of its turnover during the Track Record Period. If the Group is unable to continue to manufacture or sell RF coaxial cables series due to regulatory, intellectual property or other reasons, the turnover of the Group and in turn its business, financial performance and results of operations will be materially and adversely affected. Please refer to the paragraph headed "The Group has been substantially dependent on sales of its RF coaxial cables series during the Track Record Period and therefore its business, financial condition and results of operations would be materially and adversely affected if sales of these products were to decline and/or if it failed to diversify its products" in the section headed "Risk Factors" in this prospectus for more details.

The Group derives its sales principally from the PRC, where it has an experienced sales force and a distribution network covering 31 provinces and municipalities. A majority of the turnover of the Group during the Track Record Period came from sales of products to the three major telecommunications operators in the PRC, namely China Unicom, China Mobile and China Telecom, as well as equipment manufacturers, including 深圳市中興康訊電子有限公司 (Shenzhen Zhongxin Kangxun Electronics Co., Ltd.*), a subsidiary of 中興通訊股份有限公司 (ZTE Corporation*).

CUSTOMERS

Since 2008, the Group has formed stable business relationships with the three major telecommunications operators in the PRC. While China Unicom was the largest customer of the Group in FY2009 and FY2010, China Mobile became the largest customer of the Group in FY2011. As of the Latest Practicable Date, the Group sold its products to 28 out of 31 provincial branches of China Unicom, 22 out of 31 provincial subsidiaries of China Mobile and 22 out of 31 provincial subsidiaries of China Telecom.

The three major PRC telecommunications operators usually invite the Group to participate in the tender separately organised by them in their selection of suppliers. If the Group wins the tender, the relevant telecommunications operator will enter into a framework agreement with the Group which sets out the general terms in respect of the supply of products. The Group will need to further negotiate with the provincial subsidiaries or branches of the relevant telecommunications operator the detailed terms of specific sales contracts in each of their purchases thereafter. All suppliers of RF coaxial cables to the three major PRC telecommunications operators are subject to the tender organised by those operators. The three major PRC telecommunications operators will consider various aspects of the candidates, including but not limited to, pricing, qualities and services.

The Group relies on and expects to continue to rely on its current major customers for a significant portion of turnover in the foreseeable future. In FY2009, FY2010 and FY2011, sales to the largest customer of the Group, were approximately RMB745.0 million, RMB1,016.0 million and RMB1,120.4 million respectively and accounted for approximately 86.1%, 72.0% and 61.5% of its total turnover respectively. In FY2009, FY2010 and FY2011, sales to the top five customers of the Group were approximately RMB857.0 million, RMB1,384.4 million and RMB1,778.0 million respectively and accounted for approximately 99.1%, 98.1% and 97.5% of its total turnover respectively.

To mitigate its reliance on these customers, the Group has taken various measures, including diversifying its product portfolio, identifying new customers and exploring overseas markets. For instance, the Group became a qualified supplier of Huawei Technologies Co., Ltd. (華為技術有限公司) in December 2010 and it started placing purchase orders with the Group in August 2011. In addition to sales in the PRC, products of the Group are also exported overseas to India, Russia, Brazil and Southeast Asia, where the Group intends to capture local market share.

The Group derives a significant portion of its turnover from the sale of its products to the three major telecommunications operators in the PRC and their respective branches or subsidiaries throughout China. Any delay, cancellation or reduction in the scope of the existing sales to these major customers may adversely affect the business and financial performance of the Group. Please refer to the paragraph headed "The Group is dependent on its major customers and sales to them are subject to their respective tenders" in the section headed "Risk Factors" in this prospectus for more details.

SUPPLIERS

Raw materials for the products of the Group are primarily copper-based materials, Polyethylene (PE) and Polyvinyl Chloride (PVC). The Group has established stable cooperative relationships with its key suppliers, which enables it to obtain a reliable and uninterrupted supply of raw materials. During the Track Record Period, the Group did not experience any raw material shortages that materially affected its normal business operation. In FY2009, FY2010 and FY2011, purchases from the top five suppliers of the Group amounted to approximately RMB407.3 million, RMB863.3 million and RMB1,119.5 million respectively, representing approximately 62.9%, 80.0% and 78.8% of the total purchases of the Group respectively.

During the same period, purchases from the single largest supplier amounted to approximately RMB247.2 million, RMB708.2 million and RMB647.4 million respectively, representing approximately 38.2%, 65.6% and 45.6% of the total purchases of the Group respectively. During the Track Record Period, fluctuations in the purchase prices of copper-based materials were in line with the trend of the commodity price of copper in general. The Group has not entered into any derivative contracts to reduce exposure to fluctuations in the purchase price of copper-based materials. Generally, the Group tends to pass on most of these additional costs to its customers. The Group has preset a policy in its framework agreement with one of its major customers to the effect that the selling price of its products shall be linked to the products' cost, particularly in relation to copper-based materials, which can effectively hedge against the Group's risks associated with the fluctuation in the copper price.

EXPANSION PLANS

In relation to the Group's future plan of its production capacity, the Group intends to expand its production capacity for its RF coaxial cables series from approximately 150,000 km as at the Latest Practicable Date to approximately 180,000 km for the year ending 31 December 2013, depending on the industry condition and customers' demand for its products in the future. Having considered the relatively short period of time required for installation of a new production line for RF coaxial cables and there are sufficient site areas owned by the Group for construction of additional production plants, the Directors believe and will ensure that the Group is able to meet market demand when opportunities arise.

In relation to the Group's future expansion of its sales and distribution network, the estimated funding to be spent by the Group is RMB24 million for each of the years ending 31 December 2012 and 2013 respectively. In particular, the Group intends to increase its sales and marketing staff from 50 for the year ending 31 December 2012 to 80 for the year ending 31 December 2013. Currently, the Group intends to strengthen business relationship with the provincial subsidiaries or branches of each of China Unicom, China Mobile and China Telecom with a view to covering all 31 provinces in which each of China Unicom, China Mobile and China Telecom has established subsidiaries or branches by the year ending 31 December 2013.

For further information relating to the Group's use of the proceeds from the Global Offering, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

COMPETITIVE STRENGTHS

The Directors believe that the Group has strong research and development capabilities, as evidenced by the varieties of RF coaxial cables series, new-type electronic components and other related accessories the Group has developed since its establishment. The Group has obtained 22 patents in the PRC and is in the process of applying for an additional 15 patents in the PRC. Out of the products developed by the Group, 14 have been awarded with the Advanced Technology Product Certificate (高新技術產品認定證書) by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳).

With the established business relationship between the Group and the three major telecommunications operators in the PRC, the Group has built up an extensive sales network in the PRC covering various provinces and cities. Together with its experienced sales personnel located strategically throughout the PRC, the Group can timely and efficiently market its products to customers and at the same time provide after-sales services. Having the three major telecommunications operators in the PRC as the Group's top customers proves that the Group has established a stable and strong customer base.

Please refer to the paragraph headed "Competitive Strengths" in the section headed "Business" in this prospectus for other competitive strengths of the Group.

BUSINESS STRATEGIES

The business objectives of the Group are to expand its production capacity, broaden its product range and maintain its leading position in the RF coaxial cables industry in the PRC.

Amongst the business strategies of the Group, the Group intends to continue and expand its business with the three major telecommunications operators in the PRC by attracting new business from such provincial subsidiaries or branches of China Unicom, China Mobile and China Telecom which the Group has yet to develop.

The Group intends to diversify its product range in order to capture additional business opportunities by taking advantage of the PRC government policies to integrate the three existing networks. The Group intends to strengthen its sales network further by setting up sales offices in areas where it currently does not have a presence.

Please refer to the paragraph headed "Business Strategies" in the section headed "Business" in this prospectus for other business strategies of the Group.

RISK FACTORS

The Directors consider that there are certain risks involved in an investment in the Company and the details of such risks are set out in the section headed "Risk Factors" in this prospectus. The risks can be broadly divided into four main categories: (i) risks relating to the business; (ii) risks relating to the industry; (iii) risks relating to the PRC; and (iv) risks relating to the Global Offering. You should read the entire section headed "Risk Factors" in this prospectus and consider carefully all the information contained therein before making any investment decision regarding the Company.

NON-COMPLIANT TRADE FINANCING

During the Track Record Period, Jiangsu Trigiant and each of Fullway Technology and Bin Fan, each being a supplier of the Group, entered into certain trade financing transactions with certain PRC commercial banks which were not supported by any underlying transactions. In FY2009, bills in aggregate amounting to RMB494 million were issued by Jiangsu Trigiant to Fullway Technology under these trade financing arrangements. In FY2010, bills in aggregate amounting to RMB270 million were issued by Jiangsu Trigiant to Fullway Technology and Bin Fan under these trade financing arrangements. As at 28 December 2009, bank deposits of RMB159 million were pledged to those PRC commercial banks for such arrangements. Most of these arrangements were initiated by the relevant banks.

The PRC Legal Adviser advised that such trade financing arrangements were not in compliance with relevant PRC laws and regulations. The Group ceased to enter into any further non-compliant trade financing transactions after April 2010 and settled all related bills before the end of October 2010. The Group has formulated and implemented a series of measures to ensure that such non-compliant trade financing arrangements will not occur in the future. For more details, please refer to the paragraph headed "The Group previously entered into certain trade financing transactions that were not in compliance with PRC laws" under the sub-section headed "Risks relating to the Business" in the section headed "Risk Factors" and the paragraph headed "Non-compliant trade financing" in the section headed "Business" of this prospectus.

CONTROLLING SHAREHOLDERS

Immediately upon Listing, the Controlling Shareholders will together control the exercise of voting rights of 75% of the Shares eligible to vote in a general meeting of the Company (assuming the Over-allotment Option is not exercised).

Name of Controlling Shareholders	Total number of ordinary Shares	Approximate percentage of interest
Trigiant Investments	750,000,000	75%
Abraholme	750,000,000[note]	75%
Mr. Qian	750,000,000[note]	75%

Note: These Shares are registered in the name of Trigiant Investments, a company owned as to 55.5% by Abraholme, which in turn is a company owned as to 80% by Mr. Qian. Under the SFO, each of Mr. Qian and Abraholme is deemed to be interested in all the Shares held by Trigiant Investments.

SUMMARY OF TRACK RECORD PERIOD

The following summarises the consolidated financial information of the Group during the Track Record Period which has been prepared in accordance with HKFRS. This summary should be read in conjunction with the section headed "Financial Information" and the accountants' reports set out in Appendices IA and IB to this prospectus. For more details of the results and the financial position of the Group during the Track Record Period, please refer to the section headed "Financial Information" in this prospectus.

Selected line items of consolidated statements of comprehensive income

The following table sets out selected line items of the consolidated statements of comprehensive income of Jiangsu Trigiant for FY2009 (immediately before the change in control of Jiangsu Trigiant on 29 December 2009) and the consolidated statements of comprehensive income of the Group for FY2010 (after the change in control of Jiangsu Trigiant on 29 December 2009) and FY2011 respectively.

	Jiangsu Trigiant	The Group	
	FY2009	**FY2010**	**FY2011**
	RMB'000	*RMB'000*	*RMB'000*
Turnover	865,009	1,410,779	1,822,747
Gross profit	210,121	289,561	397,311
Profit for the year/period attributable to owners of the Company	85,254	151,261	206,785

Selected line items of consolidated statements of financial position

The following table sets out selected line items of the consolidated statements of financial position of Jiangsu Trigiant as at 28 December 2009 (immediately before the change in control of Jiangsu Trigiant on 29 December 2009) and the consolidated statements of financial position of the Group as at 31 December 2010 and 31 December 2011.

	Jiangsu Trigiant	**The Group**	
	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	228,367	302,269	291,953
Current assets	1,101,718	1,270,715	1,908,381
Current liabilities	1,007,249	1,186,938	1,455,973
Net current assets	94,469	83,777	452,408
Total assets less current liabilities	322,836	386,046	744,361
Non-current liabilities	85,397	171,209	130,830
Net assets	237,439	214,837	613,531

Segment turnover and results

Set out below is the segment turnover of the Group during the Track Record Period:

	FY2009		**FY2010**		**FY2011**	
	RMB'000	*% of total turnover*	*RMB'000*	*% of total turnover*	*RMB'000*	*% of total turnover*
Segment						
RF coaxial cables series	620,983	71.8%	1,304,738	92.5%	1,667,077	91.5%
New-type electronic components	169,615	19.6%	73,138	5.2%	87,715	4.8%
Others	74,411	8.6%	32,903	2.3%	67,955	3.7%
Total	865,009	100%	1,410,779	100%	1,822,747	100%

The following table sets out the sales volume and the average unit selling price of the principal products of the Group sold during the Track Record Period:

	FY2009	FY2010	FY2011
RF coaxial cables series			
Total units sold			
(number of km)	47,444	95,863	113,910
Average unit selling prices[(1)]			
(RMB per km)	13,089	13,610	14,635

Note 1: Average unit selling price is calculated by dividing the turnover for the year/period by the total number of units sold for the year/period. While this is the average unit selling price, the price per unit may vary depending on the specific type of RF coaxial cable sold.

The table below sets forth the business segment gross profit and gross profit margin during the Track Record Period:

	FY2009			FY2010			FY2011		
	Gross profit	Gross profit margin	% of total gross profit	Gross profit	Gross profit margin	% of total gross profit	Gross profit	Gross profit margin	% of total gross profit
	RMB'000			*RMB'000*			*RMB'000*		
Segment									
RF coaxial cables series	116,323	18.7%	55.4%	259,467	19.9%	89.6%	378,089	22.7%	95.2%
New-type electronic components	75,879	44.7%	36.1%	24,446	33.4%	8.4%	17,342	19.8%	4.4%
Others	17,919	24.1%	8.5%	5,648	17.2%	2.0%	1,880	2.8%	0.4%
Total	210,121	24.3%	100.0%	289,561	20.5%	100.0%	397,311	21.8%	100.0%

RECENT DEVELOPMENT

For the month ended 31 January 2012, the average unit selling price of RF coaxial cable series decreased by approximately 24.08% to approximately RMB11,111 per km as compared to that of FY2011, due to the change in product mix within the RF coaxial cable series. However, the Group still maintained its gross profit margin for the month ended 31 January 2012 as compared to FY2011 as the cost plus pricing policy remain unchanged. The Directors have confirmed that there was no material adverse change to the Group's financial position as at the Latest Practicable Date after taking into consideration that the sales volume and average unit selling price of RF coaxial cables series increased from approximately 5,724 km and approximately RMB11,111 per km respectively in January 2012 to approximately 8,391 km and approximately RMB14,725 per km respectively in February 2012.

GLOBAL OFFERING STATISTICS

The expected market capitalisation will be from HK$1,100 million (based on an Offer Price of HK$1.10 per Share) to HK$1,500 million (based on an Offer Price of HK$1.50 per Share), while the unaudited pro forma adjusted net tangible assets per Share will be approximately HK$0.933 per Share (based on an Offer Price of HK$1.10 per Share) or approximately HK$1.010 per Share (based on an Offer Price of HK$1.50 per Share).

	Based on an Offer Price of HK$1.10 per Offer Share	**Based on an Offer Price of HK$1.50 per Offer Share**
Expected market capitalisation *(note 1)*......................................	HK$1,100 million	HK$1,500 million
Unaudited pro forma adjusted net tangible assets per offer Share *(note 2)*......................................	HK$0.933	HK$1.010

Notes:

1. The calculation of market capitalisation is based on 1,000,000,000 Shares expected to be in issue immediately following the Global Offering and the Capitalisation Issue, but takes no account of the exercise of the Over-allotment Option.

2. The unaudited pro forma adjusted net tangible assets per Share is calculated after making the adjustments referred to in Appendix II "Unaudited Pro Forma Financial Information" to this prospectus and on the basis of 1,000,000,000 Shares expected to be in issue following the Global Offering. This calculation does not take into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option.

DIVIDENDS

No dividend was declared by the Company or Jiangsu Trigiant during the Track Record Period. The Directors are of the view that the payment and the amount of any future dividends will depend on the results of operations, cash flow, financial condition and future prospects of the Group, statutory and regulatory restrictions on the payment of dividends and all other factors the Board may deem relevant.

Subject to the above factors, the Directors plan to distribute regular dividends after Listing. The Directors intend to distribute approximately 20% of the annual profits attributable to owners of the Company as dividends. The declaration, payment and amount of any future dividends will be subject to the discretion of the Directors. Withholding tax at the rate of 10% will be applicable to any dividends paid to the Company by its PRC subsidiary, unless it is entitled to reduction or elimination of such tax under tax treaties.

USE OF PROCEEDS

Assuming an Offer Price of HK$1.30 per Share (being the midpoint of the indicative Offer Price range of HK$1.10 to HK$1.50 per Share), the net proceeds of the Global Offering to which the Company is entitled, after deducting the underwriting fees and estimated expenses (including but not limited to the success fee of approximately HK$3.9 million payable to ICH Partners Ltd) which shall be borne by the Company in connection with the Global Offering, are estimated to be approximately HK$200 million. The Company intends to apply the net proceeds as follows:

- 30% of the net proceeds or approximately HK$60 million will be used for expansion of the sales and distribution network of the Group's PRC and overseas operations; particularly for
    - recruitment of over 35 additional sales and marketing staff;
    - allocating more resources in enhancing its logistic services to cover more provincial branches or subsidiaries of the three major PRC telecommunications operators; and
    - allocating more resources to expanding its sales in markets in developing countries such as Russia, Brazil and India, establishing overseas subsidiaries when necessary and participating in tradeshows and organising marketing activities in potential new markets;
- 15% of the net proceeds or approximately HK$30 million will be used for expansion of the production capacity and advancement of product facilities of the Group;
- 15% of the net proceeds or approximately HK$30 million will be used for potential acquisition of or strategic investment in companies, businesses or projects relevant to the business of the Group. As at the Latest Practicable Date, the Group has not identified any specific acquisition or investment target;
- 10% of the net proceeds or approximately HK$20 million will be used for research and development of new products and upgrading existing product functions and related technologies. In particular, the Group expects to complete the development of new types of aluminum cables, leaky cables for 3G networks, connectors, high frequency connectors, flexible cables and fire resistant flexible cables in 2012;
- 20% of the net proceeds or approximately HK$40 million will be used for repayment of certain bank borrowings for funding the operation of the Group with maturity of 6 to 12 months and interest rates of more than 4.7% per annum; and
- 10% of the net proceeds or approximately HK$20 million will be used for general working capital purposes.

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

"Abraholme"	Abraholme International Limited, a company incorporated in the BVI on 3 January 2007 and owned as to 80% by Mr. Qian and 20% by Ms. Wu Di, an Independent Third Party, as at the Latest Practicable Date
"Ace Speed"	Ace Speed Group Limited, a company incorporated in the BVI on 19 April 2007 and wholly owned by China World Agents Limited which in turn was wholly owned by Goi Seng Hui, an Independent Third Party, as at the Latest Practicable Date
"Application Form(s)"	**WHITE**, **YELLOW** and **GREEN** application form(s) relating to the Hong Kong Public Offer, or where the context so requires, any of them
"Articles" or "Articles of Association"	the articles of association of the Company, adopted by the sole Shareholder on 28 February 2012, a summary of certain provisions of which is set out in Appendix IV to this prospectus, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Bin Fan"	吳江市賓凡國際貿易有限公司 (Wujiang City Bin Fan International Trade Co., Ltd.*), a company with limited liability established in the PRC and as at the Latest Practicable Date owned equally by two Independent Third Parties, namely 沈阿根 (Shen Agen*) and 張阿二 (Zhang Aer*)
"Board"	the board of Directors
"Business Day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning signal No. 8 or above or a "black" rainstorm warning signal is issued or remains issued between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which banks are generally open for business in Hong Kong throughout their normal business hours
"BVI"	British Virgin Islands

"Capitalisation Issue"	the issue of Shares to be made upon capitalisation of part of the share premium account of the Company referred to in the paragraph headed "Resolutions in writing of the sole Shareholder passed on 7 September 2011 and 28 February 2012" in Appendix V to this prospectus
"CBRC"	China Banking Regulatory Commission (中國銀行業監督管理委員會), a regulatory body responsible for the supervision and regulation of banking institutions in the PRC
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"CCID"	賽迪顧問股份有限公司 (CCID Consulting Co., Ltd.*), a Chinese consulting firm, and an Independent Third Party, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange. Certain market information on the PRC RF coaxial cables industry in this prospectus is quoted from its report on the RF coaxial cables market
"CECA"	China Electronics Components Association (中國電子元件行業協會), a national industry association, established by enterprises in the electronic components industry and related institutions on 16 November 1988. The government authority of CECA is MIIT. It currently has approximately 1,600 members and 14 sub-associations
"chief executive"	the chief executive (as defined in Part XV of the SFO) of the Company

"China Mobile"	中國移動通信集團公司 (China Mobile Communications Corporation*), a state-owned company established in the PRC
"China Telecom"	中國電信集團公司 (China Telecommunications Corporation*), a state-owned company established in the PRC
"China Unicom"	中國聯合網絡通信有限公司 (China United Network Communications Limited*), a subsidiary of China United Network Communications Group Co., Ltd. (中國聯合網絡通信集團有限公司), a state-owned company with limited liability established in the PRC
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company"	Trigiant Group Limited, an exempted company incorporated in the Cayman Islands with limited liability on 23 December 2010
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the case of the Company, means Trigiant Investments, Abraholme and Mr. Qian, individually and as a group of persons where the context requires
"CSRC"	China Securities Regulatory Commission (中華人民共和國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"Director(s)"	the director(s) of the Company
"Eleventh Five-Year Plan"	the Eleventh Five-Year Plan for the national economy and social development of the PRC for the period from 2006 to 2010

"First Shanghai"	First Shanghai Securities Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as set out in Schedule 5 of the SFO
"Forerich"	Forerich Investments Limited, a company incorporated in the BVI on 1 September 2005 and owned as to 22% by Sun Xue Lin, 30% by Shen Xinren, 24% by Sun Jinrong, 14% by Dai Xiaolin and 10% by Yu Daxiong, each being a senior management member or a staff of the Group, as at the Latest Practicable Date
"Fullway Technology"	富威科技(吳江)有限公司 (Fullway Technology Co., Ltd.*), a company incorporated in the PRC with limited liability, which was acquired by Trigiant Singapore in November 2007, subsequently transferred to 宜興市富創電子科技有限公司 (Yixing City Fu Chuang Electronics Technology Co., Limited*), Premo Superior Investments Limited and Smart Time Enterprise Limited in December 2009, and owned by 宜興市富創電子科技有限公司 (Yixing City Fu Chuang Electronics Technology Co., Limited*) and Premo Superior Investments Limited, as at the Latest Practicable Date
"FY2009"	the period from 1 January 2009 to 28 December 2009 (being the day immediately before the change in control of Jiangsu Trigiant)
"FY2010"	the period from 29 December 2009 (being the day on which the change in control of Jiangsu Trigiant took place) to 31 December 2010
"FY2011"	the financial year ended 31 December 2011
"GAAP"	Generally Accepted Accounting Principles
"GDP"	gross domestic product
"Global Offering"	the Hong Kong Public Offer and the International Placing

"Group"	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the business operated by such subsidiaries
"Headwell"	Headwell International Limited, a company incorporated in the BVI on 5 October 2005 and owned as to 32% by Jiang Wei (an executive Director), 28% by Xie Jie, 24% by Jiang Xinhong (a senior management member of the Group) and 16% by Sun Huxing as at the Latest Practicable Date
"Hengxin (Jiangsu)"	江蘇亨鑫科技有限公司 (Jiangsu Hengxin Technology Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of Hengxin (Singapore)
"Hengxin (Singapore)"	Hengxin Technology Ltd. (亨鑫科技有限公司), a company incorporated in Singapore, the holding company of Hengxin (Jiangsu) and whose shares are listed on the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange
"HK eIPO White Form"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **HK eIPO White Form** at **www.hkeipo.hk**
"HK eIPO White Form Service Provider"	the HK eIPO White Form service provider designated by the Company, as specified on the designated website **www.hkeipo.hk**
"HK$" and "HK cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Offer Shares"	the 25,000,000 New Shares initially offered for subscription under the Hong Kong Public Offer, representing 10% of the initial number of the Offer Shares, subject to the re-allocation as described in the section headed "Structure of the Global Offering" of this prospectus
"Hong Kong Public Offer"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in the section headed "Structure of the Global Offering" in this prospectus) at the Offer Price (plus brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.003%), subject to and in accordance with the terms and conditions set out in this prospectus and the Application Forms, as further described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Share Registrar"	Tricor Investor Services Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offer listed in the paragraph headed "Hong Kong Underwriters" under the section headed "Underwriting" of this prospectus
"Hong Kong Underwriting Agreement"	the conditional underwriting agreement dated 5 March 2012 and entered into by the Company, Trigiant Investments, Abraholme, Headwell, Mr. Qian, Mr. Jiang Wei, Mr. Jiang Xinhong, the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters relating to the Hong Kong Public Offer, particulars of which are summarised in the section headed "Underwriting" of this prospectus
"Independent Third Parties"	persons or companies which are independent of and not connected with any of the directors, chief executive, Substantial Shareholders of the Company or any of its subsidiaries and their respective associates, and "Independent Third Party" shall be construed accordingly
"International Placing"	the conditional international placing of the International Placing Shares at the Offer Price to selected professional, institutional and private investors as set out under the section headed "Structure of the Global Offering" of this prospectus

"International Placing Shares"	the 225,000,000 Offer Shares, comprising 175,000,000 New Shares and 50,000,000 Sale Shares, expected to be initially offered for subscription and purchase pursuant to the International Placing, representing 90% of the initial number of Offer Shares, subject to re-allocation and the Over-allotment Option as described in the section headed "Structure of the Global Offering" of this prospectus
"International Underwriters"	the underwriters of the International Placing, who are expected to enter into the International Underwriting Agreement to underwrite the International Placing Shares
"International Underwriting Agreement"	the conditional international placing underwriting agreement relating to the International Placing and expected to be entered into by, among others, the Company, the Selling Shareholder, the Joint Global Coordinators and the International Underwriters in relation to the underwriting of the International Placing Shares
"Issue Mandate"	the general unconditional mandate given to the Directors by the Shareholders relating to the issue of new Shares, particulars of which are set forth in the paragraph headed "Resolutions in writing of the sole Shareholder passed on 7 September 2011 and 28 February 2012" in Appendix V to this prospectus
"Jiangsu Opto-electrical"	江蘇俊知光電通信有限公司 (Jiangsu Trigiant Opto-electrical Telecommunication Co., Ltd.*), a limited liability company established in the PRC on 1 March 2010 and owned as to 12.5% by Jiangsu Trigiant, 10.625% by 宜興市杰聯通信技術有限公司 (Yixing City Jie Lian Communications Technology Co., Ltd.*) (an Independent Third Party), 43.75% by 宜興市光迅通信設備有限公司 (Yixing City Guang Xun Communications Equipment Co., Ltd.*) (an Independent Third Party) and 33.125% by 宜興市新富環保設備有限公司 (Yixing City Xin Fu Environmental Protection Equipment Co., Ltd.*) (an Independent Third Party) as at the Latest Practicable Date

"Jiangsu Sensing"	江蘇俊知傳感技術有限公司 (Jiangsu Trigiant Sensing Technology Co., Ltd.*), a limited liability company established in the PRC on 1 March 2010 and owned as to 12.5% by Jiangsu Trigiant, 10.625% by 宜興市恆隆通信技術有限公司 (Yixing City Heng Long Communications Technology Co., Ltd.*) (an Independent Third Party), 43.75% by 宜興市博創網絡科技有限公司 (Yixing City Bo Chuang Network Technology Co., Ltd.*) (an Independent Third Party) and 33.125% by 江蘇泉溪環保股份有限公司 (Jiangsu Quanxi Environmental Protection Shares Co., Ltd.*) (an Independent Third Party) as at the Latest Practicable Date
"Jiangsu Trigiant"	江蘇俊知技術有限公司 (Jiangsu Trigiant Technology Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC on 15 March 2007 and an indirect wholly-owned subsidiary of the Company
"Joint Global Coordinators", "Joint Bookrunners" and "Joint Lead Managers"	SinoPac and First Shanghai
"JSPTPD"	江蘇省郵電規劃設計院有限責任公司 (Jiangsu Posts & Telecommunications Planning and Designing Institute Co., Ltd*), an independent market research agency commissioned by the Group to issue a market research report
"JSPTPD Report"	通信綫纜行業報告 (Analysis Report on the Telecommunication Wire and Cable Industry), a market research report released in September 2011 and prepared by JSPTPD as commissioned by the Group
"Latest Practicable Date"	27 February 2012, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	the date on which dealings of the Shares on the Main Board of the Stock Exchange first commence, which is currently expected to be on 19 March 2012

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock exchange (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the memorandum of association of the Company, a summary of certain provisions of which is set out in Appendix IV to this prospectus, and as amended from time to time
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (previously known as the Ministry of Information Industry of the PRC (中華人民共和國信息產業部))
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Qian"	Qian Lirong (錢利榮), an executive Director and the chairman of the Board
"NASDAQ"	National Association of Securities Dealers Automated Quotations System
"New Shares"	200,000,000 new Shares being offered for subscription at the Offer Price under the Global Offering and the new Shares that may be issued pursuant to the exercise of the Over-allotment Option
"OEC"	China Electronics Components Association, Optical Fiber and Electric Cable Sub-association (中國電子元件行業協會光電線纜分會), one of the 14 sub-associations of CECA. It is a national industry association, established by optical and electronic cable manufacturing enterprises and their raw materials and equipment suppliers and related research institutes and colleges on 28 March 1988. The governing authority of OEC is MIIT

"Offer Price"	the final price per Share in Hong Kong dollars (exclusive of brokerage, SFC transaction levy, and the Stock Exchange trading fee) of not more than HK$1.50 and expected to be not less than HK$1.10 at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering, to be determined as further described in the paragraph headed "Determination of the Offer Price" under the section headed "Structure of the Global Offering" of this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Placing Shares together, where relevant, with any additional Shares issued pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option expected to be granted by the Company to SinoPac (for itself and on behalf of the International Underwriters) subject to the terms and conditions of the International Underwriting Agreement, to require the Company to allot and issue up to an aggregate of 37,500,000 additional new Shares representing 15% of the initial Offer Shares, at the Offer Price per Share to cover, among other things, over-allocations in the International Placing, if any
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC" or "China"	the People's Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRC Company Law"	The Company Law of the PRC (中華人民共和國公司法), enacted by the Standing Committee of the National People's Congress on 29 December 1993, which became effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time. The latest revision was approved on 27 October 2005 and came into effect on 1 January 2006
"PRC Legal Adviser"	金茂凱德律師事務所 (Jin Mao PRC Lawyers), the legal adviser to the Company as to PRC laws

"Price Determination Agreement"	the agreement expected to be entered into between the Company (for itself and on behalf of the Selling Shareholder) and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before the Price Determination Date to record the agreement on the Offer Price
"Price Determination Date"	the date, expected to be on or around 9 March 2012 or such later date as may be agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder), on which the Offer Price is fixed for the purpose of the Global Offering and in any event no later than 14 March 2012
"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganisation"	the corporate reorganisation of the Group in preparation for the Listing, particulars of which are set out in the paragraph headed "The Reorganisation" under the section headed "History and Development" and the paragraph headed "Reorganisation" in Appendix V to this prospectus
"Repurchase Mandate"	the general unconditional mandate to repurchase Shares given to the Directors by the sole Shareholder, particulars of which are set forth in the paragraph headed "Resolutions in writing of the sole Shareholder passed on 7 September 2011 and 28 February 2012" in Appendix V to this prospectus
"RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAFE Circular No. 75"	the Circular on Issues Relating to Foreign Exchange Control on Fund-raising by Domestic Residents through Offshore Special Purpose Vehicles and Round-trip Investments (國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) promulgated on 21 October 2005 by SAFE

"Sale Shares"	50,000,000 Shares to be offered for sale by the Selling Shareholder at the Offer Price under the International Placing
"Selling Shareholder"	Trigiant Investments, being the Shareholder who offers 50,000,000 Shares for sale in the International Placing with its particulars set out in the paragraph headed "Particulars of the Selling Shareholder" in Appendix V to this prospectus
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Singapore"	The Republic of Singapore
"SinoPac"	SinoPac Securities (Asia) Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as set out in Schedule 5 to the SFO
"Sole Sponsor"	SinoPac
"Stock Borrowing Agreement"	the stock borrowing agreement to be entered into between Trigiant Investments and SinoPac as the stabilising manager (or its affiliates or any person acting for it) pursuant to which SinoPac may borrow up to 37,500,000 Shares from Trigiant Investments
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under section 2 of the Companies Ordinance and when construed in the context of the Listing Rules, has the meaning ascribed to it under the Listing Rules

"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in the context of the Company, means Mr. Qian, Abraholme and Trigiant Investments
"S$"	Singapore dollar(s), the lawful currency of Singapore
"Track Record Period"	the period comprising FY2009, FY2010 and FY2011
"Trigiant BVI"	Trigiant Holdings Limited, formerly known as New Bright Assets Management Limited and Cenarion Investments Ltd, a company incorporated in the BVI with limited liability on 12 May 2004 and is a direct wholly-owned subsidiary of the Company
"Trigiant Hong Kong"	Trigiant (HK) Limited (俊知 (香港)有限公司), formerly known as Chinese Team Limited (浚添有限公司), a company incorporated in Hong Kong with limited liability on 8 December 2009 and is an indirect wholly-owned subsidiary of the Company
"Trigiant Investments"	Trigiant Investments Limited, formerly known as Superb Market Limited, a company incorporated in the BVI with limited liability on 22 November 2010 and owned as to 55.5% by Abraholme, 25% by Forerich, 5.5% by Headwell, 12% by Zymmetry, and 2% by Ace Speed as at the Latest Practicable Date
"Trigiant Singapore"	Trigiant Group Pte. Ltd., a company incorporated in Singapore on 15 February 2007 and, which was owned as to 100% by Abraholme when Jiangsu Trigiant was established on 15 March 2007
"Twelfth Five-Year Plan"	the Twelfth Five-year Plan for the national economy and social development of the PRC for the period from 2011 to 2015
"Underwriters"	collectively, the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	United States as defined in Rule 902(l) of Regulation S

"U.S. Person"	U.S. person as defined in Rule 902(k) of Regulation S
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$"	US dollars, the lawful currency of the U.S.
"Zymmetry"	Zymmetry Investments Ltd., a company incorporated in the BVI on 13 March 2007 and wholly owned by Toe Teow Heng (an Independent Third Party) as at the Latest Practicable Date
"km"	kilometre
"sq.m."	square metre
"%"	per cent

Unless the context requires otherwise, amounts denominated in RMB have been converted into HK$, for illustration purposes only, using the exchange rate of RMB0.81 = HK$1. ***No representation is made that any amount in RMB or HK$ could have been or could be converted at the above rates or at any other rates or at all.***

Unless otherwise specified, all references to any shareholding in the Company assume the Over-allotment Option has not been exercised.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

* *For ease of reference, the names of certain PRC entities and individuals have been included in this prospectus in both English and Chinese. The English names are the unofficial translation of their respective Chinese names, and in the event of any inconsistency, the Chinese names shall prevail.*

This glossary contains explanations of certain terms used in this prospectus in connection with the Company and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

"2G"	abbreviation for second generation. 2G is a term commonly used to describe the second generation technology used in a specific application or industry. In cellular telecommunications, 2G systems use digital radio technology with advanced messaging and data capabilities
"3G"	abbreviation for third generation. 3G is a term commonly used to describe the third generation of technology used in mobile cellular telecommunications systems, which uses wideband digital radio technology (as opposed to first generation analog systems and second generation digital cellular systems)
"4G"	abbreviation for fourth generation. 4G is a term commonly used to describe the fourth generation of technology used in mobile cellular telecommunications systems, which is a successor to the 3G and 2G standards
"antennas"	antenna arrays with signal processing algorithms used to identify spatial signal signature such as the direction of arrival (DOA) of the signal, to calculate beamforming vectors and to track and locate the antenna beam on a mobile target
"argon arc welding"	a welding process that generates an arc between the electrode and the metal work pieces with high electrical voltage, high frequency pulses (or high electrical voltage pulses) under the protection of inert gas such as argon, resulting in the work pieces being heated to higher temperatures and fusion
"arrester"	an electronic device that discharges and releases lightning or overvoltage energy of a power system in order to protect communications equipment from instantaneous overvoltage damage
"attenuation"	loss of power or strength of radio signal in the cable, expressed in decibels (dB)

"base station"	the radio part of a cellular radio transmission site. A single base station usually contains several radio transmitters, receivers, control sections and power supplies
"CAGR"	compound annual growth rate
"CDMA"	abbreviation for Code Division Multiple Access. It is a system that allows multiple users to share one or more radio channels for service by adding a unique code to each data signal that is being sent to and from each of the radio transceivers. These codes are used to spread the data signal to a bandwidth much wider than necessary to transmit the data signal without the code
"combiner"	a device that synthesizes multi-channel signal energy into one output
"connector"	also called plug or socket, an accessory that connects two active devices in order to transmit electric currents and signals
"coupler"	a device that transmits power between system components, which mostly consist of devices with multiple ports such as orientation couplers, power dividers and a variety of microwave branch devices
"GB/T28001-2001"	a national standard issued by TL Certification Center that complies with the occupational health and safety management activities for the design and manufacture of a variety of products
"GSM"	abbreviation for Global System for Mobile Communications. It is a digital cellular telephone system that originated in Europe and is now available in most parts of the world. The GSM system uses 200kHz wide channels that are divided into frames that hold 8 time slots

"integration of three networks"	the integrated development of the telecommunications network, broadcasting television network and internet in order to realise the interconnection of three networks and the ability to share resources in order to provide users with multiple services such as voice, data and broadcasting television
"Internet of Things"	also known as "Internet of Objects". It refers to the networked interconnection of everyday objects. It is generally viewed as a self-configuring wireless network of sensors whose purpose would be to interconnect all things. The concept is that if all objects of daily life are equipped with radio tags, they can be identified and managed by computers in the same way humans can. The Internet of things should encode 50 to 100 trillion objects and follow the movement of those objects
"ISO"	International Organisation of Standards, a worldwide federation of national standards bodies whose mission is to develop industrial standards that facilitate international trade
"ISO9001:2000" or "ISO9001:2008"	a standard under ISO which requires organisations seeking compliance or certification to define the processes which form the Quality Management System and the sequence and interaction of these processes
"ISO14001:2004"	a standard under ISO which sets out requirements for an Environmental Management System (EMS) which can be employed by an organisation to measure and document their environmental impact. EMS that meets the ISO14001 requirements can be externally audited and certified by an accredited Certification Body. The updated systematic ISO14001:2004 approach requires the organisation to take a hard look at all areas where its activities have an environmental impact
"jumper"	part of the assembly for RF coaxial cables, which is made up of a length of coaxial cable with connectors at both ends of the cable

"new-type electronic components"	types of components including sensitive components and sensors, frequency control components, hybrid integrated circuits, power electronic devices, photoelectric devices and new-type electromechanical components; and photoelectric devices including jumpers, connectors and antenna lightning arresters
"PE"	abbreviation for Polyethylene, which is a thermoplastic material commonly used in packaging and insulation and created through the polymerization of ethene
"PVC"	abbreviation for Polyvinyl Chloride, which is a thermoplastic polymer constructed of a repeating vinyl group with one hydrogen replaced by chloride, commonly used as an electrical insulator for wires and cables
"RF"	abbreviation for radio frequency. When RF current is supplied to an antenna, an electromagnetic field is created enabling the RF current to propagate through space. Many wireless technologies are based on RF field propagation
"thermoplastic"	a polymer that softens when heated and hardens when cooled
"TL Certification Center"	the only professional certification institute for quality management system, environmental management system, occupational health and safety management system and products of enterprises in the telecommunications industries in the PRC. It is under the China Academy of Telecommunication Research of MIIT
"VSWR"	abbreviation for voltage standing wave ratio. VSWR is a ratio value that indicates the homogeneity of cable

Prospective investors in the Offer Shares should consider carefully all of the information set forth in this prospectus and, in particular, the following risks in connection with an investment in the Company before making any investment decision regarding the Company. The business, financial condition or results of operations of the Group could be materially and adversely affected by any of these risks. The trading price of the Shares could decline due to any of these risks and you may lose all or part of your investment.

RISKS RELATING TO THE BUSINESS

The limited operating history of the Group may make it difficult to evaluate its business, financial performance or prospects

The Group has a limited operating history. Jiangsu Trigiant, the principal operating subsidiary of the Group in the PRC, was established in March 2007. The turnover of the Group in FY2009, FY2010 and FY2011 was approximately RMB865.0 million, RMB1,410.8 million, RMB1,822.7 million respectively, representing an increase of approximately 63.1% from FY2009 to FY2010 and an increase of approximately 29.2% from FY2010 to FY2011. However, due to the limited operating history of the Group, its previous results may not provide a meaningful basis for prospective investors to evaluate its business, financial condition, results of operations and future prospects, and there can be no assurance that the Group will be able to achieve similar results or growth in the future.

The Group has been substantially dependent on sales of its RF coaxial cables series during the Track Record Period and therefore its business, financial condition and results of operations would be materially and adversely affected if sales of these products were to decline and/or if it failed to diversify its products

The Group has been dependent on sales of its RF coaxial cables series for a substantial portion of its turnover during the Track Record Period. The RF coaxial cables series of the Group generated approximately 71.8%, 92.5% and 91.5% of the Group's turnover in FY2009, FY2010 and FY2011, respectively. The Group expects to continue to derive a majority of its turnover from sales of its RF coaxial cables series in the future. Due to this turnover concentration, an investment in the Group may entail more risks than investments in companies that offer a wider variety of products and services. If the Group is unable to continue to manufacture or sell its RF coaxial cables series due to regulatory, intellectual property rights or other reasons, or if the RF coaxial cables series of the Group become unacceptable or less attractive to its major customers due to their more stringent specifications, or if the Group fails to diversify its products as described in the sub-section headed "Business strategies" under the section headed "Business" in this prospectus, the turnover of the Group would decline, and its business, financial condition and results of operations would be materially and adversely affected accordingly.

The future growth of the Group is dependent upon its research and development of new products

The market for RF coaxial cables for mobile communications in the PRC is competitive, and market participants frequently modify their designs to adjust to changing market preferences and develop new designs to broaden their product range. As a result, the future growth of the Group is highly dependent on its ability to develop and launch new products that meet market demand and any delay in launching new products may significantly impede its ability to compete.

The Group expends resources on research and development to develop new products and upgrade its existing products. However, there is no assurance that the Group is able to successfully develop and launch new products as anticipated by its customers and this may have an adverse impact on the ability of the Group to maintain its position in the market or increase its market share for these products. Furthermore, in the event of unexpected poor market response to the new products of the Group, the turnover generated from these products may not be able to cover its research, development and marketing costs. In addition, there is no assurance that these products will achieve technological feasibility, meet prescribed national or industrial technical standards or gain market acceptance. Failure to successfully commercialise its new products would have an adverse impact on the business operations and financial performance of the Group.

The Group is dependent on its major customers and sales to them are subject to their respective tenders

The Group derives a significant portion of its turnover from the sale of its products to the three major telecommunications operators in the PRC, namely China Unicom, China Mobile and China Telecom and their respective provincial branches or subsidiaries, all of which are major customers of the Group. They usually invite the Group to participate in the tender separately organised by them. If the Group wins the tender, the relevant telecommunications operator will enter into a framework agreement with the Group which sets out the general terms with respect to the supply of products. After entering into the framework agreement, the Group still needs to negotiate and enter into definitive sales contracts with the provincial subsidiaries or branches of the telecommunications operator which set out the detailed terms of each purchase. The Group has separately entered into framework agreements with China Unicom in December 2011, China Mobile in July to September 2011 and with China Telecom in November 2011 after winning the tenders organised by each of them respectively, specifying product pricing, delivery arrangement, product warranty and liabilities in the event of breach of the terms of the framework agreements. None of these framework agreements provides for any purchase commitment by the three major PRC telecommunications operators. Each of the framework agreement with China Unicom and China Mobile provides that such framework agreement is valid until the next tender. The framework agreement with China Telecom does not have any provision in relation to its duration. According to the industry practice, it is valid until the next tender.

In FY2009, FY2010 and FY2011, sales to the largest customer of the Group were approximately RMB745.0 million, RMB1,016.0 million and RMB1,120.4 million, respectively and accounted for approximately 86.1%, 72.0% and 61.5% of the Group's total turnover, respectively. For the same period, sales to the five largest customers of the Group were approximately RMB857.0 million, RMB1,384.4 million and RMB1,778.0 million, respectively and accounted for approximately 99.1%, 98.1% and 97.5% of its total turnover, respectively. The Group relies on and expects to continue to rely on these major customers for a significant portion of its turnover. The Group also intends to strengthen its business relationship with these major customers by expanding its sales and distribution network to cover areas where the Group has yet to establish business relationships.

There can be no assurance that the Group's plan to expand its sales and distribution network will be successful or the Group will be able to retain its major customers or win any future tender organised by them or receive any purchase order at favourable terms to the Group, or that they will maintain or increase their current level of business with the Group. In the event of any cancellation, delay or reduction in the scope of the existing sales to any of the major customers of the Group or if the Group loses in any of the tenders organised by any of its major customers, its business operations and financial performance will be adversely affected.

The Group is exposed to risks arising from credit terms extended to its customers

The financial conditions and profitability of the Group are dependent on the creditworthiness of its customers. The Group is exposed to payment delays by its customers to whom the Group has granted credit terms. As at 31 December 2011, the Group's net trade and bills receivables were approximately RMB1,155.4 million, which accounted for approximately 60.5% of its total current assets. Generally, credit terms extended by the Group to its customers vary from 180 days to 360 days. Average trade and bills receivables turnover days during FY2009, FY2010 and FY2011 were 192 days, 187 days and 193 days respectively.

There can be no assurance of timely payments by customers or whether they will be able to settle promptly any amount due to the Group. Any failure by the customers to make timely payment to the Group may have a material adverse impact on the financial performance and operating cash flow of the Group.

The Group relies upon its major raw materials supplier

Since FY2010, the Group has relied on Bin Fan (an Independent Third Party) as its major raw materials supplier for its raw materials requirements. In FY2011, the purchase of raw materials from Bin Fan amounted to approximately RMB647.4 million and accounted for approximately 45.6% of the total purchase of raw materials of the Group respectively. The Group has relied on and expects to continue to rely on its major supplier for a signification portion of its purchase of raw materials.

If Bin Fan fails to make timely delivery of raw materials and the Group fails to purchase the requisite raw materials from other suppliers in a timely and cost-effective manner, the production of the Group could be delayed. The relationship between the Group and its customers could also be adversely affected as a result of any such delays, which could in turn materially and adversely affect the business operations and financial performance of the Group.

Jiangsu Trigiant had negative cash flow from operating activities for FY2009

The Group has relied on cash generated from its operations and bank borrowings to fund its capital requirements. After the Global Offering, it is expected that the Group will continue to partially derive funding from cash generated from its operations and bank borrowings. In FY2009, the negative net cash flow from operating activities of Jiangsu Trigiant was approximately RMB239.0 million. For further information, please refer to the sub-section headed "Liquidity, Financial Resources and Capital Structure" under the section headed "Financial Information" in this prospectus. The ability of the Group to obtain adequate funding and generate sufficient cash from its operating activities to finance its operations and expansion plans depends on a number of factors, including but not limited to the general economic and capital market conditions, credit availability from banks, the performance of its operation, inventory purchases and the ability of its customers to settle their payments. As at 28 December 2009, the trade receivables of Jiangsu Trigiant were approximately RMB668.1 million. Since the Group normally allows a credit period ranging from 180 to 360 days to its customers, it is subject to certain risks relating to settlements. If the ability of its customers to settle their payments is significantly limited or affected for any reason, the business, cash flows, results of operations and financial position of the Group may be materially and adversely affected.

There can be no assurance that the Group will not experience negative operating cash flow in the future or that external financing means will be available to mitigate any such negative operating cash flow on terms that are satisfactory or commercially acceptable to the Group. As at 31 December 2011, the aggregate bank borrowings of the Group were approximately RMB1,050.3 million. For further information, please refer to the paragraph headed "Bank borrowings and gearing ratio" under the sub-section headed "Indebtedness" in the section headed "Financial Information" in this prospectus. Without sufficient liquidity, the Group will be forced to curtail its operations and expansion plans. Disruption, uncertainty or volatility in the capital markets or credit markets may significantly limit its access to capital for its operations and expansion, decrease its profitability and reduce its financial flexibility. Furthermore, the level of indebtedness of the Group will affect the amount of its cash flow from operating activities that it must allocate to fund repayments of debt, which may reduce the availability of the cash flow to fund working capital, capital expenditures and other general corporate purposes. As a result, the business, financial position and results of operations of the Group may be materially and adversely affected.

If the Group is unable to retain, recruit and hire skilled and experienced personnel, its ability to effectively manage its operations and meet its strategic objectives will be harmed

The future success of the Group depends partly on the continued service of its officers and other key managerial, sales and technical personnel. In particular, the Group relies on its officers and senior management to operate and grow its business, including its executive Directors, namely Mr. Qian and Mr. Jiang Wei. Any interruption or termination of the services of any of its senior management or key personnel could significantly reduce its ability to effectively manage its operations and meet its strategic objectives as there can be no assurance that the Group would be able to locate suitable or qualified replacements. In addition, the Group may incur additional expenses and need to devote significant time to recruit and train new personnel, which could severely disrupt its business operations and growth.

Furthermore, as the Group expects to expand its sales and distribution network in the PRC and overseas markets and to continue to expand its operations and develop new products, it will need to continue to attract and retain skilled and experienced personnel. The Group competes for such personnel with its competitors, academic institutions, government entities and other organisations, and the Group expects such competition to intensify while the telecommunications industry in the PRC grows. The Group may be unable to attract or retain the requisite personnel to achieve its business and expansion plans and failure to do so could materially and adversely impact its competitiveness, business, financial condition and results of operations.

If the patents and other intellectual property rights of the Group do not adequately protect its products, the Group may lose market share to its competitors and be unable to operate its business profitably

The Group relies on its intellectual property rights, in particular, its "Trigiant" trademarks in the sale and distribution of most of its products and its patent in the manufacture of its products. Details of intellectual property rights owned by the Group which are material in relation to the Group's business are set out in the paragraph headed "Intellectual property rights" under the section headed "Further information about the business of the Company" in Appendix V to this prospectus. The Group may need to resort to litigation or other proceedings to enforce its intellectual property rights to protect its proprietary technologies or determine the validity and scope of third party proprietary rights. Since the validity, enforceability and scope of protection of intellectual property rights in the PRC are uncertain, the Group may not succeed in enforcing these rights. As a result, the degree of protection for the intellectual property rights of the Group is uncertain and may not be adequate. Any litigation, proceeding or other efforts or other proceedings to protect the intellectual property rights of the Group could also result in incurring substantial costs and diversion of its resources, which could materially harm its business operations and profitability. If the Group is unable to protect its trademarks, patents and other propriety information, its competitiveness may be undermined, and the Group may suffer material losses.

Pursuant to the license agreements entered into between Jiangsu Trigiant as licensor and each of Jiangsu Sensing and Jiangsu Opto-electrical as licensee dated 3 December 2010 respectively, the Group has granted a royalty-free license to each of Jiangsu Sensing and Jiangsu Opto-electrical to use its name of "俊知" (Jun Zhi) on a non-exclusive basis at nil consideration. There is no assurance that these companies will not misuse the name of "俊知" (Jun Zhi) to the detriment of the reputation of the Group, which could materially and adversely affect the sales and finances of the Group.

In addition, as the Group develops its products, it may also inadvertently infringe upon the intellectual property rights of others or others may assert infringement claims against the Group. Such claims against the Group, even if untrue or unfounded, could result in significant legal and other costs, which may have an adverse effect on the business operations of the Group.

Any disruption in the manufacturing facilities of the Group could cause losses to the Group and materially and adversely affect its business, financial condition and results of operations

The Group relies heavily on its manufacturing facilities located at the Industrial Park for Environmental Protection Science & Technology (a state high and new technology development zone), Yixing, Jiangsu Province, PRC for the manufacture of its products. Significant damage to the manufacturing facilities of the Group caused by natural or other causes, such as extreme weather conditions, floods, fires, earthquakes, workforce actions, riots and other disruptions such as system failures will disrupt its manufacturing activities.

Any such disruption in the manufacturing activities of the Group could have an adverse impact on its ability to produce sufficient inventory. Disruptions could cause the Group to stop, limit or delay its production, or delay or suspend delivery of its products, for which the Group might incur additional expenses in order to produce sufficient inventory and could impair its ability to meet the demand of its customers and cause such customers to cancel orders, any of which could materially and adversely affect the reputation, business, financial condition and results of operations of the Group.

The Group previously entered into certain trade financing transactions that were not in compliance with PRC laws

From July 2008 to January 2010, Jiangsu Trigiant, the PRC subsidiary of the Group, and its then related company, Fullway Technology (100% equity interests of which had been transferred to 宜興市富創電子科技有限公司 (Yixing City Fu Chuang Electronics Technology Co., Limited*), Premo Superior Investments Limited and Smart Time Enterprises Limited in 2009) entered into certain trade financing transactions with certain PRC commercial banks which were not supported by any underlying transactions. In FY2010, Jiangsu Trigiant and Bin Fan (an Independent Third Party) also entered into certain similar trade financing transactions with certain commercial banks in the PRC. Details of these non-compliant trade financing transactions are set out in the sub-section headed "Non-compliant trade financing" under the section headed "Business" in this prospectus. The PRC Legal Adviser has advised that such trade financing arrangements were not in compliance with PRC laws. The Group ceased to enter into such non-compliant trade financing transactions in April 2010. The Group has formulated and implemented a series of measures to prevent recurrence of any non-compliant trade financing activity in the future. There is no assurance that the relevant regulatory authorities will not decide to penalise Jiangsu Trigiant for such transactions in the future. Any such penalties may materially and adversely affect the business, financial condition and results of operations of the Group.

The Controlling Shareholders have substantial influence over the Company and their interests may not be aligned with the interests of other Shareholders

Following the Global Offering, the Controlling Shareholders will collectively beneficially own 75% of the issued Shares (assuming the Over-allotment Option is not exercised) with substantial control over the issued share capital of the Company. The interests of the Controlling Shareholders may differ from the interests of other Shareholders.

The Controlling Shareholders will have substantial influence over the business and operations of the Group, including decisions regarding mergers, consolidations and sales of all or substantially all of its assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of the Company, which could deprive the Shareholders of an opportunity to receive a premium for their Shares in a sale of the Company or may reduce the market price of the Shares. The Company may not be able to enter into transactions that could be beneficial to the Company without the consent of the Controlling Shareholders. Alternatively, the Company may, with the majority vote of the Controlling Shareholders, enter into transactions despite objections from minority Shareholders.

The Group may not have adequate insurance coverage for its potential losses and liabilities

The Group has taken out insurance policies for its ongoing operations including insurances on production facilities, equipment and machinery. The Group also maintains social security insurance policies for its employees pursuant to PRC laws. The Group has not taken out any insurance on its business operations, such as disruption in operations and product liabilities as these are not compulsory under PRC laws. However, there can be no assurance that the insurance coverage which the Group maintains will be adequate to cover all potential losses or liabilities. In addition, there are certain types of risks that are either uninsurable or that the Group cannot obtain insurance for at a reasonable cost. Should an uninsured liability or a liability in excess of its insured limit occur, the Group would have to fund such losses or damages internally which could adversely affect its business, financial condition and results of operations.

RISKS RELATING TO THE INDUSTRY

The Group is dependent on the PRC telecommunications industry

The major customers of the Group, the telecommunications operators and equipment manufacturers in the PRC, contributed approximately 97.5% of the total turnover of the Group for FY2011. As these customers are the focus of the marketing strategy of the Group, any change to their business strategies, capital expenditure budgets and spending plans will have an impact on the sales of the Group. If any customer of the Group ceases or reduces its deployment of the products of the Group as a result of any change in the PRC telecommunications industry, the demand for the products of the Group will be adversely affected. Although the PRC domestic telecommunications industry has experienced growth in the past years, there can be no assurance that it will grow at the same rate or at all in the future. In addition, the existing telecommunications laws and regulations may be modified or new laws and regulations may be promulgated. Such modified or new laws and regulations could, directly or indirectly, affect the pricing, distribution and quality standards of telecommunications products and services and may have an uncertain impact on the business of the Group.

The Group operates in a competitive environment, and its results of operations may be adversely affected if it is unable to stay competitive

The Group operates in a competitive environment and it faces competition from existing competitors and new market entrants. Competition in the RF coaxial cables industry includes scale of production, advanced production equipment, technical expertise, range of products and customer service. There can be no assurance that the Group will be able to stay competitive. Should the Group be unable to compete against other industry players or submit competitive bids at project tenders, this would have an adverse effect on its business (including average selling prices of its products) and results of operations.

In order to maintain its customer base and market share, the Group must ensure that it is able to continuously develop and manufacture new products that meet customers' specific requirements. The Group faces technological changes and improvements in the development and production of its products. In the event that competitors are able to develop more advanced products at competitive prices, the Group may not be able to maintain its competitive edge or its market share, and its profits will be adversely affected.

The Group is subject to risks associated with technological changes

The Group is engaged in an industry where technology changes play a critical role in influencing the demand for its products and services. Technological advances may render certain products of the Group obsolete. Thus, the ability to anticipate changes in technology and to keep pace with such changes, to introduce new and enhanced products promptly, will significantly affect its standing in the industry. The Group has committed time, effort and other resources to the research and development of new products to meet changing market demands.

However, rapid changes in market demand may render the research and development efforts obsolete as the Group may not be able to achieve the technological advances necessary for it to keep pace with the changes. In such an event, the business, financial condition and results of operations of the Group may be adversely affected.

Failure to meet industry technical standards prescribed by relevant authorities and specifications of customers may result in product liability claims and may adversely affect the business, financial condition and results of operations of the Group

Currently, to the best knowledge of the Directors, the Group is not required to have obtained any specific certificates for the manufacture and sales of its products. However, the Group is still required to manufacture its products in accordance with industrial technical standards set by the various PRC authorities, including MIIT and the Ministry of Railways of the PRC (中華人民共和國鐵道部) and the requirements of customers. Some of these industrial standards or requirements keep evolving as scientific development continues. If such technical standards or specifications are modified, or any compulsory technical standards prescribed by PRC authorities require higher and more stringent technical requirements beyond the existing technical capacity of the Group, additional unexpected costs and investments in upgrading business lines, enhancing its production facilities and recruiting more experienced technical expertise are required in order to comply with the new product standards. In addition, the Group also needs to maintain the validity of certifications issued by TL Certification Center (泰爾認證中心).

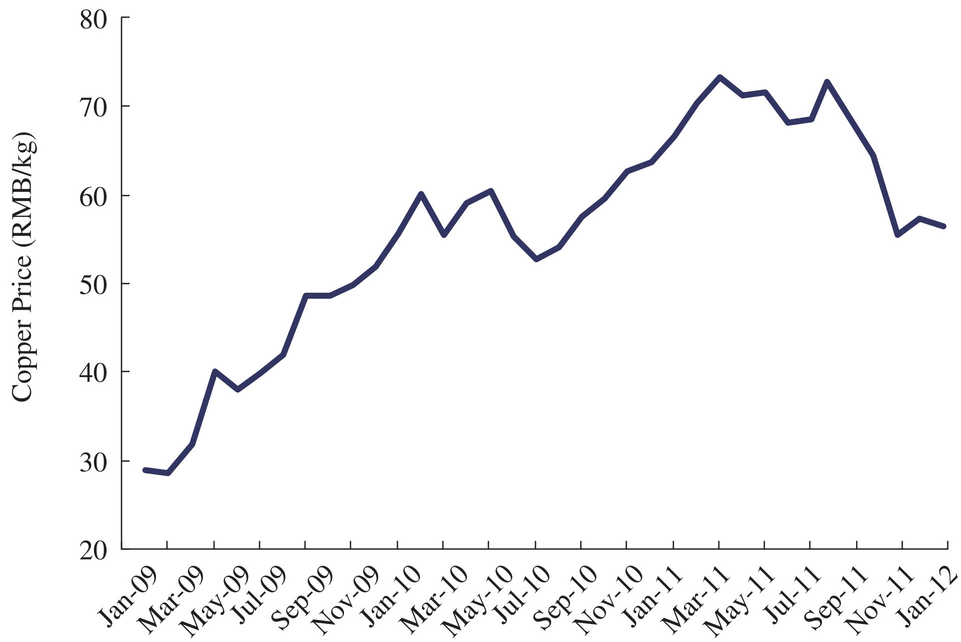
In FY2011, one of the Group's customers identified certain substandard products supplied by the Group. The Group resolved this quality issue by exchanging those substandard products with new products that met the standard of such customer. As a result, the Group incurred additional costs of approximately RMB500,000 which included compensation, costs of exchanged products and inspection costs. Should the Group fail to meet prescribed technical standards of relevant PRC authorities or specifications of customers or fail to maintain certifications in the future, the Group may lose some of its customers and/or be subject to product liability claims. Any successful product liability claim against the Group may adversely affect the reputation, business, financial conditions and results of operations of the Group.

An increase in the price or a shortage of raw materials will lead to increased costs and will adversely affect the results of operations of the Group

Copper-based materials, PE and PVC are the major raw materials used by the Group. The prices of raw materials have fluctuated during the Track Record Period. The total purchase of copper-based materials accounted for approximately 66.2%, 80.3% and 76.9% of its total purchases during FY2009, FY2010 and FY2011, respectively. The purchase price of copper-based materials is usually linked with the commodity price of copper. According to the chart shown below, the monthly average price of copper gradually increased from approximately RMB28,000 per tonne at the beginning of FY2009 to approximately RMB56,000 per tonne at the end of FY2009. In FY2010, the monthly average price of copper fluctuated between approximately RMB53,000 per tonne to approximately RMB67,000 per tonne. In FY2011, the monthly average price of copper fluctuated between approximately RMB56,000 per tonne to approximately RMB73,000 per tonne.

The following graph shows the average monthly market prices of copper from January 2009 to January 2012:

Monthly Copper Prices from January 2009 to January 2012



Source: Yangtze River Nonferrous Metals Network (長江有色金屬網)

During the Track Record Period, fluctuations in the purchase price of copper-based materials were in line with the trend of the commodity price of copper in general. The Group has not entered into any derivative contract to reduce its exposure to fluctuations in the purchase price of copper-based materials. Generally, the Group tends to pass on most of these additional costs to its customers. The Group has preset a policy in its framework agreement with one of its major customers to the effect that the selling price of its products shall be linked to the products' cost, particularly in relation to copper-based materials, which can effectively hedge against the Group's risks associated with the fluctuation in the copper price.

The Group purchases raw materials from local suppliers and enters into supply agreements with its major suppliers of copper-based materials. An increase in the prices or a shortage of raw materials in the PRC will increase the production costs of the Group and may have a significant impact on its profits and its profitability. There can be no assurance that the Group will be able to pass on such increase to its customers on a timely basis or find an alternative source of supply. In the event that the Group is not able to do so, its earnings and financial performance may be adversely affected. For illustration purposes, assuming that all other factors remained constant, if the cost of copper-based materials which were purchased by the Group in each of FY2009, FY2010 and FY2011 changed by 5.0% and the Group could not pass on such change to its customers, the net profit of the Group in FY2009, FY2010 and FY2011 would be affected by approximately RMB20.6 million, RMB43.5 million and RMB52.6 million respectively.

The Group faces risks related to natural disasters and health epidemics in China, which could have a material adverse effect on its business and results of operations

Business of the Group could be materially and adversely affected by natural disasters or the outbreak of health epidemics in China. For example, in May 2008, a major earthquake registered a magnitude of 7.9 in Sichuan Province of China, devastating much of the affected areas and causing tens of thousands of deaths and widespread injuries. In addition, in early 2008, parts of China, in particular its southern region, experienced what was reportedly the most severe winter weather condition in the country in half a century, which resulted in significant and extensive damage to factories, power lines, homes, automobiles, crops and other properties, blackouts, transportation and communications disruptions and other losses in the affected areas. Moreover, certain countries and regions, including China, have encountered incidents of the H5N1 strain of bird flu, or avian flu, as well as severe acute respiratory syndrome, or SARS, over the past six years and, more recently in 2009, the outbreak of influenza A (H1N1). The Group is unable to predict the effect, if any, that any future natural disaster or health and public security hazard may have on its business. Any future natural disaster and health and public security hazard may, among other things, significantly disrupt its ability to adequately staff its business, and may generally disrupt its operations. Furthermore, such natural disasters and health and public security hazards may severely restrict the level of economic activity in affected areas, which may in turn materially and adversely affect its business and prospects.

RISKS RELATING TO THE PRC

The recent global market fluctuations, economic downturn and decline in the availability of credit could materially and adversely affect the business, financial condition and results of operations of the Group

The global capital and credit markets have been experiencing extreme volatility and disruption in recent periods. Concerns over inflation or deflation, energy costs, geopolitical issues, the availability and cost of credit, the U.S. mortgage market and a declining residential real estate market in the U.S. and elsewhere have contributed to significant levels of market volatility and diminished expectations for the global economy and the capital and consumer markets. In particular, the euro zone sovereign debt crisis in the third quarter of 2011 and global uncertainties have resulted in adverse market conditions and increased volatility in the PRC and overseas financial markets. These factors, combined with volatile oil prices, declining business activities and consumer confidence and increased unemployment, have precipitated an economic slowdown. These events have led to a slowdown in the Chinese economy in recent periods and could continue in the future. As a result, demand for the Group's products may significantly decrease, thereby materially and adversely affecting its business, financial condition and results of operations.

In addition, the availability of credit to entities, such as the Group, operating within emerging markets is significantly influenced by levels of investor confidence in such markets as a whole; therefore, any factor that impacts market confidence (for example, a decrease in credit ratings or state or central bank intervention in one market) could affect the cost or availability of funding for entities within any of these markets. The recent economic slowdown and global recession have affected the global credit market and resulted in reduced liquidity, greater volatility, widening of credit spreads, lack of price transparency in credit markets and a reduction in available financing. It is difficult to predict how long these conditions will prevail and the extent to which the Group may be affected. Prolonged disruptions to the global credit markets could materially and adversely affect the liquidity, business, financial condition, results of operations and future prospects of the Group and impair the amount of banking facilities available to the Group.

Changes in political or economic policies and a slowdown in the economy of the PRC may have a material adverse impact on the business, financial condition and results of operations of the Group

Substantially all assets of the Group are currently located in the PRC. A substantial part of the turnover of the Group is generated from products manufactured and sold in the PRC, and this situation is expected to continue in the near future. As a result, the business, financial condition, results of operations and future prospects of the Group are and will continue to be subject to political, economic and legal developments in the PRC to a significant degree. The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, allocation of resources, capital reinvestment, level of development, growth rate and control of foreign exchange.

Historically, the PRC economy was centrally-planned, with a series of economic plans promulgated and implemented by the PRC government. Since 1978, the PRC government has been promoting economic and political reforms. The PRC has gradually shifted from a planned economy toward a market-oriented economy. However, continued governmental control of the economy may adversely affect the Group. There can be no assurance that the PRC government will continue to pursue economic reforms. A variety of policies and measures that could be taken by the PRC government to regulate the economy, including the introduction of measures to control inflation, deflation, or regulate economic growth, changes in the rates or methods of taxation, adjustment of interest rates or the imposition of additional restrictions on currency conversions and remittances abroad, could materially and adversely affect the business, financial condition and results of operations of the Group.

Changes and uncertainties in the PRC legal system may have a material adverse impact on the business, financial condition and results of operations of the Group

The PRC is still in the process of developing a comprehensive statutory framework. Since 1979, the PRC government has established a commercial law system, and significant progress has been made in promulgating laws and regulations relating to economic affairs and matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. However, many of these laws and regulations are relatively new, and the implementation and interpretation of these laws and regulations remain uncertain in many areas. Consequently, developments and changes in PRC laws and regulations, including their interpretation and enforcement, may have a material adverse effect on the business, financial condition and results of operations of the Group.

There are certain restrictions on payment of dividends under PRC law

The Company is a holding company incorporated under the laws of the Cayman Islands, with limited liability. All business operations of the Group are conducted through Jiangsu Trigiant, its sole PRC operating subsidiary. Its ability to pay dividends to the Shareholders is dependent upon the earnings of its subsidiary and its distribution of funds to the Group, primarily in the form of dividends. The ability of its subsidiary to make distributions to the Group depends upon, among other things, its distributable earnings. Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits with regard to the subsidiary of the Group incorporated in the PRC, i.e. Jiangsu Trigiant, refer to its after tax profits as determined under PRC GAAP, less any recovery of accumulated losses and allocations to statutory funds that it is required to make. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years. The calculation of distributable profits under PRC GAAP differs in many aspects from the calculation under HKFRS. As a result, the PRC subsidiary of the Group may not be able to pay any dividend in a given year to the Company if it does not have distributable profits as determined under PRC GAAP, even if it has profits for that year as determined under HKFRS. Accordingly, since the Group derives all of its profits from its PRC subsidiary, it may not have sufficient distributable profits to pay dividends to its Shareholders, even if there is such an amount as shown in the accounts of the Group prepared under HKFRS.

The Company may be deemed a PRC resident enterprise under the new PRC Enterprise Income Tax Law and be subject to PRC taxation on its worldwide income

The Company was incorporated under the laws of the Cayman Islands and indirectly holds 100% equity interest in Jiangsu Trigiant. The Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "EIT Law"), which was promulgated on 16 March 2007 and became effective on 1 January 2008, together with its implementation rules, stipulate that if an entity is deemed to be a non-PRC resident enterprise without an office premises in the PRC, the withholding tax at the rate of 10% will be applicable to any dividends paid to it by its PRC subsidiary, unless it is entitled to reduction or elimination of such tax under tax treaties.

Moreover, the EIT Law provides that, if an enterprise incorporated outside the PRC has its "de facto management organization" located within the PRC, the enterprise may be recognised as a "PRC resident enterprise" and thus may be subject to an enterprise income tax at the rate of 25% on its worldwide income. Under the implementation rules of the EIT Law, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and property of an enterprise. In April 2009, the PRC tax authority issued a circular to clarify the criteria for determining whether the “de facto management bodies” are located within the PRC for enterprises incorporated overseas with controlling shareholders that are PRC enterprises. However, the relevant PRC laws and regulations remain unclear as to how the PRC tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise as in the case of the Company. Substantially all of the management team members of the Company reside in the PRC. If most of them continue to reside in the PRC, the Company may be deemed a PRC resident enterprise and therefore subject to the PRC enterprise income tax of 25% on its worldwide income, which excludes the dividends received directly from another PRC resident enterprise. In that case, the Company’s distributable profits may be adversely affected. Please refer to the paragraph headed “PRC Income Tax Law and Value Added Tax” under the section headed “Regulatory Overview” of this prospectus.

Dividends payable by the Company to its foreign investors and gains on the sale of its Shares may become subject to withholding taxes under PRC tax laws

Under the EIT Law and its implementation rules, the PRC income tax at the rate of 10% is applicable to dividends payable to investors that are “non-resident enterprises” (and that do not have an establishment or place of business in China, or that have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business) to the extent such dividends are sourced within China. Similarly, any gains realised on the transfer of Shares by such investors are also subject to 10% PRC income tax if such gains are regarded as income derived from sources within China. The investors who are established in Hong Kong and are considered non-resident enterprises by the PRC tax authority are subject to a PRC withholding tax at a rate of 5%. If the Company is considered as a PRC “resident enterprise”, it is unclear whether the dividends it pays with respect to the Shares, or the gains investors may realise from the transfer of the Shares, would be treated as income derived from sources within China and be subject to PRC tax. If the Company is required under the EIT Law to withhold PRC income tax on its dividends payable to its foreign Shareholders, or if investors are required to pay PRC income tax on the transfer of the Shares, the value of their investment in the Shares may be materially adversely affected.

Changes in or discontinuation of the favourable tax treatments in PRC currently available to the Group could adversely affect its business, financial condition and results of operations

The EIT Law replaced the previous two separate tax legal regimes for foreign invested enterprises (“FIEs”) and Chinese domestic companies and imposes a single uniform income tax rate of 25% for all enterprises, including FIEs, unless they are qualified for certain exceptions. Although the EIT Law revokes many of the previous tax exemption, reduction and preferential treatments which were applicable to FIEs, it contemplates various transition periods and measures for previous preferential tax policies enjoyed by the FIEs. FIEs which were established before the promulgation of the EIT Law and were previously entitled to a lower income tax rate will be entitled to a grace period of five years, and enterprises which were entitled to the fixed-term preferential tax exemption or reduction will continue to enjoy such preferential treatment until the expiration of the specified terms, except that the relevant exemption or reduction shall start from January 2008 if the first profit-making year for commencing the relevant exemption or reduction is later than 2008.

Jiangsu Trigiant, the principal operating subsidiary of the Group, was entitled to a tax holiday and exempted from income tax for 2008 and 2009, and is subject to income tax at 12.5% from 2010 to 2012. For details, please refer to the paragraph headed "PRC Income Tax and Value Added Tax" under the section headed "Regulatory Overview" in this prospectus. There can be no assurance that Jiangsu Trigiant will continue to enjoy such preferential tax treatment. There is a possibility that Jiangsu Trigiant may be subject to the regular income tax rate of 25%, which would materially and adversely affect the business, financial condition and results of operations of the Group.

Furthermore, in connection with the EIT Law, the Ministry of Finance and the State Administration of Taxation jointly issued, on 30 April 2009, the Circular on Issues Concerning Process of Enterprise Income Tax in Enterprise Restructuring Business (Cai Shui [2009] No. 59) (財政部國家稅務總局關於企業重組業務企業所得稅處理若干問題的通知) (財稅[2009]59號), which became effective retrospectively in January 2008. In addition, on 26 July 2010, the State Administration of Taxation issued the Administrative Measures on Enterprise Income Tax in relation to Enterprise Restructuring Business (企業重組業務企業所得稅管理辦法) (國家稅務總局公告2010年第4號), effective as of 1 January 2010. Under the circular and administrative measures, the transfer of equity interests in certain PRC subsidiaries directly or indirectly held by offshore subsidiaries of the Group to other offshore subsidiaries of the Group is subject to an income tax of 10% on capital gains which may be determined as the difference between the fair value of the equity interests transferred and cost of investment, unless the special tax treatment is applicable when certain stringent conditions are satisfied. The Group has undergone the Reorganisation, the details of which are in the paragraph headed "Reorganisation" in Appendix V to this prospectus. It is currently unclear how the relevant PRC tax authorities will implement or enforce the above circular and administrative measures and whether such income tax on capital gains treatment will be subject to further change. In case the Group is required to pay the income tax on capital gains by the relevant PRC tax authorities, its tax liability may increase and its net profits and cash flow may be affected.

The Group is subject to a wide variety of environmental protection regulations and such regulations and the costs associated with the compliance thereof could affect its business

The Group is required to comply with various and extensive laws and regulations in the PRC governing environmental protection and occupational health and safety, including laws regulating the collection, storage, handling, use and transportation of waste materials; the emission and discharge of waste materials into soil, air or water; and the health and safety of employees. The Group is also required to obtain environmental permits for certain operations and comply with specific requirements. If the Group violates or fails to comply with the requirements, the Group could be exposed to penalties, fines, suspension or revocation of its licenses or permits to conduct business, administrative proceedings and litigation. In some instances, such a fine or sanction could be material. Given the magnitude and the complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As these laws and regulations continue to evolve, there can be no assurance that the PRC government or the governments of other overseas jurisdictions in which the Group may have future operations will not enact additional or more onerous laws or regulations, compliance with which may cause the Group to incur significantly increased costs. Such events could materially and adversely affect the business, financial condition and results of operation of the Group.

The implementation of the PRC Labour Contract Law may adversely affect the business and profitability of the Group

On 29 June 2007, the PRC National People's Congress enacted the Labour Contract Law (中華人民共和國勞動合同法), which became effective on 1 January 2008. Compared with the PRC Labour Law (中華人民共和國勞動法), which took effect on 1 January 1995 and was amended on 27 August 2009, the Labour Contract Law imposes more stringent requirements on employers in relation to entry into fixed term employment contracts and dismissal of employees. In particular, the Labour Contract Law requires the payment of a statutory severance upon the termination of an employment contract in most cases, including in cases of the expiration of a fixed-term employment contract. As there has not been much detailed guidance as to how the Labour Contract Law will be interpreted and enforced by the relevant PRC authorities, there remains substantial uncertainty as to its potential impact on the Group's business and results of operation. Also, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to a paid vacation ranging from 5 to 15 days, depending on the length of their employment. Employees who consent to waive such entitlement at the request of employers shall be paid compensation in the amount of three times their normal daily salaries for each vacation day waived. As a result of the new law and regulations, labour costs of the Group may increase. There can be no assurance that any disputes, production halt or strikes will not arise in the future. Increases in labour costs and future disputes with its employees could adversely affect the business, financial condition or results of operations of the Group.

Fluctuations in the value of Renminbi may have material adverse effect on your investment

The value of Renminbi against the Hong Kong dollar, the US dollar and other foreign currencies is affected by, among other things, changes in the PRC economic and political conditions. In 2005, the PRC government changed its policy of pegging the value of the Renminbi to the US dollar. Under the new policy, Renminbi is permitted to fluctuate within a band against a basket of currencies, determined by the PBOC, against which it could rise or fall by as much as 0.3% each day. On 21 May 2007, PBOC decided to widen the daily trading band to 0.5%. Between 21 July 2005 and 31 December 2009, Renminbi has appreciated significantly against the US dollar. Furthermore, in June 2010, PBOC indicated that it would make the foreign exchange rate of Renminbi more flexible, which increases the possibility of sharp fluctuations in Renminbi value in the near future and thus the unpredictability associated with the Renminbi exchange rate. Notwithstanding, there still remains significant international pressure on the PRC government to further liberalize its currency policy, which could result in further and more significant appreciation in the value of Renminbi against the US dollar.

As the Group relies on dividends paid to it by its PRC subsidiary, any significant revaluation of Renminbi may have a material adverse effect on its turnover and financial condition, and the value of any dividends payable on the Company's Shares in foreign currency terms. In addition, even though substantially all turnover and expenses of the Group are denominated in Renminbi, fluctuations in exchange rates may nonetheless in the future adversely affect the value of its net assets, earnings or any declared dividends. Also, any unfavourable movement in the exchange rate may lead to an increase in its costs or a decline in sales, which could materially and adversely affect its business, financial condition and results of operations.

PRC government control over currency conversion may affect the value of your investment and limit the ability of the Group to use its cash effectively

All turnover of the Group is denominated in Renminbi. The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of foreign currencies out of the PRC. Under Foreign Exchange Administration Regulations, payments of current account items, including profit distribution, interest payments and expenditures from trade related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from SAFE is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenditures. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future. The Company relies on its PRC subsidiaries to pay dividends to it. If the PRC foreign exchange control system prevents the Group from obtaining sufficient foreign currency, including Hong Kong dollars, to satisfy its requirements, it may not be able to pay dividends in Hong Kong dollars to Shareholders.

PRC regulation of direct investment and loans by offshore holding companies to PRC entities may delay or limit the Group from using the proceeds of the Global Offering to make additional contribution or loans to its PRC subsidiaries

Any capital contribution or loans that the Group, as an offshore entity, makes to its PRC subsidiary, including proceeds of the Global Offering, are subject to PRC regulations. For example, any loan by the Group to its PRC subsidiary cannot exceed the difference between the total amount of investment that its PRC subsidiary was approved to make under relevant PRC laws and their respective registered capital, and any such loans must be registered with the local branch of SAFE. In addition, additional capital contributions by the Group to its PRC subsidiary must be approved by MOFCOM or its local counterpart. There can be no assurance that the Group will be able to obtain these approvals on a timely basis, or at all. If the Group fails to obtain such approvals, its ability to make equity contribution or provide loans to its PRC subsidiary or to fund its operations may be adversely affected, which could harm the liquidity of its PRC subsidiary and its ability to fund its working capital and expansion projects and meet its obligations and commitments.

In addition, in August 2008, SAFE promulgated a circular on the relevant operating issues concerning the improvement of the administration of payment and settlement of foreign currency capital of foreign-invested enterprises (Circular 142, Hui Zong Fa [2008] No. 142) (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知) (匯綜發[2008]142號), a notice regulating the conversion by a foreign-invested company of foreign currency into Renminbi by restricting how the converted Renminbi may be used. Circular 142 requires that Renminbi converted from the foreign currency-denominated capital of a foreign-invested company be only used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments within the PRC unless otherwise specifically provided for. In addition, SAFE strengthened its oversight over the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign-invested company. The use of such Renminbi may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used. Violations of Circular 142 may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Administration Regulations (中華人民共和國外匯管理條例). This may restrict the Group's ability to implement its acquisition strategy and could materially and adversely affect its business, financial condition, results of operations and future prospects.

Failure to comply with SAFE regulations relating to the establishment of offshore special purpose vehicles by PRC residents, particularly SAFE Circular No. 75, may adversely affect the business operations of the Group

In 2005, SAFE issued a number of rules regarding offshore investments by PRC residents. The current effective rule, the Circular on Issues Relating to Foreign Exchange Control on Fund-raising by Domestic Residents through Offshore Special Purpose Vehicles and Round-trip Investments (國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知), known as SAFE Circular No. 75, was issued in October 2005 and further clarified by relevant operative directives. SAFE Circular No. 75 requires domestic residents of the PRC to register with SAFE before establishing or controlling any company outside China for the purpose of capital financing with assets or equities of PRC companies, referred to therein as a "special purpose company". In addition, any PRC resident that is a shareholder of an offshore special purpose company is required to amend its SAFE registration within 30 working days after any major change in the share capital of the offshore special purpose company without any round-trip investment being made, such as any increase or decrease of capital, stock right assignment or exchange, merger or division, investment with long term stock rights or credits, provision of guaranty to a foreign party, etc. Please refer to the paragraph headed "Laws and Regulations in relation to Foreign Currency Exchange" under the section headed "Regulatory Overview" in this prospectus.

On 10 June 2010, the ultimate beneficial owners of the Company who are domestic residents as defined under SAFE Circular No. 75 (namely, Mr. Qian, Mr. Shen Xinren, Mr. Jiang Wei, Mr. Xia Jie, Mr. Jiang Xinhong, Mr. Sun Huxing, Mr. Sun Jinrong, Mr. Sun Xue Lin, Mr. Yu Daxiong and Mr. Dai Xiaolin) registered with the SAFE Jiangsu Branch in respect of their investments in Jiangsu Trigiant prior to the Reorganisation. As advised by the PRC Legal

Adviser, on 29 November 2011, the ultimate beneficial owners have completed the necessary registration of the change with the SAFE Jiangsu Branch. However, the Group may not be fully informed of the identities of all its future shareholders who are PRC residents. Moreover, the Group does not have control over its shareholders and there can be no assurance that all of its PRC resident beneficial owners will comply with SAFE Circular No. 75. Failure to register or amend one's SAFE registrations in a timely manner pursuant to SAFE Circular No. 75 or the failure of future Shareholders who are PRC residents to comply with the registration requirements set out in SAFE Circular No. 75 may subject such beneficial owners and/or the PRC subsidiaries of the Group to fines and legal sanctions and may also limit its ability to contribute additional capital to its PRC subsidiaries, limit the ability of its PRC subsidiaries to distribute dividends to the Group or otherwise materially and adversely affect its business.

As it is uncertain how the SAFE regulations will be interpreted or implemented, the Group cannot predict how these regulations will affect its business operations or future strategy. For example, the Group may be subject to a more stringent review and approval process with respect to its foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may materially and adversely affect its business, financial condition and results of operations. In addition, if the Group decides to acquire a PRC domestic company, there can be no assurance that the company or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict the ability of the Group to implement its acquisition strategy and could materially and adversely affect its business, financial condition, results of operations and future prospects.

The M&A Rules established more complex procedures for acquisitions by foreign investors, which could make it more difficult for the Group to pursue growth through acquisitions

On 8 August 2006, six PRC regulatory agencies, including MOFCOM, the State Assets Supervision and Administration Commission, or SASAC, the State Administration for Taxation, the State Administration for Industry and Commerce, CSRC, and SAFE, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the "M&A Rules"), which became effective on 8 September 2006 and were revised on 22 June 2009. The M&A Rules established stringent procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In the future, the Group may grow its business in part by acquiring complementary businesses, although the Group does not have any plans to do so at this time. Complying with the requirements of the M&A Rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts, may delay or inhibit its ability to complete such transactions, which could affect its ability to expand its business or maintain its market share.

It may be difficult to enforce judgments against the Group in the PRC

All business operations of the Group are conducted through its sole PRC operating subsidiary, and all executive Directors and most of the other members of senior management of the Group reside within China, and substantially all of its assets and the assets of its Directors and other members of senior management are located within the PRC. Therefore, it may not be possible for investors to enforce against the Group, its PRC subsidiary, the Directors or members of senior management in China any judgment obtained from non-PRC courts.

The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the U.S., the United Kingdom, Japan, the Cayman Islands and some other Western countries. Therefore, recognition and enforcement in China of judgments of a court in any of these jurisdictions may be difficult or impossible.

The Group may be indirectly affected by changes in government regulations relating to the telecommunications industry in the PRC

Customers of the Group are subject to laws and regulations applicable to the telecommunications industry in the PRC. MIIT, which is the primary telecommunications industry regulator under the PRC State Council, regulates, inter alia, industry policies and regulations, licenses, competition, telecommunications resources allocation, service standards, technical standards, interconnection and settlement arrangements and universal service obligations.

The existing telecommunications laws and regulations may be modified or new laws and regulations may be adopted. Such modified or adopted laws and regulations could, directly or indirectly, affect the pricing, distribution and quality/standards of telecommunications products and services and may have an uncertain impact on the business of the Group.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for the 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 among the Company and the Joint Global Coordinators, on behalf of the Underwriters. The Offer Price may differ significantly from the market price for the Shares following the Global Offering. The Company applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Shares on the Stock Exchange. There can be 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 volume of the Shares may be volatile. Factors including variations in the turnovers, earnings and cash flows of the Group or any other developments may affect the volume and price at which the Shares will be traded.

The Group may require additional financing in the future, which may lead to dilution of investment or limits on the business operations of the Group

The Group may need to obtain additional debt or equity financing to fund equipment purchases, capital expenditures and other investment plans that it may undertake in the future. Equity financing could result in dilution of the interests of the Shareholders who are unwilling or unable to subscribe for any shares newly issued by the Group.

Furthermore, any debt financing, if available, may limit the operating flexibility of the Group because debt increases may lead to:

- reduction of its ability to stand industry or economic risks;
- limits on dividends payments;
- reduction of cash flow applicable to capital expenditure, working capital and other daily operations because part of the operation cash flow will be applied to the debt repayment; and
- limits on operation flexibility because financing facilities may involve restrictive covenants.

In addition, there can be no assurance that the Group can obtain additional financing on terms acceptable to it. If the Group fails to obtain necessary funding on acceptable terms or at all, it may be forced to delay its research and development activities, potential acquisitions and investments or otherwise curtail or cease business operations.

The subscribers or purchasers of the Shares may experience immediate dilution and may experience further dilution if the Group issues additional Shares in the future

The Offer Price is higher than the net tangible assets value per Share immediately prior to the Global Offering. Subscribers or purchasers of the Shares in the Global Offering may experience an immediate dilution in pro forma consolidated net tangible assets value to approximately HK$1.010 per Share, based on the maximum Offer Price of HK$1.50, and the corresponding unaudited pro forma adjusted net tangible assets of approximately HK$1,010.4 million as set forth in "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus, assuming SinoPac will not exercise the Over-allotment Option.

The Company may offer and issue additional Shares in the future to expand the business operations of the Group. Shareholders may have dilution imposed on the net tangible assets book value per Share if the Company issues additional Shares in the future at a price lower than the then net tangible assets value per Share.

Sales of a substantial number of the Shares in the public market could materially and adversely affect the prevailing market price of the Offer Shares

Sales of substantial amounts of Shares in the public market after completion of the Global Offering, or the perception that these sales could occur, could adversely affect the market price of the Shares and could materially impair the future ability of the Group to raise capital through offerings of its Shares. There will be 1,000,000,000 Shares in issue immediately following the Global Offering, assuming SinoPac (on behalf of the International Underwriters) does not exercise the Over-allotment Option. The Controlling Shareholders, subject to certain exceptions, have agreed to a lock-up with the Underwriters until six months after the Listing Date, but the Underwriters may release these securities from these restrictions at any time and such Shares will be freely tradable after the expiry of the lock-up period subject to the Listing Rules. Shares which are not subject to a lock-up represent 25% of the total issued share capital immediately following the Global Offering (assuming the Over-allotment Option has not been exercised) and the Capitalisation Issue will be freely tradable immediately following the Global Offering.

The trading volume and share price of the Shares may fluctuate

The price and trading volume of the Shares may be highly volatile. Factors such as actual or anticipated fluctuations in the quarterly results of operations of the Group, announcements of new products by it or its competitors, changes in financial estimates by securities analysts, changes in the economic performance or market valuations of other companies involved in the manufacture and sales of cables, changes in government regulations and policies affecting the cables industry, including those relating to the pricing of cables, announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by competitors, additions or departures of key personnel or potential litigation could cause large and sudden changes in the volume and price at which the Shares will trade. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of the Shares.

Investors should not place undue reliance on industry and market information and statistics derived from official government publications, market data providers and other independent third party sources contained in this prospectus

This prospectus contains information and statistics, including but not limited to information and statistics relating to the PRC and the industry and markets. The information and statistics related to the industry and markets are derived from official government publications, market data providers and other independent third party sources. Certain information and statistics set forth in the Industry Overview section and other sections of this prospectus have been extracted from the market research reports prepared by JSPTPD and CCID, each an independent market research agency. The Company and the Sole Sponsor believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. The Company and the Sole Sponsor 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. The information has not been independently verified by the Group, the Company, or any of its affiliates or advisers, or by the Joint Global Coordinators, the Sole Sponsor, any party involved in the Global Offering or their respective affiliates or advisers. Prospective investors should not place undue reliance on any information and statistics derived from official government publications, market data providers and other independent third party sources contained in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements that are "forward-looking" and uses forward-looking terminology such as "believe," "expect", "aim", "intend", "will", "may", "plan", "of the view", "consider", "anticipate", "seek", "should", "would" or similar expressions or the negative thereof. Those statements include, among other things, the discussion of the growth strategy of the Group and the expectations of its future operations, liquidity and capital resources. Purchasers and subscribers of the Offer Shares are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that any or all of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in the risk factors discussed above. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by the Group that its plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. There is no intention to update these forward-looking statements in addition to the ongoing disclosure obligations of the Group pursuant to the Listing Rules or other requirements of the Stock Exchange. Investors should not place undue reliance on such forward-looking information.

The Group strongly cautions investors not to place any reliance on any information contained in press articles or other media regarding the Group and the Global Offering

The Group wishes to emphasize to potential investors that the Group does not accept any responsibility for the accuracy or completeness of the information regarding the Group and the Global Offering revealed by public press or any other sources without authorisation by the Group (the "Information"). The Group makes no representation as to the appropriateness, accuracy, completeness or reliability of any of the Information and the underlying assumptions. To the extent that any of the Information is inconsistent with, or conflicts with, the information contained in this prospectus, the Group disclaims it. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. As the principal business and operations of the Group are primarily located, managed and conducted in the PRC through its major operating subsidiary, Jiangsu Trigiant, and most of the customers of the Group are located in the PRC, the executive Directors and the senior management of the Group (other than Mr. Lau Chi Hung, the company secretary and group chief financial officer) are and will continue to be based in the PRC.

As at the Latest Practicable Date, none of the executive Directors is a Hong Kong resident nor ordinarily based in Hong Kong. If two executive Directors who are ordinarily residents in Hong Kong are appointed with a view to complying with the requirements of Rule 8.12 of the Listing Rules, they might not be able to fully understand or familiarize themselves with the business operations, activities and development of the Group. This may adversely affect their ability to exercise their discretion on a fully informed basis, or make appropriate business decisions or judgements that are beneficial to the operations and development of the Group. In the circumstances, the Directors consider that it is impracticable nor in the best interests of the Group and the Shareholders as a whole to appoint two executive Directors who are ordinarily residents in Hong Kong or to relocate any of the PRC-based executive Directors to Hong Kong for the sole purpose of satisfying the requirements of Rule 8.12 of the Listing Rules.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, the Company has put in place the following measures:

(a) pursuant to Rule 3.05 of the Listing Rules, the Company has appointed two authorised representatives, namely Mr. Lau Chi Hung, the company secretary and group chief financial officer, who is an ordinarily resident in Hong Kong and Mr. Qian, an executive Director, who will act at all times as the Company's principal channel of communications with the Stock Exchange and Mr. Poon Yick Pang Philip, an independent non-executive Director and an ordinarily resident in Hong Kong, will act as the alternate of Mr. Qian;

(b) each of the authorised representatives and the alternate authorised representative will be readily contactable by telephone and facsimile by the Stock Exchange and will make themselves readily available in Hong Kong whenever necessary to deal promptly with enquiries from the Stock Exchange;

(c) each of the authorised representatives and the alternate authorised representative has means to contact all the Directors and the senior management team of the Group promptly at all times as and when the Stock Exchange wishes to contact any of them for any matter;

(d) all the Directors, who are not ordinarily residents in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong for business purpose and would be able to come to Hong Kong and meet with the Stock Exchange upon reasonable prior notice;

(e) each of the executive Directors who is not ordinarily a resident in Hong Kong will provide their contact details including telephone, mobile phone, fax numbers and email addresses to the authorised representatives to ensure that they can be contacted at any time;

(f) to enhance the communication between the Stock Exchange, the authorised representatives and the Directors, the Company will implement a policy that (i) in the event that any Director expects to travel and be out of office, he or she will provide the phone number of the place of his or her accommodation to the authorised representatives, and (ii) all the Directors (including the independent non-executive Directors) will provide their mobile phone numbers, residential phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange;

(g) the Company has retained the Sole Sponsor as the compliance adviser of the Company and act as the alternative channel of communication with the Stock Exchange following the Listing Date until the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date ("Engagement Period") pursuant to Rule 3A.19 of the Listing Rules;

(h) the Company will ensure that during the Engagement Period, the compliance adviser of the Company has access at all times promptly to its authorised representatives, Directors and other senior officers who will provide to the compliance adviser such information and assistance as the compliance adviser may reasonably require in connection with the performance of its duties; and

(i) during the Engagement Period, in the case of resignation by, or termination of the engagement of, the compliance adviser of the Company, the Company undertakes to appoint a replacement compliance adviser within three months of the effective date of the resignation or termination (as the case may be) pursuant to Rule 3A.27 of the Listing Rules.

This prospectus is published solely in connection with the Global Offering which is sponsored by the Sole Sponsor. Subject to the terms of the Underwriting Agreements, the Hong Kong Offer Shares are fully underwritten by the Hong Kong Underwriters and the International Placing Shares are fully underwritten by the International Underwriters. Particulars of the Underwriters and the underwriting arrangements are set forth in the section headed "Underwriting" to this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, contains particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospects is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this prospectus misleading.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offer which forms part of the Global Offering. The Global Offering comprises the International Placing and the Hong Kong Public Offer which are subject, in each case, to re-allocation, and for the International Placing, subject also to the Over-allotment Option, described in the section headed "Structure of the Global Offering" in this prospectus. For applicants under the Hong Kong Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offer. The Global Offering is managed by the Joint Global Coordinators.

The Listing is sponsored by the Sole Sponsor. The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, and the International Placing will be fully underwritten by the International Underwriters pursuant to the International Underwriting Agreement and both are subject to the Company for itself and on behalf of the Selling Shareholder and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price.

If, for any reason, the Offer Price is not agreed among the Company (for itself and on behalf of the Selling Shareholder) and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before the Price Determination Date, the Global Offering will not proceed and will lapse immediately. For information about the Underwriters and the underwriting arrangements, see the section headed "Underwriting" in this prospectus.

INFORMATION ON THE GLOBAL OFFERING

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by the Company, the Selling Shareholder, the Sole Sponsor, the Joint Global Coordinators, the Underwriters, any of the Company's or their respective directors, agents, employees or advisers or any other parties involved in the Global Offering.

RESTRICTIONS ON SALE OF OFFER SHARES

Each person acquiring the Offer Shares under the Global Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit any public offering of the Offer Shares or the distribution of this prospectus or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities an exemption therefrom. In particular, no Offer Shares will be offered or sold, directly or indirectly in the PRC.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Company has applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue, the Offer Shares to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any Shares to be issued under the Capitalisation Issue. Save as disclosed in this prospectus, no part of the share or loan capital of the Company is listed on or dealt in on the Stock Exchange or any other stock exchange and no such listing or permission to list on any other stock exchange is being or proposed to be sought in the near future.

HONG KONG BRANCH REGISTER AND STAMP DUTY

The Shares in issue, all Offer Shares to be issued and Shares to be issued pursuant to the Capitalisation Issue will be registered on the Company's branch register of members to be maintained in Hong Kong by Tricor Investor Services Limited. The principal register of members of the Company will be maintained in the Cayman Islands by Codan Trust Company (Cayman) Limited.

Dealings in Shares registered in the branch register of members of the Company maintained in Hong Kong will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing or holding of and dealing in the Offer Shares. None of the Company, the Selling Shareholder, the Directors, the Sole Sponsor, the Joint Global Coordinators, the Underwriters, any of their respective directors, agents, advisers or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase or holding of, or dealing in the Offer Shares.

STABILISATION AND OVER-ALLOTMENT OPTION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for or purchase the newly issued securities in the secondary market during a specified period of time to retard and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price.

In connection with the Global Offering, SinoPac, as the stabilising manager, or its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the commencement of trading in the Shares on the Stock Exchange. Such transactions may be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on SinoPac, its affiliates or any person acting for it to do this. Such stabilisation, if commenced, will be conducted at the absolute discretion of SinoPac, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period.

In connection with the International Placing, SinoPac may over-allocate up to and not more than an aggregate of 37,500,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.

Further details of the Over-allotment Option and stabilisation are set out in the paragraphs headed "Over-allotment Option" and "Stabilisation" under the section headed "Structure of the Global Offering" of this prospectus.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to apply for the Hong Kong Offer Shares" of this prospectus and on the relevant Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Hong Kong Public Offer, the International Placing and the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

COMMENCEMENT OF DEALINGS IN SHARES

Dealing in Shares on the Main Board is expected to commence on 9:00 a.m. on Monday, 19 March 2012. Shares will be traded in board lots of 2,000 Shares each.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Qian Lirong (錢利榮)	No. 69 Jiangnanchuntian Garden Yicheng Street Yixing City Jiangsu Province PRC	Chinese
Jiang Wei (蔣唯)	No. 44-504 Long Ze Yuan Yicheng Street Yixing City Jiangsu Province PRC	Chinese
Independent non-executive Directors		
Professor Jin Xiaofeng (金曉峰教授)	No. 38 Zheda Road Xihu District Hangzhou City Zhejiang Province PRC	Chinese
Poon Yick Pang Philip (潘翼鵬)	Unit A, 8/F, Tower A Hollywood Terrace 268 Queen's Road Central Hong Kong	Chinese
Ng Wai Hung (吳偉雄)	Flat C, 12/F, Block 8 Whampoa Garden Oak Mansions 7 Tak Fung Street Kowloon Hong Kong	Chinese
Jia Lina (賈麗娜)	No. 2-1104 Huijin Garden Yunjin Meidi Jianye District Nanjing City Jiangsu Province PRC	Chinese

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	SinoPac Securities (Asia) Limited 21/F, One Peking 1 Peking Road Tsim Sha Tsui Kowloon Hong Kong
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	First Shanghai Securities Limited 19/F Wing On House 71 Des Voeux Road Central Hong Kong
	SinoPac Securities (Asia) Limited 21/F, One Peking 1 Peking Road Tsim Sha Tsui Kowloon Hong Kong
Underwriters	First Shanghai Securities Limited 19/F Wing On House 71 Des Voeux Road Central Hong Kong
	SinoPac Securities (Asia) Limited 21/F, One Peking 1 Peking Road Tsim Sha Tsui Kowloon Hong Kong
	Yue Xiu Securities Company Limited 24/F Siu On Center 188 Lockhart Road Wanchai Hong Kong

Legal advisers to the Company

as to Hong Kong law:
Leung & Lau
3rd Floor
50 Connaught Road C.
Central
Hong Kong

as to PRC law:
Jin Mao PRC Lawyers
(金茂凱德律師事務所)
13/F, Hong Kong New World Tower
No. 300 Huaihai Zhong Rd.
Shanghai 200021
PRC

as to Cayman Islands law:
Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Legal advisers to the Sole Sponsor and Underwriters

as to Hong Kong law:
King & Wood Mallesons
9th Floor, Hutchison House
10 Harcourt Road
Central
Hong Kong

as to PRC law:
GFE Law Office
18/F, Guangdong Holdings Tower
No. 555 Dongfeng East Road
Guangzhou, PRC

Auditor and reporting accountants

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

Property valuer	Savills Valuation and Professional Services Limited 23/F Two Exchange Square Central Hong Kong
Receiving bankers	Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road, Kowloon Hong Kong
	Bank of Communications Co., Ltd. Hong Kong Branch 20 Pedder Street Central Hong Kong

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Headquarters of the Group and principal place of business in the PRC	No. 1 Junzhi Road Industrial Park for Environmental Protection Science & Technology Yixing City Jiangsu Province PRC
Principal place of business in Hong Kong	Room 1801, 18/F, Tai Tung Building 8 Fleming Road Wanchai Hong Kong
Company's website	**www.trigiant.com.hk** *(information on the website does not form part of this prospectus)*
Company secretary	Lau Chi Hung, *CPA (Practising), FCCA, ACA*
Authorised representatives (for the purpose of the Listing Rules)	Lau Chi Hung Flat D, 5/F, Block 38 Laguna City Lam Tin Kowloon Hong Kong Qian Lirong No. 69 Jiangnanchuntian Garden Yicheng Street Yixing City Jiangsu Province PRC
Authorised representative (for the purpose of the Companies Ordinance)	Lau Chi Hung Flat D, 5/F, Block 38 Laguna City Lam Tin Kowloon Hong Kong

Audit committee	Poon Yick Pang Philip *(Chairman)* Jia Lina Ng Wai Hung Professor Jin Xiaofeng
Remuneration committee	Ng Wai Hung *(Chairman)* Poon Yick Pang Philip Jiang Wei
Nomination committee	Professor Jin Xiaofeng *(Chairman)* Poon Yick Pang Philip Jia Lina
Compliance Adviser	SinoPac Securities (Asia) Limited 21/F, One Peking 1 Peking Road Tsim Sha Tsui Kowloon Hong Kong
Principal share registrar and transfer office in Cayman Islands	Codan Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 26/F Tesbury Centre 28 Queen's Road East Hong Kong
Principal bankers	China Construction Bank, Yixing Branch (中國建設銀行宜興支行) No. 1 Fengui Road Huankeyuan Yixing City Jiangsu Province PRC

Bank of China, Yixing Sub-branch
(中國銀行宜興支行)
106 Taige West Road
Yixing City
Jiangsu Province
PRC

Agricultural Bank of China, Yixing Branch
(中國農業銀行宜興支行)
Business Center in Huankeyuan
Yixing City
Jiangsu Province
PRC

Bank of JiangSu, Yixing Branch
(江蘇銀行宜興支行)
58 Jingxi South Road
Yixing City
Jiangsu Province
PRC

China Everbright Bank, Wuxi Branch
(中國光大銀行無錫分行)
No. 1 Middle Renmin Road
Wuxi City
Jiangsu Province
PRC

China Citic Bank, Wuxi Branch
(中信銀行無錫分行)
350 Zhongnan Road
Wuxi City
Jiangsu Province
PRC

This and other sections of this prospectus contain information relating to the PRC economy and the industry in which the Group operates. Certain information and data contained in this section have been derived partly from publicly available government and official sources and certain other information and statistics have been extracted from market research reports, which the Group commissioned from JSPTPD and CCID, independent market research agencies, for inclusion in this prospectus. Unless otherwise stated, the information contained in this section has been extracted from the JSPTPD Report. The Company and the Sole Sponsor have exercised reasonable care in extracting and reproducing such information. The Company and the Sole Sponsor have no reason to believe that such information is false or misleading. Such information has not been independently verified by the Company, the Sole Sponsor, the Joint Global Coordinators, the Underwriters or their respective directors or advisers. The Company, the Sole Sponsor, the Joint Global Coordinators, the Underwriters, their respective directors and advisers or any other parties involved in the Global Offering make no representation as to the accuracy or completeness of such information, which may not be consistent with information compiled from other sources, and accordingly such information contained in this section may not be accurate and should not be unduly relied upon.

SOURCES OF INFORMATION

About JSPTPD

JSPTPD is a Chinese consulting firm and an Independent Third Party, which focuses on the provision of consulting services for business solutions, feasibility reports, engineering design in communications and building, network optimization, system integration, enterprise management and marketing. According to the JSPTPD Report, 94% of the personnel of JSPTPD are university graduates and 52% of them obtained master's degrees. As of the Latest Practicable Date, customers of JSPTPD included China Telecom, China Mobile, China Unicom, China Netcom, China Railcom, etc. The fee payable to JSPTPD for the JSPTPD Report amounted to RMB200,000.

In preparing the JSPTPD Report, JSPTPD conducted interviews with a range of industry participants and professionals, including experts from domestic industry associations, academic, as well as executives from various manufacturers. JSPTPD also collected data samples from telecommunications operators and cable markets in the PRC. JSPTPD mainly relied on the data published by the MIIT and the relevant information published by the PRC telecommunications operators in their annual reports. The JSPTPD Report was drafted based on information JSPTPD deemed reliable. JSPTPD also consulted industry representatives to verify information about industry trends.

About CCID

CCID is a Chinese consulting firm and an Independent Third Party, which focuses on providing market research and consulting services for technology, energy, consumer and other sectors. Certain market information in this prospectus has been quoted from the RF coaxial cables market study report prepared by CCID. For the purpose of preparing the market study report, CCID interviewed with a range of industry participants and professionals, including experts from domestic industry associations, academics as well as executives from various manufacturers. The market study report was drafted based on information CCID deemed reliable. CCID also consulted industry representatives to verify information about the industry trend. CCID is listed on the Growth Enterprise Market of the Stock Exchange and obtained the ISO9001:2008 certification. The fee payable by the Group to CCID for the purpose of conducting the study and preparing the report is RMB300,000.

OVERVIEW OF THE PRC TELECOMMUNICATIONS INDUSTRY

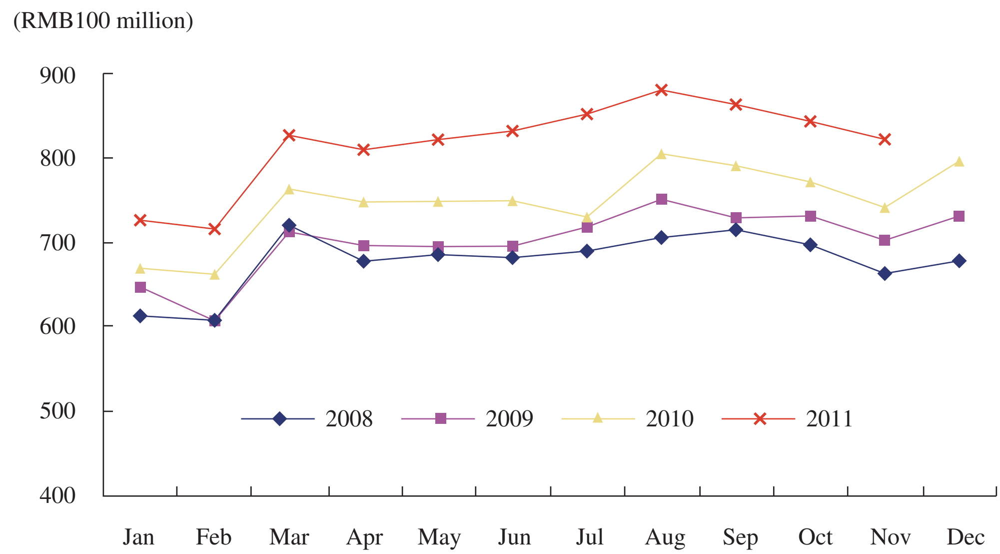
Introduction

In view of the recovery and improvement of the international economy as well as the sustainable and fast development of the PRC domestic economy, the telecommunications industry of the PRC has embraced this as an opportunity to develop its network infrastructure. With the implementation of the "integration of three networks" and the Twelfth Five-Year Plan, the PRC telecommunications industry will reap the benefits of these developments in the future.

Revenue generated from the PRC telecommunications industry

The PRC telecommunications industry has experienced rapid growth from 2007 to 2011. With reference to the statistics provided by MIIT, the gross revenue generated from the principal business of the PRC telecommunications industry (being the provision of telecommunications and related services) from January to November 2011, increased by approximately 9.6% to approximately RMB901.2 billion as compared to the same period in 2010. The following chart illustrates the trend and comparison of revenue generated from the principal business of the PRC telecommunications industry from January 2008 to November 2011:

Revenue generated from the principal business of the PRC telecommunications industry from January 2008 to November 2011

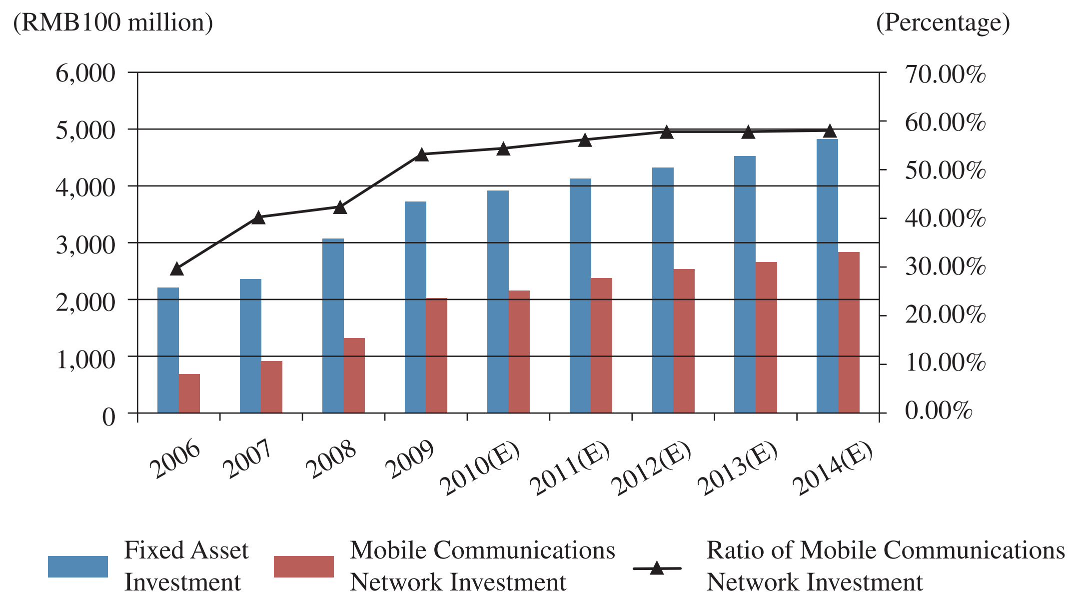


(Source: MIIT)

Fixed asset investment in the PRC telecommunications industry

Fixed asset investment in the PRC telecommunications industry has experienced steady growth in recent years. As shown below, the investment scale of mobile communications networks by the PRC telecommunications operators is expected to increase in the period from 2010 to 2014. A significant portion of fixed asset investment in the PRC telecommunications industry was capital used for the construction of mobile communications networks. With the improvement of the information infrastructure, investment in fixed assets in the PRC telecommunications industry will slow down and stabilize. In light of the increase in the number of mobile telephone users and enrichment of mobile data services, the demand for infrastructure from mobile communications operators are expected to grow in the next few years.

Investment scale of mobile communications network by the PRC telecommunications operators from 2006 to 2014 (Unit: RMB100 million)



(Source: http://www.cnii.com.cn (中國信息產業網))

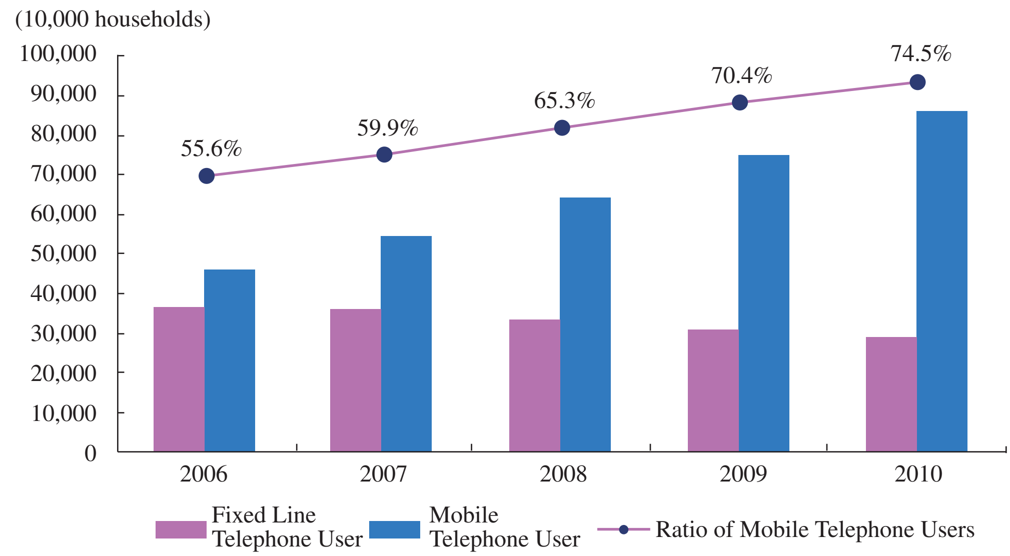
In the next five years, fixed asset investment by the three major PRC telecommunications operators (namely China Unicom, China Mobile and China Telecom) is expected to remain stable and the ratio of mobile communications network investment is expected to increase from approximately 54% in 2009 to approximately 59% in 2014. The aggregate fixed asset investment amount, which is focused on the construction of 3G network, is expected to exceed RMB400 billion during the period from 2010 to 2014, representing a CAGR of approximately 5%.

Continuous increase in mobile telephone users

From January 2010 to November 2011, the net number of new mobile telephone subscribers in China increased by approximately 105.62 million. In particular, approximately 11.34 million new subscribers were recorded in November 2011, which were slightly more than 10.72 million new subscribers recorded in January 2010.

According to the chart below, the number of mobile telephone users increased from approximately 450 million in 2006 to approximately 850 million in 2010, representing an increase of approximately 88.9%, or a CAGR of approximately 17%. By contrast, the number of fixed line telephone users decreased from approximately 350 million in 2006 to approximately 300 million in 2010, representing a decrease of approximately 14%. The Directors are of the view that such was mainly due to the increasing penetration of mobile telephones as a result of the fast economic growth in the PRC. As illustrated in the chart below, the ratio between mobile telephone users and total number of telephone users in the PRC increased from approximately 55.6% in 2006 to approximately 74.5% in 2010.

Ratio of mobile telephone users from 2006 to 2010



(Source: MIIT)

The increasing mobilisation trend is evidenced by the rapid growth in mobile telephone users and the continuous decline in fixed telephone users over the years. From January 2011 to November 2011, the total number of fixed line telephone users decreased by approximately 7.98 million to approximately 286.42 million. By contrast, during the same period, the total number of mobile telephone users increased by approximately 105.62 million to approximately 975.34 million.

In the past six years, there was a rapid growth in the number of mobile telephone users in China. By November 2011, the market penetration of mobile telephones in the PRC reached approximately 71.1%, which is approximately the average market penetration of the world, but still relatively low as compared to that of developed countries. The number of mobile telephone users in the PRC is expected to exceed 1.2 billion by the end of 2015 according to the Eleventh Five-Year Plan, which anticipates that the mobile communications industry develops at an annual growth rate above 7.6%.

The three major PRC telecommunications operators will continue to invest in and modify their respective 2G and 3G network facilities, to improve their network signal coverage and quality. As a consequence, the demand for construction of mobile communications network is enormous, and in turn increases the demand for RF coaxial cables and flexible cables for mobile communications network, which provide coverage for buildings and underground transportation networks.

OVERVIEW OF THE RF COAXIAL CABLES MARKET IN CHINA

Introduction

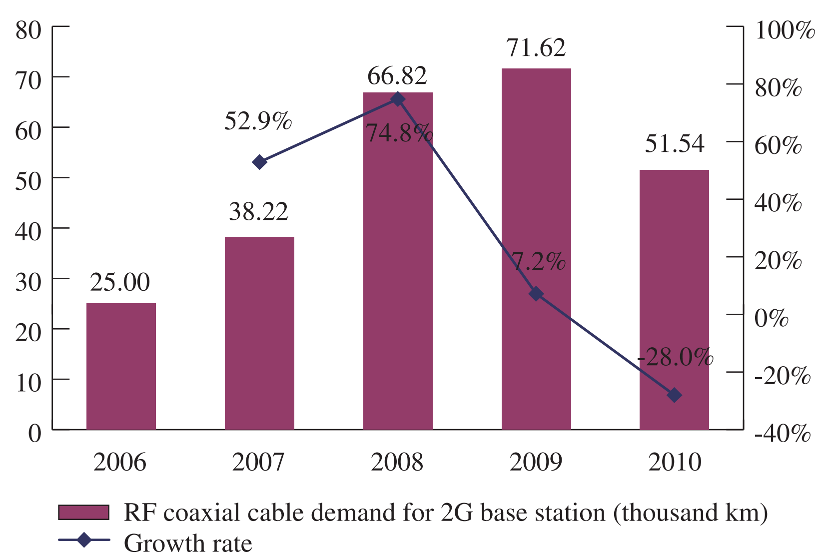
RF coaxial cables series, including RF cables for mobile communications and leaky coaxial cables, are integral parts of the telecommunications system. RF cables for mobile communications are mainly used as feeder cables for transmitting and receiving radio signals in base stations, while leaky coaxial cables are mainly used for transmitting antenna data in places where wireless signals cannot be directly transmitted, or where transmission of wireless signals is weak, such as tunnels, subways and other underground environments. In light of the economic recovery after the 2008 financial crisis, rapid development of mobile communications in developing countries and upgrades of mobile communications networks in developed countries, prospects for RF coaxial cables are promising. In China, construction and maintenance of the telecommunications network pursued by the three major PRC telecommunications operators have become the main drivers of the demand for RF coaxial cables and flexible cables.

The RF coaxial cables market is mainly divided into the demand from 2G and 3G networks and the demand from overseas markets.

Demand for RF coaxial cables from the 2G base station network

At present, 2G network users remain dominant in the PRC telecommunications market. The construction of 2G base stations is still increasing in response to the increasing number of mobile telephone users and their increase in demand on data transmission. In addition, the construction of the 2G network is necessary in order to provide comprehensive coverage. According to CCID, the demand for RF coaxial cables used in 2G base stations in China increased from approximately 25,000 km in 2006 to approximately 71,600 km in 2009, representing an increase of approximately 46,600 km or 186%. Such demand decreased to approximately 51,500 km in 2010, as the three major PRC telecommunications operators focused and allocated their resources to the establishment of the 3G base station network. The following chart shows the demand for RF coaxial cables used in 2G base stations in China from 2006 to 2010:

Demand for RF coaxial cables used in 2G base stations in China from 2006 to 2010

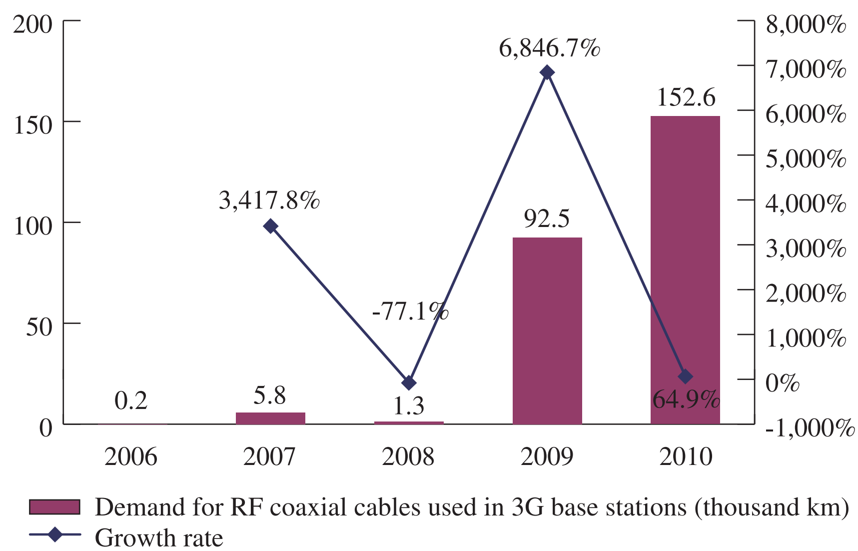


(Source: CCID)

Demand for RF coaxial cables from the 3G base station network

The telecommunications industry in China had officially entered the 3G era when 3G licenses were issued to the three major PRC telecommunications operators in January 2009, which prompted the launch of 3G network systems. As illustrated in the following chart, the demand for RF coaxial cables used in 3G base stations substantially increased from approximately 1,330 km in 2008 to approximately 92,500 km in 2009, and further to approximately 152,500 km in 2010.

Demand for RF coaxial cables used in 3G base stations in China from 2006 to 2010



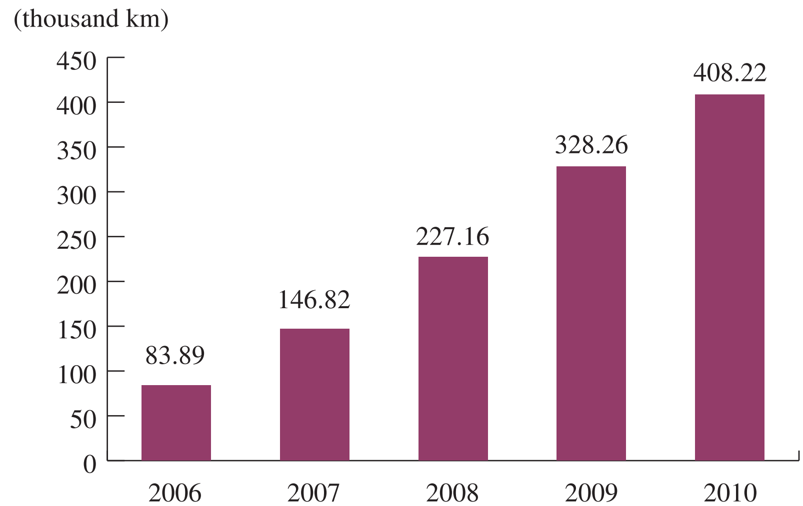
(Source: CCID)

Under the influence of the policies adopted by MIIT in relation to the development of the 3G network, construction of 3G base stations is expected to continue in the next 5 years. By November 2011, there were about 792,000 3G base stations in the PRC. Due to the relatively narrow signal coverage of the 3G base station, about 1.7 million additional 3G base stations need to be constructed in order to attain similar coverage of 2G networks.

Total demand for RF coaxial cables in China

Apart from 2G and 3G base stations, urbanisation also increased the demand for RF coaxial cables in China. Since RF signals cannot be directly transmitted and the transmission of RF signals is weak in areas such as tunnels, subways and other underground environments, leaky coaxial cables are required in order to ensure service availability. Taking into account the demand for leaky coaxial cables used in tunnels, subways and other underground environments as well as the demand for RF cables for mobile communications used in base stations, demand for RF coaxial cables from 2G and 3G base stations and for indoor radio coverage from 2006 to 2010 is illustrated below:

Demand for RF coaxial cables in China from 2G and 3G base stations and for indoor radio coverage from 2006 to 2010



(Source: CCID)

MAJOR FACTORS AFFECTING THE RF COAXIAL CABLE MARKET IN THE PRC

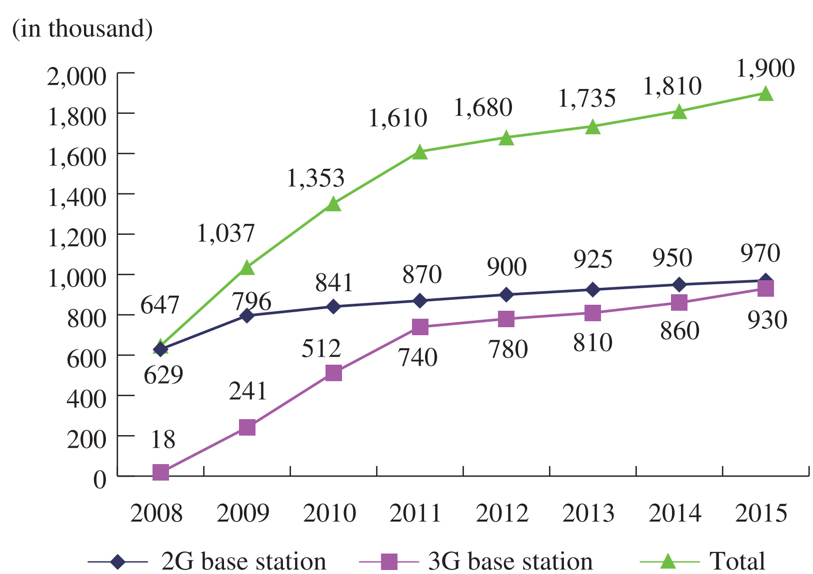
3G network construction brings new market space for the RF coaxial cables market

On 17 March 2010, MIIT, the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Finance, the Ministry of Land and Resources, the Ministry of Environmental Protection, the Ministry of Housing and Urban-rural Construction and the State Administration of Taxation jointly promulgated *Suggestions on Promotion of Construction of the 3rd Generation of Mobile Communication Network* (關於推進第三代移動通信網路建設的意見), which, among others, (i) guide and promote the construction of a 3G mobile communications network, (ii) drive the development of relevant industries in China and (iii) promote the effect of 3G on the national economy and social development.

The global 3G network has experienced rapid growth. About 144 3G licenses have been issued globally. Developing countries such as India have been constructing a 3G network in view of fierce market competition, whereas the development of the 3G network in China is relatively slow. In the meantime, in order to establish a better and more favourable competitive environment, the PRC government has conducted a series of reorganisations of the three major telecommunications operators in China. Currently, only three 3G licenses have been issued in China, one for each of China Mobile, China Unicom and China Telecom.

Competition amongst the three major PRC telecommunications operators became more intense as they have each been granted a 3G license. Due to an increase in the number of 3G users and 3G services, the construction of a 3G network in the PRC is expected to accelerate in the next few years. Since the signal frequency of a 3G network is higher and its penetrability is inferior to a 2G network, the demands for RF coaxial cables used for a 3G network is comparatively higher in any specific area. Nevertheless, as 2G mobile telephone users still remain dominant in the telecommunications market in China, the construction of 2G base stations will be maintained at a relatively high level. Based on (i) the historical trend of growth in numbers of 2G and 3G base stations from 2009 to 2010; (ii) the above analysis of the future telecommunications market; and (iii) interviews with the three PRC telecommunications operators, the number of 2G and 3G base stations expected to be constructed by the three major PRC telecommunications operators from 2008 to 2015 is as set out below:

Number of 2G and 3G base stations in China from 2008 to 2011 and projection of number of 2G and 3G base stations in China from 2011 to 2015



(Source: CCID)

Integration of three networks and construction of national optical fibre broadband network will promote the development of optical cable industry

Integration of three networks is inevitable and in line with the global trend of information network development. On 1 July 2010, the first group of cities (regions) for the trial integration project was announced, which symbolized the formal launch of network integration in the PRC.

In the next three years, integration of three networks is expected to drive investment towards the construction of an optical fibre broadband network in China. In order to enhance the launching of integration services and accelerate the construction of optical fibre broadband, telecommunications and broadcasting television operators will speed up improvements to their respective basic network infrastructure. This development brings a great opportunity to RF coaxial cables manufacturers, as RF coaxial cables are the main components of the communications system and are mainly used for antenna feeders of wireless communications, optical communications equipment and optical cables.

Internet of Things is expected to bring new market space for the telecommunications industry

Internet of Things is an important integral part of the new generation of information technology. Internet of Things refers to a network that connects any object with the internet to carry out information exchange and communication through radio-frequency identification, infrared sensor, global positioning system, laser scanner and other information sensor equipment so as to realize the intelligent identification, positioning, tracking, monitoring and management of objects.

The market scale of the Internet of Things industry reached approximately RMB171.6 billion in China in 2009. It is expected that the number will reach RMB750 billion by 2015, representing a CAGR of more than 30%. By 2020, the overall output of the Internet of Things industry will exceed RMB5 trillion in China. The growth in demand for Internet of Things provides the relevant mobile communications RF coaxial cables industry a promising market prospect.

Twelfth Five-Year Plan

The main development goals of the PRC telecommunications industry in the Twelfth Five-Year Plan, among others, include the comprehensive popularization of the 3G network and optical fibre access, comprehensive promotion of "integration of three networks" and the promotion of information technology.

At the end of the "Twelfth Five-Year" period, the number of 3G users in the PRC is expected to reach approximately 700 million while the number of users with fixed broadband access will reach approximately 250 million. The access to broadband by urban families, community centres, schools, medical health institutions, libraries and other public institutions will be basically realized. Broadband access will also be made available to rural families for basic network surfing. The varieties of information applications will be further enriched, and the number and scale of service platforms will increase substantially.

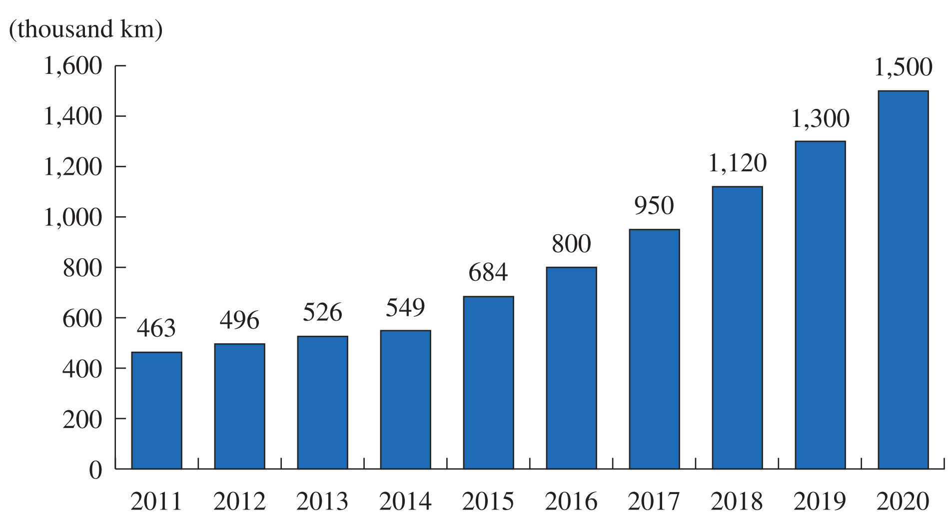
In light of the integration of three networks, promotions of double-direction staged access of broadcasting television and telecommunications services are taken as the focus, and thus the upgrading and improvement of the network, broadcasting television network and the internet are being pushed forward.

The purpose of the integration of three networks is to gradually transform conventional information services to combined, multi-media and integrated information services. This includes the establishment of new types of operation of broadband and mobile internet, the innovation of network value-added services, and the development of digital content and network finance.

Given the Twelfth Five-Year Plan, there is a great potential in the development of mobile communications network infrastructures and the radio-frequency cable and flexible cable industry, which can in turn be expected to bring sustainable demand for RF coaxial cables.

Having considered the positive effect of the factors mentioned above on the RF coaxial cables market in China, together with the historical trend of growth in the number of 2G and 3G base stations from 2009 to 2010 and the interviews with the three PRC telecommunications operators, CCID projected that the future demand for RF coaxial cables applied to base stations and indoor environments in China from 2011 to 2020 are as follows:

RF coaxial cables demand from 2G and 3G base stations and indoor radio coverage in China from 2011 to 2020



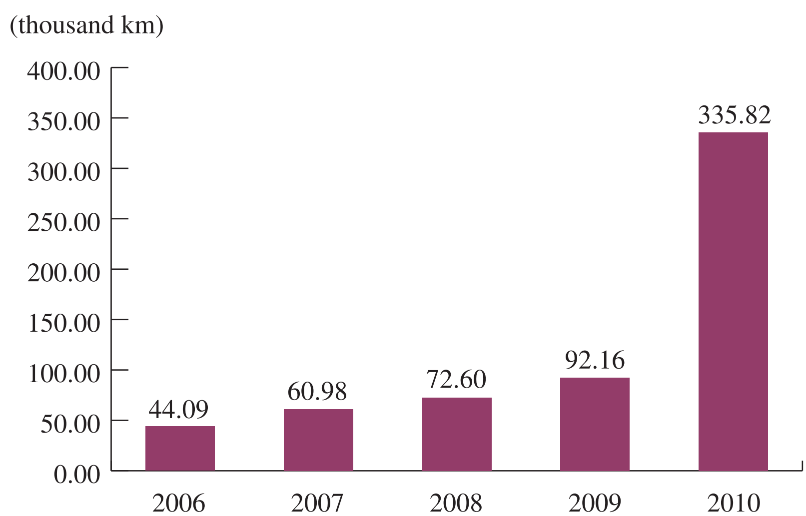
(Source: CCID)

OVERVIEW OF RF COAXIAL CABLES MARKETS IN INDIA, BRAZIL AND RUSSIA

RF coaxial cables market in India

In 2010, the population of India has reached approximately 1.2 billion and the mobile phone penetration rate was approximately 64%. In view of the economic growth and development of India, the number of 2G mobile communications users will continue to grow in coming years. According to CCID, the demand for RF coaxial cables for 2G base station construction and maintenance will increase and will gradually shift to 3G base station construction. The following diagram illustrates the demand for RF coaxial cables in India from 2006 to 2010:

Total demand for RF coaxial cables in India from 2006 to 2010

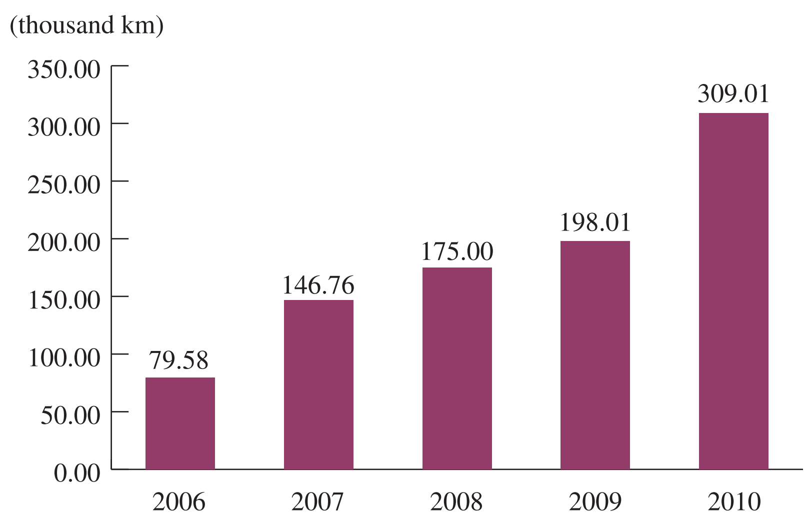


(Source: CCID)

RF coaxial cables market in Brazil

The population of Brazil in 2010 was 200 million and the mobile phone penetration rate was approximately 104%. The following diagram illustrates the demand for RF coaxial cables in Brazil from 2006 to 2010:

Total demand for RF coaxial cables in Brazil from 2006 to 2010



(Source: CCID)

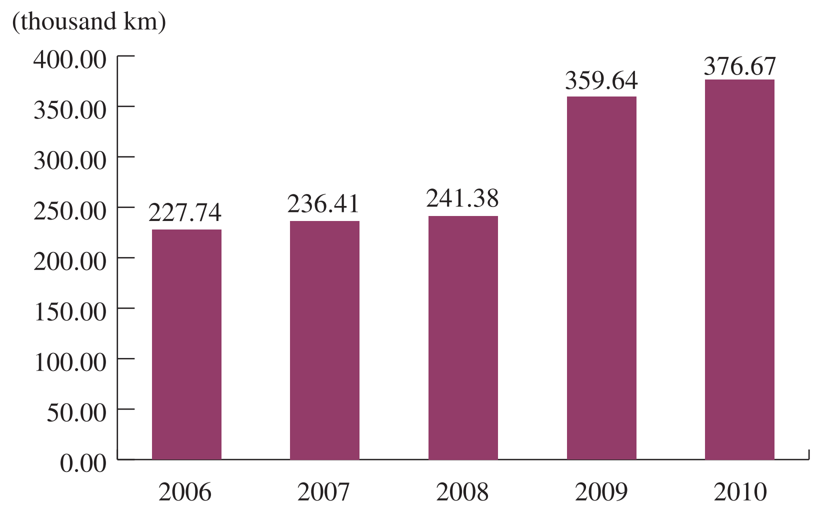
CCID estimated that there will be a slight increase in the demand for RF coaxial cables from 2011 to 2013. The demand for 2G RF coaxial cables will reach approximately 37,800 km in 2011 and approximately 39,600 km in 2012. After 2013, the shift of users from 2G networks to 3G networks will cause the demand for 2G RF coaxial cables to decrease. As a result of the increase in the running time of 2G base stations, the demand for RF coaxial cables for maintenance purposes is expected to increase year by year.

Due to the accelerated growth in 3G users, it is expected that there will be an upward trend in the demand for 3G RF coaxial cables from 2011 to 2014. According to CCID, the demand for RF coaxial cables in Brazil will reach approximately 148,800 km by 2014. As 4G communications technology has already been introduced in Brazil, CCID estimated that the demand for new 3G base stations and hence the demand for 3G RF coaxial cables will decrease while the demand for RF coaxial cables for maintenance purposes will increase. At the same time, 4G RF coaxial cables demand will start to increase at a speed higher than that for 3G RF coaxial cables.

RF coaxial cables market in Russia

As the result of the negative growth trend in the Russian population and the deployment of work for the 3G network since 2007, the number of 2G users and the construction of new base stations are expected to decrease.

Total demand for RF coaxial cables in Russia from 2006 to 2010



(Source: CCID)

The Russian 3G network technology is relatively mature since the deployment of the 3G network began in 2007. Coupled with the switch in 2G users to the 3G market, CCID estimated that the demand for 3G RF coaxial cables will increase from 2011 to 2014. With the development and import of 4G technology, a slow down in the construction pace of 3G base stations is expected after 2014 and thus the demand for 3G RF coaxial cables is expected decrease accordingly. The demand for 3G RF coaxial cables will be replaced by demand for RF coaxial cables for 4G base stations. However, the number of users is expected to shrink as a result of the decrease in population, thereby causing a slight decrease in the demand for 3G and 4G RF coaxial cables after 2016.

MARKET SIZE OF GLOBAL RF COAXIAL CABLES INDUSTRY

Scale of the RF coaxial cables industry in the global market

The global development of the telecommunications industry has brought about a high demand for RF coaxial cables. With the rising number of mobile telephone users in developing countries, and 2G networks being replaced by the growing popularity of 3G, there will be a further increase in the demand for RF coaxial cables in the future.

The 3G market in North America and Asia has, up to date, developed rapidly. At the end of 2010, the number of 3G users in China and Africa reached approximately 62 million and approximately 100 million respectively, and it is estimated that the number of 3G users in Asia will surpass one billion within the next five years. In contrast, there has been a significant decrease in the number of 2G users in the European mobile communications market. With the market saturation of 2G networks and the advancement in the 3G technology, the replacement of 2G service by 3G service is inevitable.

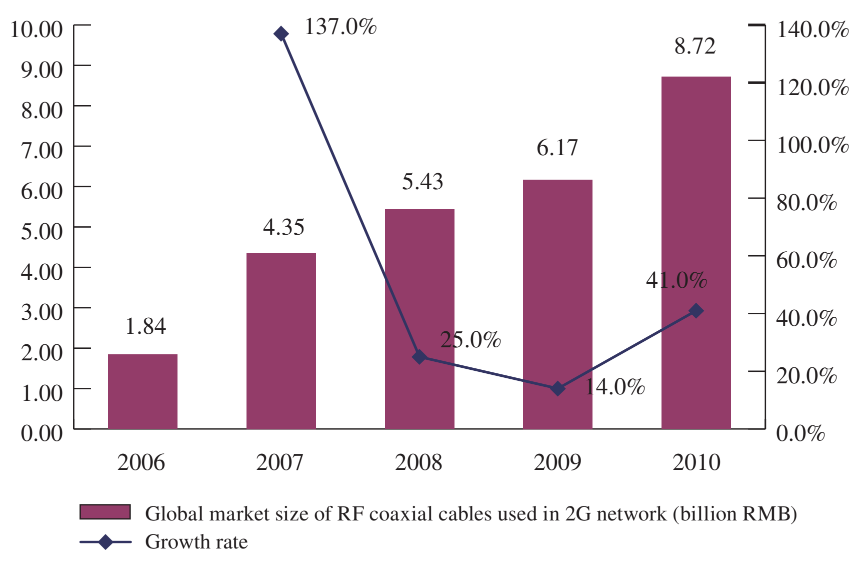
Current situation of the RF coaxial cables industry in the global market

Certain developed countries began issuing 3G licenses in 2000 to promote 3G network service. As a result, there has been a significant increase in the demand for 3G RF coaxial cables. In respect of the 2G market in these developed countries, RF coaxial cables have been relegated to facility maintenance use as fewer 2G mobile communications base stations are being constructed.

In developing countries such as China, India and Brazil, 2G communications service did not become popular until 2006. Since 2006, the price of mobile telephone usage had dropped and continuous enhancements in 2G mobile communications technology brought about improvements to signal coverage of 2G networks. These are contributing factors to an increase in the use of RF coaxial cables for the construction of 2G mobile communications base stations.

There has been an increased demand in the use of RF coaxial cables by 2G users in densely populated areas of developed countries in the past 5 years. By 2010, the scale of 2G mobile network communications coaxial cables in the global market reached approximately RMB8.723 billion, with a growth of approximately 41.3% compared to 2009.

Global market size of RF coaxial cables used in 2G networks



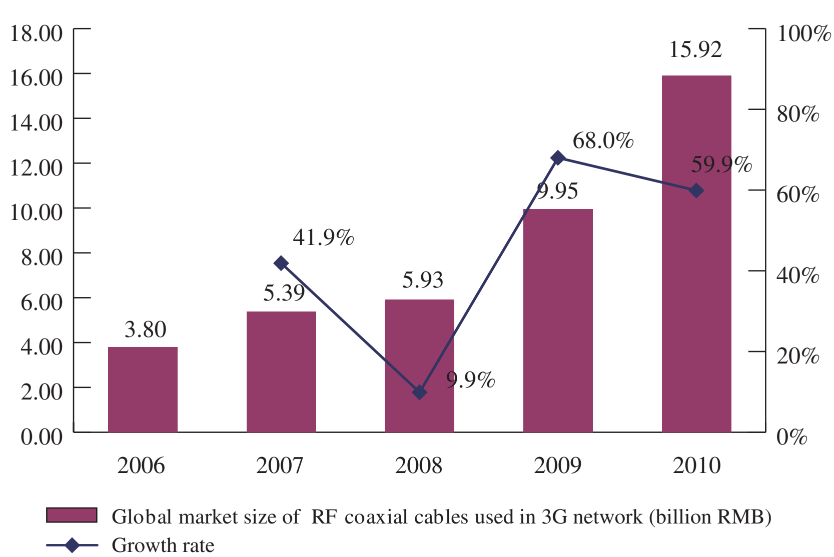
(Source: CCID)

With the increase in the number of licenses issued worldwide, more 3G base stations have been built. The global market scale of RF coaxial cables was approximately 3.8 billion in 2006, approximately 5.39 billion in 2007 and approximately 5.93 billion in 2008. The market scale continued to undergo expansion in recent years, though at a slower rate. The acceleration of 3G network construction in developing countries, the improvement in 3G technology and the introduction of 3G messages, video and calling services led to the migration of 2G users to the 3G market.

With the issuance of 3G licenses in China in 2009, and in India in 2010, these two developing countries officially entered the 3G network construction era. As the aggregate population of China and India accounts for approximately 37% of the total world population, the increase in 3G users in these two countries stimulated an immense demand for RF coaxial cables in the global market. The scale of coaxial cables for 3G mobile network communications in the global market came to approximately RMB9.952 billion in 2009 and approximately RMB15.915 billion in 2010, with a growth of approximately 68.0% and approximately 59.9% respectively.

After 2009, many developing countries with large populations (such as China, India and other Southeast Asian countries) began to enter the 3G era as they started issuing 3G licenses. The significant reduction in prices of 3G mobile terminal equipment is a contributing factor to the increasing number of 3G network users. It is estimated by CCID that there will be a rising trend in the demand for 3G RF coaxial cables in the global market gradually from 2011 to 2014, and it is expected that the demand for RF coaxial cables in the 3G mobile communications market in 2014 will reach 1.5 million km.

Global market size of RF coaxial cables used in 3G network



(Source: CCID)

MARKET COMPETITION AND OPPORTUNITIES

At present, the RF coaxial cables market in China is mainly occupied by domestic manufacturers with an occupancy rate exceeding 90%. According to the report of CCID, Jiangsu Trigiant, Zhuhai Hansen Technology Co., Ltd. and Hengxin (Jiangsu) capture over 60% of the market share.

Based on the market demand for RF coaxial cables in the PRC in 2010, the respective market shares of Jiangsu Trigiant, Zhuhai Hansen Technology Co., Ltd. and Hengxin (Jiangsu) in 2010 in terms of sales volumes and revenue are set out below:

Enterprise	**Market share by sales volumes (%)**	**Market share by revenue (%)**
Jiangsu Trigiant	**23.5%**	**23.5%**
Hengxin (Jiangsu) *(Note 1)*	22%	19.3%
Hansen Technology Co., Ltd. *(Note 2)*	18.4%	20.4%

(Source: CCID)

Notes:

1. Hengxin (Jiangsu) is mainly engaged in manufacturing mobile communications RF cables, leaky cables and coaxial cables used for cable television system.

2. Hansen Technology Co., Ltd. is mainly engaged in supplying products for and providing services to radio transmission system, cable television system engineering, hybrid fiber-coaxial network construction and chemical building materials.

Based on statistical data in the notice issued by OEC, in February 2011 and February 2012, Jiangsu Trigiant ranked first in terms of sales volume for RF cables among all RF cables manufacturers in the PRC in 2010 and 2011 respectively.

In the domestic communications industry, customers who use RF coaxial cables and flexible cables are mainly domestic telecommunications operators (such as China Mobile, China Unicom and China Telecom), mobile communications equipment manufacturers and mobile communications equipment integrators. Telecommunications operators and communications equipment manufacturers are currently the largest customers in this industry.

At present, there are only a few number of cable manufacturers in China and thus the industry market concentration is relatively high. Since 3G communications require higher frequency, data transmission rate and quality of data transmission than 2G communications, higher capacity is required of RF coaxial cables for 3G communications. RF coaxial cables for 3G communications must have high capacity in terms of resistance to wear under high frequency, VSWR, third-order cross and physical properties. To produce such RF coaxial cables, manufacturers need to acquire new plant and equipment, production techniques and management process. For these reasons, entry threshold to the RF coaxial cables manufacturing industry is relatively high. However, with the rapid development of domestic and foreign mobile communications industries and bulk purchases from international mobile system integrators, expansion of new market space is expected. Those enterprises with relatively high research and development capacities, high product innovation speed, effective business risk control and comprehensive competitiveness will secure more market share.

SYNERGISING RF COAXIAL CABLES AND OPTICAL FIBRES

Analog electrical signal and digital signal are two different data transmission media in telecommunications technology; RF coaxial cables are used for the transmission of analog electrical data, while optical fibres are used for the transmission of digital data.

According to the reports of JSPTPD and CCID, RF coaxial cables are used to receive analog electrical signals, which are then transformed to digital data. Fibre cables are used for mass digital data transmission in the base station.

Digital data transmission through fibre cables has the advantages of higher capacity, lower decay, higher safety standards, smaller size, etc. It has a competitive advantage on long distance data transmission. Due to this competitive advantage, most telecommunications operators would use fibre cables for the transmission of data between base stations.

Electrical data transmission through RF coaxial cables has the advantages of broader bandwidth, higher resistance to interference, stabilising signal, etc. It is usually used for signal spreading and reception in base stations. It also strengthens the coverage of the base station.

RF coaxial cables are necessary for mobile communications systems, as digital data must be modulated as an analog signal for transmission between the base station and mobile telephones. Installation and maintenance costs of facilities using fibres are relatively high, whereas the costs of facilities using RF coaxial cables are relatively low and can easily be repaired in case of natural disasters, or at times when special events such as the Olympic Games and World Expo are held. Due to the nature of RF coaxial cables and fibre cables as set out above, the application of RF coaxial cables in telecommunications cannot be replaced by optical fibres.

This section sets forth a summary of certain aspects of the PRC laws and regulations, which are relevant to the Group and the industry in which the Group operates.

1. ESTABLISHMENT, OPERATION AND MANAGEMENT OF A WHOLLY FOREIGN-OWNED ENTERPRISE

(a) Pertinent PRC laws relating to wholly foreign-owned enterprise

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law. The PRC Company Law generally governs two types of companies – limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises. Where there are other stipulations in other PRC laws on foreign investment, such stipulations shall prevail.

The establishment procedures, verification and approval procedures, registered capital requirement, foreign exchange restriction, accounting practices, taxation and labour matters of wholly foreign-owned enterprises are governed by the Wholly Foreign-owned Enterprise Law of the PRC (the "Foreign Enterprise Law") (中華人民共和國外資企業法), which was promulgated on 12 April 1986 and amended on 31 October 2000, and the Implementation Regulation under the Wholly Foreign-owned Enterprise Law (中華人民共和國外資企業法實施細則), which was promulgated on 12 December 1990 and amended on 12 April 2001.

(b) Procedures for establishment of a wholly foreign-owned enterprise

The establishment of a wholly foreign-owned enterprise must be approved by MOFCOM or its local branches. Moreover, a wholly foreign-owned enterprise must obtain a business licence from the State Administration of Industry and Commerce ("SAIC") or its local branches before it can commence business. Foreign investors and foreign-owned enterprises that invest in the PRC must comply with the Guidance Catalogue of Industries for Foreign Investment (the "Catalogue") (外商投資產業指導目錄), which was amended and promulgated by MOFCOM and the National Development and Reform Commission on 31 October 2007 and became effective on 1 December 2007, which was amended on 24 December 2011 and became effective on 30 January 2012. The Catalogue contains specific guidelines in relation to market access of foreign capital, which set out in detail categories of industries in which foreign investment is encouraged, restricted or prohibited respectively. Any industry that is not listed in the Catalogue is an industry in which foreign investment is permitted to invest.

As advised by the PRC Legal Adviser, none of the current business of the Group in China falls within the categories of "prohibited industries" or "restricted industries" under the Catalogue.

(c) Dividend distribution

The Foreign Enterprise Law provides that after payment of taxes, a wholly foreign-owned enterprise must make contributions to a reserve fund and an employee bonus and welfare fund. The allocation ratio for the employee bonus and welfare fund to be made by a wholly foreign-owned enterprise may be determined by the enterprise, whereas at least 10% of the after-tax profits of the enterprise must be allocated to the reserve fund. If the cumulative total of allocated reserve funds reaches 50% of the registered capital of the enterprise, the enterprise will not be required to make any further contributions. The reserve fund may be used by a wholly foreign-owned enterprise to make up its losses, to expand its production operations and to increase its capital, subject to the consent of the relevant examination and approval authority. In addition, a wholly foreign-owned enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

2. INDUSTRY REGULATIONS

According to the Rules on Network Access License for Telecommunications Equipment (電信設備進網管理辦法) which were promulgated by the Ministry of Information Industry ("MII") and came into effect on 1 June 2001, a network access license must be obtained from the MII for use and sales of telecommunications equipment under the network access license system.

According to the Notice on Production Authentication for Telecommunications Equipment (關於對光電纜等電信設備實行產品認證的通知) promulgated by the MII on 9 February 2004, coaxial cables do not fall within the scope of products which require network access licenses, however, as from 2002, certificates issued by third parties such as TL Certification Center (泰爾認證中心) must be obtained.

The PRC Legal Adviser advised and the Directors confirmed that the RF coaxial cable series of the Group did not require network access licenses, and that certificates from TL Certification Center had been obtained.

Most of the sales of products of the Group are governed by the Bidding Law of the PRC ("Bidding Law") (中華人民共和國招標投標法), which was promulgated by the Standing Committee of the National People's Congress and came into effect on 1 January 2000. Under the Bidding Law, bidding shall be carried out for construction projects, the procurement of important equipment, materials relevant to the construction project; large scale infrastructure or public utility projects concerning public safety or public interests; and projects funded by the State or receiving state loans. An invitation to bid shall be made through either public notices or special requests. Tenderers shall not collude with each other in setting bidding prices, nor shall they be engaged in any activity that would prejudice fair competition and harm the lawful rights and interests of the offeror of the project and other tenderers. Offeror of projects shall not disclose to any other person the title, number of potential tenderers invited to participate in the bid or any other information that may affect fair competition. Tenderers shall not participate in a bidding competition by offering a price lower than the cost of the project, nor shall they attempt to win the bid in the name of other persons or through other fraudulent means.

Some products of the Group, such as the PVC insulated non-sheathed cables and wires and the PVC insulated flexible cables and wires, were granted mandatory product certifications. Such products are subject to regulatory requirements. According to the Regulation for Compulsory Product Certification (強制性產品認證管理規定) promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (國家質量監督檢驗檢疫總局) which came into effect on 1 September 2009, products which relate to human health and safety, animal life and health, environmental protection and public safety are subject to compulsory quality inspections and certification requirements. Under the regulation, the General Administration of Quality Supervision, Inspection and Quarantine shall administer the compulsory product certification throughout the country. The regulation also provides that products listed on the Catalogues of the Products Subject to Compulsory Certification issued by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC and Certification and Accreditation Administration of PRC (國家認證認可監督委員會) shall be certified by designated government agencies or professional entities before they can be sold, imported or used for business purposes. Pursuant to the 1st Catalogue of Products Subject to Compulsory Certification (第一批實施強制性產品認證的產品目錄) dated 3 December 2001, PVC insulated cables of rated voltages up to 450/750V require certifications.

3. PRC INCOME TAX AND VALUE ADDED TAX

Income Tax

The Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) was enacted on 16 March 2007 (or the EIT Law) and the Implementation Rules of Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例) was enacted on 6 December 2007. According to the EIT Law and its implementation rules which came into effect on 1 January 2008, the EIT rate for both domestic and foreign-invested enterprises are unified at 25%, whereas high-tech enterprises encouraged by the State may enjoy a reduced EIT rate of 15%. For enterprises established before 16 March 2007 which are entitled to preferential income tax treatments under tax-related laws and administrative regulations, the EIT Law provides for a five-year transitional period, during which the applicable EIT rate shall be converted to the unified rate of 25% gradually.

According to the Notice of the State Council on the Implementation of the Enterprise Income Tax Transitional Preferential Policy (國務院關於實施企業所得稅過渡優惠政策的通知) issued on 26 December 2007 which took effect on 1 January 2008, enterprises that enjoy "2-year exemption and 3-year half payment," "5-year exemption and 5-year half payment" of EIT and other preferential treatments in the form of periodic tax deductions and exemptions in the past may, after the coming into effect of the EIT Law on 1 January 2008, continue to enjoy the relevant preferential treatments under the preferential measures for the time period as set out in the previous tax law, administrative regulations and relevant documents until the expiration of the said time period. The preferential time period applicable to an enterprise shall start to run from 2008 even if such enterprise had not enjoyed the benefit of the preferential treatments before 1 January 2008 because of its failure to make profits. In addition, enterprises which were entitled to a preferential income tax at the rate of 15% will gradually be levied on the unified 25% tax rate within five years commencing on 1 January 2008. The respective transitional tax rate applicable to enterprises entitled to the 15% preferential rate is 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012. Enterprises which previously enjoyed the 24% preferential tax rate were imposed with the unified 25% tax rate as from 1 January 2008.

The PRC Legal Adviser advised that Jiangsu Trigiant is entitled to the "2-year exemption and 3-year half payment" preferential EIT treatment and that such entitlement will terminate on 31 December 2012.

Under the EIT Law, an enterprise established outside China with "*de facto* management organization" located within China is considered a "resident enterprise" and is treated in a manner similar to a Chinese enterprise for EIT purposes. The implementation rules of the EIT Law define "*de facto* management" as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of an enterprise. As all of the management of the Company reside in the PRC, if the Company is deemed a PRC resident enterprise, the results of operation of the Company will be adversely affected. Please refer to the paragraph headed "The Company may be deemed a PRC resident enterprise under the new PRC Enterprise Income Tax Law and be subject to PRC taxation on its worldwide income" under the section headed "Risk Factors" in this prospectus.

Value Added Tax

The Provisional Regulations of the People's Republic of China Concerning Value Added Tax (中華人民共和國增值税暫行條例) promulgated by the State Council came into effect on 1 January 1994 and was amended on 5 November 2008. Under these regulations and the Implementation Rules of the Provisional Regulations of the People's Republic of China Concerning Value Added Tax, value added tax is imposed on goods sold in or imported into the PRC and on processing, repair and replacement services provided within the PRC.

Value added tax payable in the PRC is charged on an aggregate basis at a rate of 13% or 17% (depending on the type of goods involved) on the full price collected for the goods sold or, in the case of taxable services provided, at a rate of 17% on the charges for the taxable services provided but excluding, in respect of both goods and services, any amount paid in respect of value added tax included in the price or charges, and less any deductible value added tax already paid by the taxpayer on purchases of goods and service in the same financial year.

4. ENVIRONMENTAL PROTECTION

According to the Environmental Protection Law of the PRC (the "Environmental Protection Law") (中華人民共和國環境保護法) which was promulgated and came into effect on 26 December 1989, entities that operate production facilities that may cause pollution or produce toxic materials are required to take measures to protect the environment and establish an environmental protection and management system. Such system includes the adoption of effective measures to prevent and control exhaust gas, sewage, waste residues, dust and other waste materials. Entities discharging pollutants must register with the relevant environmental protection authorities.

The Environmental Protection Law and the Administrative Regulations on Environmental Protection for Construction Project (建設項目環境保護管理條例), which came into effect on 29 November 1998, stipulates that prior to the construction of new facilities or expansion or transformation of existing facilities that may have a significant impact on the environment, a report on the environmental impact of the proposed construction project shall be submitted to the relevant environmental protection authorities. Newly constructed production facilities cannot operate until the relevant department is satisfied that such facilities are in compliance with all relevant environmental protection standards.

Pursuant to the Environmental Protection Law, any production facilities that may cause pollution or other public hazards shall adopt measures on environmental protection and shall establish a system on environmental protection and administration. Effective measures shall be adopted to prevent and control pollution and harm to the environment by emission of exhaust air, sewage, waste residues, dust, malodorous gas, radioactive substances, noise, vibration and electromagnetic radiation. Enterprises that discharge pollutants shall register with the relevant environmental protection authority. The State Environmental Protection Administration shall formulate national standards on the emission of pollutants in accordance with the national standards on environmental quality and the State economic and technological conditions. Government authorities at the provincial level and of autonomous regions and municipalities may formulate their respective local standards on the discharge of pollutants for items which are not specified in the national standards. Local governments may formulate local standards which are more stringent than those formulated by the national government authorities. Pursuant to the amended Law on Prevention of Water Pollution of the PRC (中華人民共和國水污染防治法) which came into effect on 1 June 2008, the Law on Prevention of Air Pollution of the PRC (as amended) (中華人民共和國大氣污染防治法) which came into effect on 1 September 2000, and the Administrative Regulations on Levy and Utilization of Sewage Charge (排污費徵收使用管理條例) which came into effect on 1 July 2003, enterprises which discharge water or air pollutants shall pay discharge fees. The scale of discharge fees depend on the types and volume of pollutants discharged and are calculated by the local environmental protection authority, which shall review and verify the types and volume of pollutants discharged. Once the discharge fees have been calculated, a notice on payment of discharge fees shall be issued to the relevant enterprises.

According to the Solid Waste Pollution Prevention and Control Law of PRC (中華人民共和國固體廢物污染環境防治法), which came into effect on 1 April 2005, entities and individuals collecting, storing, transporting, utilizing, or disposing of solid wastes shall take precautions against the spread, loss, and leakage of such solid wastes or adopt other measures to prevent such solid wastes from polluting the environment.

Consequences for breach of the environmental protection laws are administrative sanctions varying from warning, fines, orders to correct and others, depending on the degree of damage. Any entity whose construction projects fail to satisfy the requirements of pollution prevention may be ordered to suspend its production or operation and be subject to a fine. The responsible person of the entity may be subject to criminal liabilities for serious breaches resulting in significant damage to private or public property or personal death or injury.

5. PRC LABOUR LAWS

Under the Labour Contract Law of the PRC (the "Labour Contract Law") (中華人民共和國勞動合同法), which came into effect on 1 January 2008, labour contracts shall be concluded in writing if labour relationships are to be or have been established between enterprises or institutions and labourers. Enterprises and institutions are forbidden to force labourers to work beyond the prescribed time limit and employers shall pay labourers for overtime work in accordance with national regulations. In addition, the requirement of entry into fixed term employment contracts and dismissal of employees is very strict. In particular, statutory severance pay must be paid upon termination of an employment contract in most cases, including expiration of a fixed-term employment contract. According to the Labour Law of the PRC (中華人民共和國勞動法) (the "PRC Labour Law") which was promulgated on 5 July 1994 and came into effect on 1 January 1995, enterprises and institutions shall establish and perfect their system of work place safety and sanitation and shall strictly abide by State rules and standards on work place safety. Under the newly promulgated Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which came into effect on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid vacation ranging from 5 to 15 days, depending on the length of their employment. Employees who consent to waive such entitlement to paid vacation at the request of employers shall be paid compensation in the amount of three times their normal daily salaries for each vacation day waived.

According to the Regulation of Insurance for Labour Injury (工傷保險條例) promulgated by the State Council and came into effect on 1 January 2004 and the amendment thereto which came into effect on 1 January 2011 (collectively, the "Insurance Regulation"), enterprises shall, in accordance with the provision of the Insurance Regulation, take out work-related injury insurance and pay work-related injury insurance premiums for all their employees on time. Where an employee is injured in an accident related to his employment or suffers from an occupational disease, he is entitled to work-related injury insurance paid by the labour injury fund, which covers all costs, including but not limited to medical treatment bills, board wages and traffic expenses resulting from such accident or occupational disease. Such employee or the family of such employee (as the case may be) is also entitled to disability or death subsidy if the work related accident or occupational disease causes disability or death.

According to the Interim Regulation on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated by the State Council and came into effect on 22 January 1999, either the taxation authorities or the social insurance agencies established by the administrative department of labor and social security may act as agents for the collection of social insurance premiums. Enterprises with employees shall carry out social insurance registration at the local social insurance agency and participate in social insurance programmes. Such enterprises shall report to the social insurance agency the amount of social insurance premiums payable and pay its social insurance premiums every month within the prescribed time limit upon assessment by the social insurance agency. The social insurance premiums payable by the individuals shall be withheld from their wages and paid for them. All premiums shall be paid in full by cash. If a premium paying entity fails to carry out social insurance registration, changes its registration or cancels its registration, or fails to report the amount of social insurance premiums payable in accordance with the relevant provisions, the administrative department of labour and social security can order it to rectify the situation by paying the outstanding premium within the prescribed time limit. Where the circumstance is serious, the principals and other persons held to be directly responsible shall be imposed a fine ranging from RMB1,000 to RMB5,000; and where the circumstance is extremely serious, the principals and other persons held to be directly responsible shall be imposed a fine ranging from RMB5,000 to RMB10,000. If an enterprise refuses to pay social insurance premiums or late-payment fines within the prescribed time limit, the administrative department of labour and social security or the tax authority shall apply to the People's Court to enforce the relevant laws on social insurance payment. The Interim Provisions on Registration of Social Insurance (社會保險登記管理暫行辦法), which were promulgated by State Council and came into effect on 19 March, 1999, stipulate that any premium paying entity shall carry out social insurance registration at the local social insurance agency within 30 days from the day it receives its business license or the date of its establishment.

According to the PRC Social Insurance Law (中華人民共和國社會保險法) (the "Social Insurance Law") promulgated by the Standing Committee of the NPC on 28 October 2010 and came into effect on 1 July 2011, enterprises and its employees shall pay social insurance premiums including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Enterprises shall be solely responsible to pay insurance premiums of work-related injury insurance and maternity insurance for their employees, while enterprises and their employees shall be jointly responsible to pay insurance premiums of basic pension insurance, basic medical insurance and unemployment insurance. In addition, an enterprise shall register with the local social security department (the "Local Department") within 30 days after its establishment. Where an enterprise fails to pay the full amount of the social insurance premiums, (i) the Local Department has authority to order such enterprise to pay the outstanding amount; (ii) if the enterprise does not pay the outstanding amount after such demand, the Local Department has authority to enquire the deposit account of such enterprise, or apply to the related department at or above the county level for making a decision to allocate funds of the enterprise to pay the outstanding social insurance premiums and to inform the bank or other financial institution to execute the allocation by written notice; (iii) if the fund in the deposit account is less than the outstanding amount, the department can require the enterprise to provide a security and postpone the date to pay the outstanding amount; and (iv) if the fund in the deposit account is less than the outstanding amount and the enterprise failed to provide security, the department may apply to the court to detain, seal and auction the property of the enterprise.

Enterprises and their employees shall contribute to the house accumulation fund according to Regulations on Management of Housing Fund (住房公積金管理條例), which was promulgated by the State Council and came into effect on 3 April 1999, and the amendment of which came into effect on 24 March 2002. Under these regulations, housing accumulation funds contributed by an employee and those contributed by the enterprise are owned by the employee. Housing accumulation funds shall be used by employees for purchasing or building houses, rebuilding or repairing houses for self-dwelling, and shall not be misappropriated by any entity or individual for any other purpose. Where an entity employs an employee, it shall, within 30 days from the date when it employs him, register with the housing accumulation fund management center to make fund deposit. In the case of purchase or construction of a house, renovation or remodelling of a house for self-dwelling, an employee may withdraw funds in his housing accumulation fund account. Where an entity fails to comply with the registration requirement for making housing accumulation fund deposit or fails to open a housing accumulation fund account for its employees, the housing accumulation fund management center shall order it to rectify the situation within a time limit; if it fails to rectify the situation within the time limit, it shall be imposed a fine ranging from RMB10,000 to RMB50,000. Where an entity fails to deposit the housing accumulation fund within the time limit or by making insufficient deposit to the fund, it shall be ordered by the housing accumulation fund management center to deposit the outstanding amount within a time limit; if it fails to deposit the fund within the time limit, the housing accumulation fund management center may apply to the people's court for enforcement.

6. PRODUCTION SAFETY LAWS

Effective from 1 November 2002 and amended on 27 August 2009, the Production Safety Law and other relevant laws, administrative regulations, national standards and industrial standards under the PRC Production Safety Law (the "Production Safety Law") (中華人民共和國安全生產法) provides that enterprises and institutions shall be equipped with production safety measures. Any entity not equipped with such production safety measures is not allowed to engage in production activities.

7. LAWS AND REGULATIONS IN RELATION TO INTELLECTUAL PROPERTY RIGHTS

China has adopted comprehensive legislation governing intellectual property rights, including trademarks, patents and copyrights. China has adhered to the main international conventions on intellectual property rights and has become a member of the Agreement on Trade Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organisation in December 2001.

Patent Law

The National People's Congress adopted the Patent Law of the PRC (the "Patent Law") (中華人民共和國專利法) in 1984, and amended it in 1992, 2000 and 2008. The purpose of the Patent Law is to protect the legal interest of the patentee and to encourage invention, foster applications of invention, improve the innovative ability and promote the development of science and technology. An invention or utility model must meet three conditions before a patent will be granted: novelty, inventiveness and practical applicability. Patents will not be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation or the design used primarily for the identification of pattern, color or the combination of the two on printed flat works. The Intellectual Property Office under the State Council is responsible for receiving, examining and approving patent applications. A patent is valid for a term of 20 years in the case of an invention and a term of ten years in the case of a utility model or design, starting from the application date. A third-party user must obtain consent or a proper license from the patent owner to use the patent except under certain specific circumstances provided by law. Otherwise, the use will constitute an infringement on the patent.

Trademark Law

Registered trademarks are protected under the Trademark Law of the PRC (中華人民共和國商標法) (the "Trademark Law") adopted in 1982 and amended in 1993 and 2001. The PRC Trademark Office of the SAIC is responsible for the registration and administration of trademarks throughout China. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark shall not prejudice the existing right of others obtained by priority, nor shall any person register in advance a trademark that has already been used by another person and has already gained "sufficient degree of reputation" through that person's use. After receiving an application, the PRC Trademark Office will make a public announcement if the relevant trademark passes the preliminary examination. Any person may, within three months after such public announcement, file an opposition against a trademark that has passed a preliminary examination. The decisions of the PRC Trademark office to reject, oppose or cancel an application may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no opposition is filed within three months after the public announcement period or if the opposition has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, upon which the trademark is registered and will be effective for a renewable ten-year period, unless otherwise revoked.

8. LAWS AND REGULATIONS IN RELATION TO FOREIGN CURRENCY EXCHANGE

Foreign currency exchange

The principal regulations governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (the "Foreign Exchange Administration Regulations") (中華人民共和國外匯管理條例), which was promulgated by the State Council on 29 January 1996 and came into effect on 1 April 1996 and was amended on 14 January 1997 and 1 August 2008. Under these regulations, Renminbi is freely convertible for payments of current account items, including profit distribution, interest payments and expenditures from trade related transactions, but not for payments of capital account items, such as direct investment, loan or investment in securities outside China unless prior approval by SAFE is obtained.

Under the Foreign Exchange Administration Regulations, foreign-invested enterprises in the PRC may purchase foreign exchange without approval by SAFE for trade and services-related foreign exchange transactions, by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by SAFE) to satisfy foreign exchange liabilities or to pay dividends. In addition, foreign exchange transactions involving direct investment, loans and investment in securities outside China are subject to limitations and require approvals by SAFE.

In addition, Circular 142 (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知) was promulgated by SAFE and came into effect on 29 August 2008. Circular 142 regulates the conversion by a foreign-invested company of foreign currency into Renminbi by restricting how the converted Renminbi may be used. It requires that Renminbi converted from the foreign currency-denominated capital of a foreign-invested company only be used for purposes within the business scope approved by the relevant governmental authority and may not be used for equity investments within the PRC unless otherwise specifically provided for. Further, it cannot be used to repay Renminbi loans if the proceeds of such loans have not yet been used. Violations of Circular 142 may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Administration Regulations.

Foreign Exchange Registration

Pursuant to the Circular on Issues Relating to Foreign Exchange Control on Fund-raising by Domestic Residents through Offshore Special Purpose Vehicles and Round-trip Investments (國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) (SAFE Circular No. 75), issued by SAFE on 21 October 2005, (i) a PRC resident shall register with the local branch of SAFE before it establishes or controls an overseas special purpose vehicle (overseas SPV), for the purposes of overseas equity financing (including convertible debt financing); (ii) where a PRC resident injects the assets of or the equity interests in a domestic enterprise into an overseas SPV, or engages in overseas financing after injecting such assets or equity interests into an overseas SPV, such PRC resident shall register his or her interest in the overseas SPV and any change thereof with the local branch of SAFE; and (iii) where the overseas SPV undergoes a material event outside China, such as change in share capital or merger or acquisition, the PRC resident shall, within 30 days from the occurrence of such event, register or file such change with the local branch of SAFE. SAFE issued relevant guidance with respect to the operational process for SAFE registration under SAFE Circular No. 75, which standardized more specific and stringent supervision on registrations relating to SAFE Circular No. 75 and imposed obligations on onshore subsidiaries of overseas SPV to coordinate with and supervise the beneficial owners of overseas SPV who are PRC residents to complete SAFE registration processes. Under SAFE Circular No. 75 and the relevant SAFE rules, failure to comply with the registration procedures set forth above may result in restrictions on foreign exchange activities of a PRC subsidiary and the ability of a PRC subsidiary to distribute dividends to overseas SPV, and penalties on the PRC residents and/or the PRC subsidiary of the overseas SPV. Where a PRC resident refuses to comply with the registration and filing requirements, the relevant onshore company may be exempted from penalties if it has reported such refusal to SAFE in writing.

On 20 May 2011, SAFE issued the Implementation Procedure on SAFE Circular No. 75 (the "New Implementation Procedure") (境內居民通過境外特殊目的公司融資及返程投資外匯管理操作規程), which came into effect on 1 July 2011. The New Implementation Procedure stipulates the detailed procedures for first-time registration with SAFE, registration of subsequent changes and cancellation of registration with SAFE or its local branches.

The ultimate beneficial owners of the Company who are PRC residents, namely Mr. Qian, Mr. Jiang Wei, Mr. Xia Jie, Mr. Jiang Xinhong, Mr. Sun Huxing, Mr. Shen Xinren, Mr. Sun Jinrong, Mr. Sun Xuelin, Mr. Dai Xiaolin and Mr. Yu Daxiong have registered with the SAFE Jiangsu Branch in respect of the establishment of their investments in Jiangsu Trigiant on 10 June 2010 and, as advised by the PRC Legal Adviser, have completed the registration of the change with the SAFE Jiangsu Branch on 29 November 2011. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus.

9. NEW MERGERS AND ACQUISITIONS REGULATIONS AND OVERSEAS LISTINGS

On 8 August 2006, six PRC regulatory agencies, namely, MOFCOM, the State-owned Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, CSRC, and SAFE, jointly promulgated the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "M&A Rules") (關於外國投資者併購境內企業的規定). The M&A Rules came into effect on 8 September 2006 and were subsequently amended on 22 June 2009. The PRC Legal Adviser advised that the M&A Rules apply to acquisitions of shares in or assets of PRC domestic enterprises by foreign investors and the prerequisite for the application of the M&A Rules is the existence of "an acquisition of a PRC domestic enterprise by a foreign investor". A foreign-invested enterprise refers to an enterprise established within the PRC pursuant to the relevant PRC laws, the capital of which was contributed by foreign investors. For such purpose, foreign investors include foreign individuals and enterprises incorporated in foreign countries, regions or areas. As advised by the PRC Legal Adviser, under the PRC Foreign Enterprise Law and the practice of approval by the relevant authorities in the PRC, the determination of whether an enterprise is a foreign-invested enterprise is based on whether the direct shareholders of such enterprise are foreign investors, so there is no change that Jiangsu Trigiant is a foreign-invested enterprise notwithstanding the fact that certain ultimate beneficial owners of it are PRC residents.

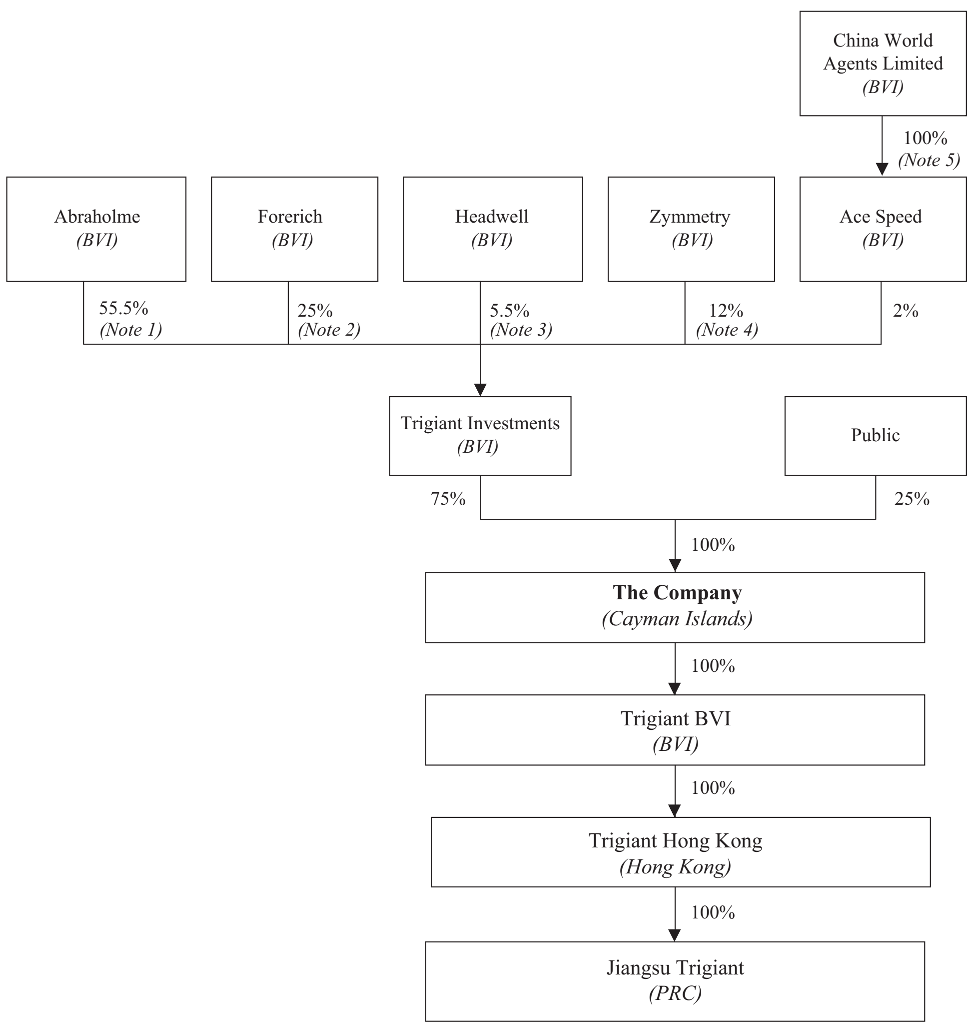
On 12 March 2007, the Department of Commerce of Jiangsu Province approved the establishment of Jiangsu Trigiant by Trigiant Singapore, a company incorporated in Singapore, and the articles of association of Jiangsu Trigiant, which stated that Jiangsu Trigiant was established as a wholly foreign-owned enterprise. On 13 March 2007, Jiangsu Trigiant obtained a Certificate of Approval for Establishment of Enterprises with Foreign Investment in the People's Republic of China from the Jiangsu People's Government. On 15 March 2007, Jiangsu Trigiant obtained a notice of approval of the establishment of a foreign-invested enterprise and a corporate business license from the Yixing Administration of Industry and Commerce of Wuxi City, which indicated its status as a wholly foreign-owned enterprise. The above approvals and registration certify that Jiangsu Trigiant is a foreign-invested enterprise.

Based on the foregoing, the PRC Legal Adviser advised that Jiangsu Trigiant was not a PRC domestic enterprise as defined under the M&A Rules and that the transfer of the registered capital of Jiangsu Trigiant from Trigiant Singapore to Trigiant Hong Kong did not involve any acquisition of shares in or assets of a PRC domestic enterprise by a foreign investor. Therefore, the M&A Rules are not applicable.

THE GROUP AND SHAREHOLDING STRUCTURE

The following chart sets out the shareholding structure and corporate structure of the Group immediately following the completion of the Global Offering and the Capitalisation Issue, assuming that the Over-allotment Option is not exercised:

The Group immediately following the completion of the Global Offering and the Capitalisation Issue



Notes:

1. At the commencement of the Track Record Period, Abraholme was wholly owned by Ms. Wu Di. On 19 December 2009, Mr. Qian was appointed as a director of Abraholme. On the same day, Abraholme allotted and issued 8 new shares and 1 new share to Mr. Qian and Ms. Wu Di respectively for cash at a consideration of US$1 per share. As a result of such allotment and issue, Abraholme was, and still is, owned as to 80% by Mr. Qian and 20% by Ms. Wu Di.

2. At the commencement of the Track Record Period, Forerich was owned as to 50% by Mr. Qian, and 15% by Mr. Shen Xinren, 12% by Mr. Sun Jinrong, 11% by Mr. Sun Xue Lin, 7% by Mr. Dai Xiaolin and 5% by Mr. Yu Daxiong, each currently being either a Director or an employee of the Group. On 18 December 2009, Mr. Qian transferred all his equity interest in Forerich to the other shareholders of Forerich, pro rata to their original shareholdings, i.e. 15% to Mr. Shen Xinren, 12% to Mr. Sun Jinrong, 11% to Mr. Sun Xue Lin, 7% to Mr. Dai Xiaolin and 5% to Mr. Yu Daxiong, at a consideration of US$15, US$12, US$11, US$7 and US$5 respectively. Such transfers were implemented so as to achieve a structure which Mr. Qian would hold interests in the Group through Abraholme and cease to hold interests in the Group through Forerich and Headwell. Subsequent to such transfers, Forerich was, and still is, owned as to 30% by Mr. Shen Xinren, 24% by Mr. Sun Jinrong, 22% by Mr. Sun Xue Lin, 14% by Mr. Dai Xiaolin, and 10% by Mr. Yu Daxiong.

3. At the commencement of the Track Record Period, Headwell was owned as to 50% by Mr. Qian, 16% by Mr. Jiang Wei, an executive Director, 12% by Mr. Jiang Xinhong, a senior management of the Group, 14% by Mr. Xia Jie and 8% by Mr. Sun Huxing. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus. On 18 December 2009, Mr. Qian transferred all his equity interest in Headwell to the other shareholders of Headwell, pro rata to their original shareholdings, i.e. 16% to Mr. Jiang Wei, 14% to Mr. Xia Jie, 12% to Mr. Jiang Xinhong, and 8% to Mr. Sun Huxing, at a consideration of US$16, US$14, US$12 and US$8 respectively. Such transfers were implemented so as to achieve a structure which Mr. Qian would hold interests in the Group through Abraholme and cease to hold interests in the Group through Forerich and Headwell. Subsequent to such transfers, Headwell was, and still is, owned as to 32% by Mr. Jiang Wei, 24% by Mr. Jiang Xinhong, 28% by Mr. Xia Jie and 16% by Mr. Sun Huxing.

4. Zymmetry is wholly owned by Mr. Toe Teow Heng.

5. China World Agents Limited is wholly owned by Mr. Goi Seng Hui, an Independent Third Party.

HISTORY AND DEVELOPMENT

The principal operating subsidiary of the Group, Jiangsu Trigiant, was established by Trigiant Singapore as a wholly foreign-owned enterprise in the Industrial Park for Environment Protection Science & Technology (a state high and new technology development zone) in Yixing City, Jiangsu Province, PRC on 15 March 2007 with an initial registered capital of US$20 million. At the time of establishment of Jiangsu Trigiant, Trigiant Singapore was a wholly-owned subsidiary of Abraholme and Abraholme was wholly owned by Ms. Wu Di. Jiangsu Trigiant was initially principally engaged in research and development, manufacture and sales of special cable series for mobile communications. Jiangsu Trigiant was and remains the principal operating subsidiary of the Group since its establishment.

A summary of the corporate history of each existing member of the Group and a predecessor of the immediate holding company of Jiangsu Trigiant, namely Trigiant Singapore, is set out below:

(A) Predecessor of the immediate holding company of Jiangsu Trigiant – Trigiant Singapore

Trigiant Singapore was incorporated in Singapore on 15 February 2007 and wholly owned by Ms. Wu Di at the time of its incorporation. On 17 February 2007, Ms. Wu Di transferred all her shareholding in Trigiant Singapore to Abraholme at par. After such transfer, Trigiant Singapore became a wholly-owned subsidiary of Abraholme.

On 15 March 2007, Trigiant Singapore established Jiangsu Trigiant in the PRC as a wholly foreign-owned enterprise. For more details relating to Jiangsu Trigiant, please refer to the sub-paragraph headed "Jiangsu Trigiant" below. As at 21 June 2007, an aggregate of US$7 million of the registered capital of Jiangsu Trigiant had been paid up by Trigiant Singapore. Trigiant Singapore was then wholly-owned by Abraholme, which in turn was wholly-owned by Ms. Wu Di.

Mr. Qian met Ms. Wu Di in Singapore and became acquainted with her in November 2004. Ms. Wu Di, a Singaporean, was introduced to Mr. Qian (while he was working for Hengxin (Jiangsu)) by OEC in order to assist Mr. Qian in establishing business connections in Singapore. In the second half of 2007, Ms. Wu Di orally invited Mr. Qian, who has experience in managing business in the RF coaxial cables industry, to join Trigiant Singapore as a shareholder and director to further the business development of Trigiant Singapore. Subsequently on 9 November 2007, Ms. Wu Di entered into a reorganisation and joint venture agreement (the "Reorganisation and Joint Venture Agreement") with 17 investors (the "Investors"), including Mr. Qian, Mr. Xia Jie, Mr. Jiang Wei, Mr. Jiang Xinhong, Mr. Sun Huxing, Mr. Sun Xue Lin, Mr. Dai Xiaolin, Mr. Yu Daxiong, Mr. Sun Jinrong, Mr. Shen Xinren, Mr. Sun Jianxin, Mr. Zhu Ronghua, Mr. Zhang Rongming, Mr. Gu Quanming, Mr. Dong Jingen, Mr. Toe Teow Heng and Mr. Shi Zhengkang. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus. Pursuant to the Reorganisation and Joint Venture Agreement, (i) the Investors should, through various BVI companies controlled by them, provide a total sum of US$30 million to Trigiant Singapore; (ii) Trigiant Singapore should allot and issue new shares to the Investors pro rata to the contributions made by each of the Investors; (iii) Trigiant Singapore should inject capital of US$13 million into Jiangsu Trigiant; and (iv) Mr. Qian should be appointed as the chairperson of the board of directors of both Trigiant Singapore and Jiangsu Trigiant. The parties acknowledged that the said total sum of US$30 million included the US$7 million previously provided to Trigiant Singapore by way of shareholder's loan by Ms. Wu Di, which sum had been used to contribute to the registered capital of Jiangsu Trigiant.

On 15 November 2007, Abraholme, Forerich, Premo Superior Investments Limited, Globalwealth Resources Limited, Headwell, Noble Luck Investments Limited and Zymmetry, being the BVI companies controlled by Ms. Wu Di and the Investors (collectively known as the "Lenders"), and Trigiant Singapore entered into a loan agreement (the "Loan Agreement"), pursuant to which: (i) the Lenders have agreed to advance interest-free loans of an aggregate sum of US$30 million and S$60,000 (the "Loan") to Trigiant Singapore, of which US$11.55 million and S$23,100 was to be advanced by Abraholme; US$7.5 million and S$15,000 by Forerich; US$3 million and S$6,000 by Premo Superior Investments Limited; US$1.05 million and S$2,100 by Globalwealth Resources Limited; US$3.3 million and S$6,600 by Headwell; US$2.7 million and S$5,400 by Noble Luck Investments Limited; and US$900,000 and S$1,800 by Zymmetry; (ii) upon the disbursement of the Lender's respective portions of the Loan, the Lenders were entitled to subscribe for an aggregate of 999 new shares to be allotted by Trigiant Singapore at S$1 per share pro rata to their respective contributions to the Loan.

Pursuant to the Reorganisation and Joint Venture Agreement and the Loan Agreement:

(i) in December 2007, Abraholme, Forerich, Premo Superior Investments Limited, Globalwealth Resources Limited, Headwell, Noble Luck Investments Limited and Zymmetry provided the Loan to Trigiant Singapore;

(ii) on 26 December 2007, Mr. Qian joined Trigiant Singapore as a director; and

(iii) on 26 December 2007, Trigiant Singapore allotted and issued 999 new shares at S$1 each, amongst which 384 shares, representing 38.4% of its enlarged issued share capital, were allotted and issued to Abraholme for S$384; 250 shares, representing 25% of its enlarged issued share capital, were allotted and issued to Forerich for S$250; 100 shares, representing 10% of its enlarged issued share capital, were allotted and issued to Premo Superior Investments Limited for S$100; 35 shares, representing 3.5% of its enlarged issued share capital, were allotted and issued to Globalwealth Resources Limited for S$35; 110 shares, representing 11% of its enlarged issued share capital, were allotted and issued to Headwell for S$110; 90 shares, representing 9% of its enlarged issued share capital, were allotted and issued to Noble Luck Investments Limited for S$90; and 30 shares, representing 3% of its enlarged issued share capital, were allotted and issued to Zymmetry for S$30.

At the relevant time, each of Forerich and Headwell was held as to 50% by Mr. Qian. The monies that Forerich and Headwell paid to Trigiant Singapore as their respective contributions to the Loan and for subscribing shares in Trigiant Singapore were mainly funded by Mr. Qian. The funds came from the proceeds of sales of certain shares in Hengxin (Singapore) between May and November 2007 which were held by Mr. Qian through Siskin Investment Limited. The above shareholding structure of Trigiant Singapore remained the same as at 29 December 2009, being the date on which the equity interest in Jiangsu Trigiant was transferred to Trigiant Hong Kong.

The shareholding structure of the shareholders of Trigiant Singapore as at 26 December 2007 was as follows:

(a) Abraholme was wholly owned by Ms. Wu Di;

(b) Forerich was owned as to 50% by Mr. Qian, 15% by Mr. Shen Xinren, 12% by Mr. Sun Jinrong, 11% by Mr. Sun Xue Lin, 7% by Mr. Dai Xiaolin and 5% by Mr. Yu Daxiong, each currently being either a director or an employee of the Group;

(c) to the best knowledge of the Directors, Premo Superior Investments Limited was owned as to 50% by each of Sun Jianxin and Zhu Ronghua, each being an Independent Third Party;

(d) to the best knowledge of the Directors, Globalwealth Resources Limited was owned as to 42% by Zhang Rongming, 40% by Gu Quanming, 9% by Dong Jingen, and 9% by Shi Zhengkang, each being an Independent Third Party;

(e) Headwell was owned as to 50% by Mr. Qian, 16% by Mr. Jiang Wei, an executive Director, and 12% by Mr. Jiang Xinhong, a senior management staff of the Group, 14% by Mr. Xia Jie and 8% by Mr. Sun Huxing. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus;

(f) Noble Luck Investments Limited was owned as to 19.61% by ICH Limited (which was owned as to approximately 57.94% by Toe Teow Teck, approximately 26.00% by Toe Teow Heng, approximately 5.00% by Cheah Chow Seng, approximately 2.78% by Rich China Industrial Limited, approximately 2.27% by Flextronics Plastics (Singapore) Pte Ltd., approximately 1.69% by Wang Lan, Loni, approximately 1.60% by Danny Tak Tim Chan, approximately 1.36% by Stellar Group, Inc. and approximately 1.36% by Chun Sing Investment Limited), 35.95% by Newyard Worldwide Holdings Ltd. (which was owned as to 70% by Ren Yuanlin and 30% by Xiang Jianjun), and 44.44% by Beeston Invest & Trade Inc. (which was owned equally by Toe Teow Teck and Toe Teow Heng); and

(g) Zymmetry was wholly owned by Toe Teow Heng.

On 18 December 2009, the shareholding structure of each of Forerich and Headwell was changed. The shareholding structure of Abraholme was changed on 19 December 2009. The shareholding structure of each of Abraholme, Forerich and Headwell as at 19 December 2009 was as follows and remained the same since then:

(a) Abraholme was owned as to 80% by Mr. Qian, and 20% by Ms. Wu Di;

(b) Forerich was owned as to 30% by Mr. Shen Xinren, 24% by Mr. Sun Jinrong, 22% by Mr. Sun Xue Lin, 14% by Mr. Dai Xiaolin and 10% by Mr. Yu Daxiong, each currently being either a Director or an employee of the Group; and

(c) Headwell was owned as to 32% by Mr. Jiang Wei, an executive Director, 24% by Mr. Jiang Xinhong, a senior management staff of the Group, 28% by Mr. Xia Jie and 16% by Mr. Sun Huxing. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus.

As a result of the change in the shareholding structure of each of Abraholme, Forerich and Headwell as described above, the indirect interest of Mr. Qian in Jiangsu Trigiant increased by 26.4%, from 18% to 44.4%.

Based on the unaudited management accounts of Trigiant Singapore for the 11 months ended 30 November 2009, as at 30 November 2009, the consolidated net asset value of Trigiant Singapore was approximately RMB129.6 million and Abraholme's pro-rata share of such net asset value based on its 38.5% shareholding in Trigiant Singapore as at 30 November 2009, was approximately RMB49.9 million. Eight shares in Trigiant Singapore were allotted and issued to Mr. Qian at US$1 per share in consideration of the contribution made by Mr. Qian to the business development of Jiangsu Trigiant, Mr. Qian's expertise in the information and telecommunications industry and the adjustment of the proportion of shareholder's loan advanced to Abraholme by Ms. Wu Di and Mr. Qian. In particular, a shareholder's loan in the amount of US$7.92 million advanced to Abraholme by Ms. Wu Di was repaid by Mr. Qian on behalf of Abraholme. Such amount represented 26.4% of the US$30 million shareholders' loan advanced to Trigiant Singapore by Ms. Wu Di and the Investors pursuant to the Reorganisation and Joint Venture Agreement.

On 28 December 2009, Trigiant Singapore as vendor and Trigiant Hong Kong (then known as Chinese Team Limited) as purchaser entered into an agreement for the sale and purchase of the entire registered capital of Jiangsu Trigiant at a consideration of US$30 million, being the paid-up registered capital of US$30 million of Jiangsu Trigiant as at 29 December 2009. Upon settlement of the consideration and completion of the transfer of the equity interest in Jiangsu Trigiant on 29 December 2009, Jiangsu Trigiant became a wholly-owned subsidiary of Trigiant Hong Kong and Trigiant Singapore ceased to hold any interest in Jiangsu Trigiant. As at the Latest Practicable Date, Trigiant Singapore was undergoing the voluntary winding up process.

(B) The Group members

(1) Jiangsu Trigiant

Jiangsu Trigiant, the principal operating subsidiary of the Group, was established by Trigiant Singapore in Yixing City, Jiangsu Province, PRC as a wholly foreign-owned enterprise on 15 March 2007 with a registered capital of US$20 million and a total investment of US$49.8 million. At the time of establishment, Mr. Xia Jie, Mr. Jiang Xinhong, Mr. Sun Huxing and Mr. Dai Xiaolin were appointed as directors and Ms. Wu Di was appointed as a director, the chairperson of the board of directors, general manager and legal representative of Jiangsu Trigiant. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus. On 10 November 2007, Mr. Qian was appointed as a director, the chairperson of the board of directors and legal representative and Mr. Jiang Wei was appointed as a director of Jiangsu Trigiant. On the same day, Ms. Wu Di resigned from all her positions in Jiangsu Trigiant as she considered that Mr. Qian and Mr. Jiang Wei were more capable of managing Jiangsu Trigiant, given their respective management experiences in the relevant industry. Since then, Ms. Wu Di has not been involved in the management of Jiangsu Trigiant directly or indirectly. Apart from being a founder of the Group and an ultimate beneficial owner of the Company, Ms. Wu Di has not had any past relationship and does not have any present relationship with the Company, its subsidiaries, their directors, shareholders, senior management or any of their respective associates.

At the time of establishment, the business scope of Jiangsu Trigiant included new-type electronic component development, manufacture and technical service, manufacture of special cables and mobile communications switching equipment and sales of its manufactured products.

In April 2008, the business scope of Jiangsu Trigiant was expanded to include manufacturing of RF coaxial cables, the manufacturing of wooden cable rollers and packaging services. The business scope of Jiangsu Trigiant was further expanded to include manufacturing of flexible cables in June 2009 to cope with the business development of the Group.

On 25 June 2009, Jiangsu Trigiant was approved to increase its registered capital to US$30 million and its total investment to US$74.8 million. A capital verification report of Jiangsu Trigiant dated 29 June 2009 indicates that the increased registered capital had been paid up in full as at 25 June 2009.

On 29 December 2009, upon completion of the acquisition of Jiangsu Trigiant by Trigiant Hong Kong, Jiangsu Trigiant became a wholly-owned subsidiary of Trigiant Hong Kong.

As advised by the PRC Legal Adviser, all necessary administrative and legal procedures and requirements in relation to the establishment (and the contribution of the registered capital by the then equity holders), increases in registered capital, changes in equity interests in and legal status of Jiangsu Trigiant have been complied with.

(2) Trigiant Hong Kong

Trigiant Hong Kong was incorporated in Hong Kong on 8 December 2009 under the name "Chinese Team Limited (浚添有限公司)" and changed its name to its present name on 4 January 2010. On 28 December 2009, Trigiant BVI acquired the one founder member share, representing the then entire issued share capital of Trigiant Hong Kong, from the founder member of Trigiant Hong Kong at par. Subsequent to such acquisition, Trigiant Hong Kong became a wholly-owned subsidiary of Trigiant BVI.

On the same day Trigiant BVI acquired the founder share in Trigiant Hong Kong, Trigiant Hong Kong and Trigiant Singapore entered into an agreement for the acquisition of the entire registered capital of Jiangsu Trigiant. Completion of the acquisition took place on 29 December 2009, upon which Jiangsu Trigiant became a wholly-owned subsidiary of Trigiant Hong Kong.

(3) Trigiant BVI

Trigiant BVI was incorporated in BVI on 12 May 2004 under the name "New Bright Assets Management Limited" and changed its name to "Cenarion Investments Ltd" on 17 May 2007 and further changed its name to its present name on 30 December 2009.

As at 1 January 2008, being the date of commencement of the Track Record Period, Trigiant BVI was owned by Chen Li and Loo Wen Lieh in equal shares.

On 23 December 2009, the shareholding structure of Trigiant BVI changed as a result of (i) the acquisition of its then entire issued share capital by Abraholme at the consideration of US$2.00 and (ii) its allotment and issue of new shares to Abraholme, Forerich, Headwell, Zymmetry and Ace Speed at par. Subsequent to such share acquisition and the allotment and issue of new shares, Trigiant BVI was owned as to 55.5% by Abraholme, 25% by Forerich, 5.5% by Headwell, 12% by Zymmetry and 2% by Ace Speed. The shareholding structure of the shareholders of Trigiant BVI as at 23 December 2009 were as follows:

(a) Abraholme was owned as to 80% by Mr. Qian, and 20% by Ms. Wu Di;

(b) Forerich was owned as to 30% by Mr. Shen Xinren, 24% by Mr. Sun Jinrong, 22% by Mr. Sun Xue Lin, 14% by Mr. Dai Xiaolin and 10% by Mr. Yu Daxiong, each currently being either a director or an employee of the Group;

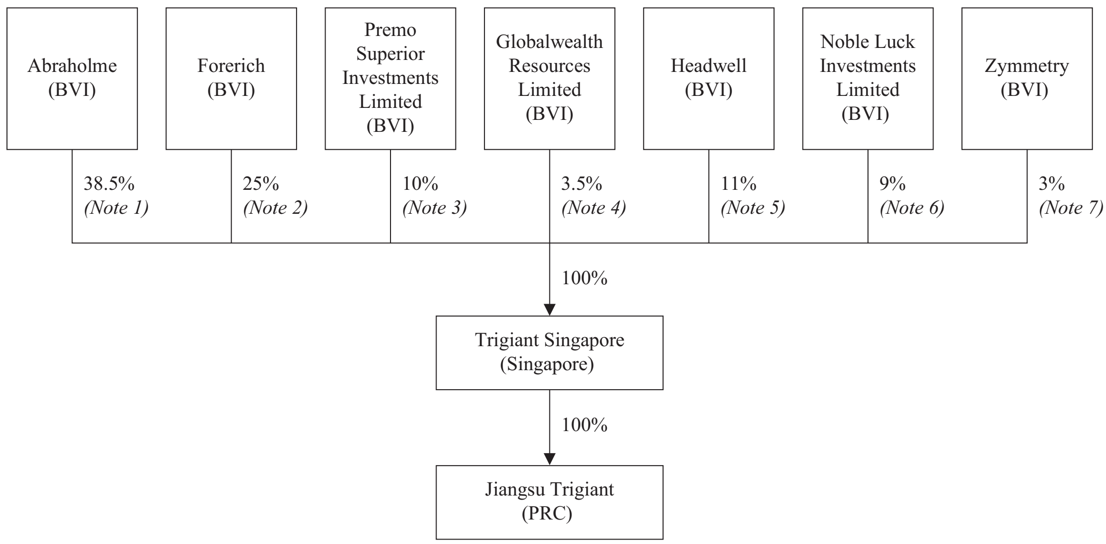
(c) Headwell was owned as to 32% by Mr. Jiang Wei, an executive Director, and 24% by Mr. Jiang Xinhong, a senior management staff of the Group, 28% by Mr. Xia Jie and 16% by Mr. Sun Huxing. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus;

(d) Zymmetry was wholly owned by Toe Teow Heng; and

(e) Ace Speed was wholly owned by China World Agents Limited, which was in turn wholly owned by Goi Seng Hui.

The following charts set out the shareholding structure of Jiangsu Trigiant immediately prior to and following the acquisition of Jiangsu Trigiant by Trigiant Hong Kong on 29 December 2009:

Shareholding structure of Jiangsu Trigiant immediately prior to its acquisition by Trigiant Hong Kong on 29 December 2009



Notes:

1. Abraholme was owned as to 80% by Mr. Qian and 20% by Ms. Wu Di.

2. Forerich was owned as to 30% by Mr. Shen Xinren, 24% by Mr. Sun Jinrong, 22% by Mr. Sun Xue Lin, 14% by Mr. Dai Xiaolin, and 10% by Mr. Yu Daxiong, each currently being an employee of the Group.

3. To the best knowledge of the Directors, Premo Superior Investments Limited was owned as to 50% by each of Sun Jianxin and Zhu Ronghua, each being an Independent Third Party.

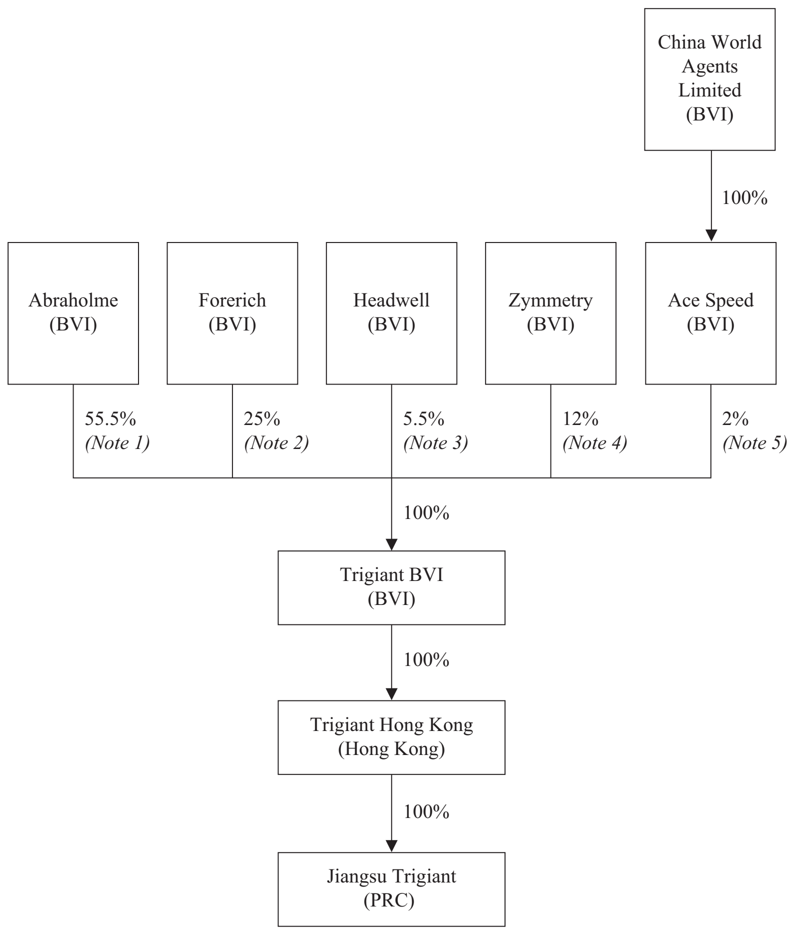
4. To the best knowledge of the Directors, Globalwealth Resources Limited was owned as to 42% by Zhang Rongming, 40% by Gu Quanming, 9% by Dong Jingen, and 9% by Shi Zhengkang, each being an Independent Third Party.

5. Headwell was owned as to 32% by Mr. Jiang Wei, an executive Director, and 24% by Mr. Jiang Xinhong, a senior management staff of the Group, 28% by Mr. Xia Jie and 16% by Mr. Sun Huxing. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus.

6. Noble Luck Investments Limited was owned as to 19.61% by ICH Limited (which was owned as to approximately 57.94% by Toe Teow Teck, approximately 26.00% by Toe Teow Heng, approximately 5.00% by Cheah Chow Seng, approximately 2.78% by Rich China Industrial Limited, approximately 2.27% by Flextronics Plastics (Singapore) Pte Ltd., approximately 1.69% by Wang Lan, Loni, approximately 1.60% by Danny Tak Tim Chan, approximately 1.36% by Stellar Group, Inc. and approximately 1.36% by Chun Sing Investment Limited), 35.95% by Newyard Worldwide Holdings Ltd. (which was owned as to 70% by Ren Yuanlin and 30% by Xiang Jianjun), and 44.44% by Beeston Invest & Trade Inc. (which was owned equally by Toe Teow Teck and Toe Teow Heng).

7. Zymmetry was wholly owned by Toe Teow Heng.

Shareholding structure of Jiangsu Trigiant immediately following its acquisition by Trigiant Hong Kong on 29 December 2009



Notes:

1. Abraholme was owned as to 80% by Mr. Qian and 20% by Ms. Wu Di.

2. Forerich was owned as to 30% by Mr. Shen Xinren, 24% by Mr. Sun Jinrong, 22% by Mr. Sun Xue Lin, 14% by Mr. Dai Xiaolin and 10% by Mr. Yu Daxiong, each currently being an employee of the Group.

3. Headwell was owned as to 32% by Mr. Jiang Wei, an executive Director, and 24% by Mr. Jiang Xinhong, a senior management staff of the Group, 28% by Mr. Xia Jie and 16% by Mr. Sun Huxing. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed ”Ex-senior management” in the section headed “Directors, Senior Management and Staff” in this prospectus.

4. Zymmetry was wholly owned by Toe Teow Heng.

5. Ace Speed was owned wholly owned by China World Agents Limited, which was in turn wholly owned by Goi Seng Hui.

For illustrative purposes, the following table sets out the attributable interests of the ultimate individual beneficial owners of Jiangsu Trigiant immediately prior to and following its acquisition by Trigiant Hong Kong on 29 December 2009 who were either a Director or an employee of the Group and Ms. Wu Di:

Name of beneficial shareholder	Attributable interests in Jiangsu Trigiant (%) Immediately prior to the acquisition of Jiangsu Trigiant by Trigiant Hong Kong on 29 December 2009 *(Note 1)*	Immediately following the acquisition of Jiangsu Trigiant by Trigiant Hong Kong on 29 December 2009 *(Note 2)*
Ms. Wu Di	7.70	11.10
Mr. Qian *(Note 3)*	30.80	44.40
Mr. Jiang Wei *(Note 3)*	3.52	1.76
Mr. Jiang Xinhong *(Note 4)*	2.64	1.32
Mr. Sun Xue Lin *(Note 4)*	5.50	5.50
Mr. Dai Xiaolin *(Note 4)*	3.50	3.50
Mr. Yu Daxiong *(Note 4)*	2.50	2.50
Mr. Sun Jinrong *(Note 4)*	6.00	6.00
Mr. Shen Xinren *(Note 4)*	7.50	7.50
Mr. Xia Jie *(Note 5)*	3.08	1.54
Mr. Sun Huxing *(Note 5)*	1.76	0.88
Independent Third Parties	25.50	14.00
Total:	100.00	100.00

Notes:

1. The attributable interests is calculated by multiplying the shareholding of the individual concerned in the relevant corporate shareholder of Trigiant Singapore by the shareholding interest of that corporate shareholder in Trigiant Singapore immediately prior to the acquisition of Jiangsu Trigiant by Trigiant Hong Kong on 29 December 2009.

2. The attributable interests is calculated by multiplying the shareholding of the individual concerned in the relevant corporate shareholder of Trigiant BVI by the shareholding interest of that corporate shareholder in Trigiant BVI immediately following the acquisition of Jiangsu Trigiant by Trigiant Hong Kong on 29 December 2009.

3. Each of Mr. Qian and Mr. Jiang Wei is an executive Director.

4. Each of Mr. Jiang Xinhong, Mr. Sun Xue Lin, Mr. Dai Xiaolin, Mr. Yu Daxiong, Mr. Sun Jinrong and Mr. Shen Xinren is an employee of the Group.

5. Each of Mr. Xia Jie and Mr. Sun Huxing was an employee of Jiangsu Trigiant immediately prior to and following the acquisition of Jiangsu Trigiant by Trigiant Hong Kong on 29 December 2009. Each of Mr. Xia Jie and Mr. Sun Huxing ceased to be an employee of Jiangsu Trigiant in May 2011. For details of previous positions held by Mr. Xia Jie in the Group and his resignations, please refer to the paragraph headed "Ex-senior management" in the section headed "Directors, Senior Management and Staff" in this prospectus.

On 23 August 2011, Trigiant BVI became the intermediate holding company of the Group following its acquisition by the Company as set out in the section headed "The Reorganisation" below.

(4) The Company

The Company was incorporated in the Cayman Islands by Codan Trust Company (Cayman) Limited on 23 December 2010 and became wholly owned by Abraholme on the same day. The subscriber's share in the Company held by Codan Trust Company (Cayman) Limited was transferred to Abraholme on the same day at nil consideration.

This shareholding structure of the Company remained unchanged until the Reorganisation, details of which are set out in the paragraph headed "The Reorganisation" below.

As set out in the paragraph headed "The Reorganisation" below, the Company became the holding company of the Group on 23 August 2011.

(C) Invested companies

(1) Jiangsu Opto-electrical

In March 2010, to further the business development of the Group in 3G communications and fibre-to-the-X (FTTX) industry, Jiangsu Trigiant invested RMB14 million to establish Jiangsu Opto-electrical to develop the business of manufacturing optical fibre and optical cable products. At the time of establishment, Jiangsu Opto-electrical was principally engaged in research and development, manufacturing and sale of optical fibre, optical cables, special cable series, electronic components and communication equipment etc. In accordance with the Group's existing business development plan and to further its business development, Jiangsu Opto-electrical required additional capital. Instead of seeking further capital injection from Jiangsu Trigiant, which had no plan to increase its original investment capital of RMB14 million, Jiangsu Opto-electrical sought additional capital by admitting new shareholders in March and June 2010 respectively. In March 2010, Jiangsu Opto-electrical increased its registered capital from RMB14 million to RMB70 million and admitted two new shareholders, namely 宜興市光迅通信設備有限公司 (Yixing City Guang Xun Communications Equipment Co., Ltd.*) (which engages in the business of sales of communications equipment and accessories, hardware and electric material, electronic products and cables) and 宜興市傑聯通信技術有限公司 (Yixing City Jie Lian Communications Technology Co., Ltd.*) (which engages in the business of research and development of communications technology and sales of communications equipment, cables and metal products), each being an Independent Third Party. The equity interest in Jiangsu Opto-electrical held by Jiangsu Trigiant was diluted from 100% to 20% as a result of the increase in registered capital. In June 2010, Jiangsu Opto-electrical further increased its registered capital from RMB70 million to RMB112 million and admitted another new shareholder, 宜興市新富環保設備有限公司 (Yixing City Xin Fu Environmental Protection Equipment Co., Ltd.*) (an Independent Third Party), which engages in the business of providing consultancy services on the manufacturing of environmental construction equipment and technology. The equity interest in Jiangsu Opto-electrical owned by Jiangsu Trigiant was further reduced to its current level of 12.5% as a result of the increase in registered capital in June 2010. As of the Latest Practicable Date, Jiangsu Opto-electrical has commenced manufacturing and sales of its products.

As advised by the PRC Legal Adviser, all necessary administrative and legal procedures and requirements in relation to the increases in registered capital of Jiangsu Opto-electrical have been complied with.

(2) Jiangsu Sensing

In March 2010, Jiangsu Trigiant invested RMB6 million to establish Jiangsu Sensing to further the Group's business development in the fibre-to-the-home (FTTH) industry and the business of manufacturing of programmable logic controller (PLC) optical splitters. At the time of establishment, Jiangsu Sensing was principally engaged in research and development, manufacturing and sales of RF identification systems, new type opto-electronic integrated components, opto-electronic integrated subsystems, microelectronic components and microelectronic smart label products etc. In accordance with the Group's existing business development plan and to further its business development, Jiangsu Sensing required additional capital. Instead of seeking further capital injection from Jiangsu Trigiant, which had no plan to increase its original investment capital of RMB6 million, Jiangsu Sensing sought additional capital by admitting new shareholders in March and June 2010 respectively. In March 2010, Jiangsu Sensing increased its registered capital from RMB6 million to RMB30 million and admitted two new shareholders, namely 宜興市博創網絡科技有限公司 (Yixing City Bo Chuang Network Technology Co., Ltd.*) (which engages in the business of research and development of computer network designs, development of computer software and sales of electronic products, general mechanical equipment and accessories, communications equipment and cables) and 宜興市恆隆通信技術有限公司 (Yixing City Heng Long Communications Technology Co., Ltd.*) (which engages in the business of research and development of communications technology and sales of communications equipment, cables and metal products), each being an Independent Third Party. The equity interest in Jiangsu Sensing held by Jiangsu Trigiant was diluted from 100% to 20% as a result of the increase in registered capital. In June 2010, Jiangsu Sensing further increased its registered capital from RMB30 million to RMB48 million and admitted another new shareholder, 江蘇泉溪環保股份有限公司 (Jiangsu Quanxi Environmental Protection Shares Co., Ltd.*) (an Independent Third Party), which engages in the business of manufacturing solid-liquid separation equipment and environmental products, designing and providing consultancy services on environmental construction and the imports and exports of various products and technologies. The equity interest in Jiangsu Sensing owned by Jiangsu Trigiant was further reduced to its current level of 12.5% as a result of the increase in registered capital in June 2010. As of the Latest Practicable Date, Jiangsu Sensing has commenced manufacturing and sales of its products.

As advised by the PRC Legal Adviser, all necessary administrative and legal procedures and requirements in relation to the increases in registered capital of Jiangsu Sensing have been complied with.

THE REORGANISATION

The companies comprising the Group underwent the Reorganisation to rationalise the Group structure in preparation for the Listing. As a result, the Company became the holding company of the Group.

The major steps of the Reorganisation are set out below:

Step 1: Incorporation of the Company which acts as the holding company of the Group

The Company was incorporated in the Cayman Islands on 23 December 2010 with an authorised share capital of HK$100,000 divided into 10,000,000 Shares. On 23 December 2010, one Share was allotted and issued nil-paid to Codan Trust Company (Cayman) Limited as subscriber's share which was subsequently transferred to Abraholme at nil consideration on the same date. On 23 August 2011, Abraholme transferred to Trigiant Investments the one nil-paid Share at nil consideration.

Step 2: Acquisition of Trigiant BVI

On 23 August 2011, Abraholme, Forerich, Headwell, Zymmetry and Ace Speed transferred to the Company their 55.5%, 25%, 5.5%, 12% and 2% interests (an aggregate total of 100%) in the issued share capital of Trigiant BVI respectively, and in consideration of which the Company (i) allotted and issued, credited as fully paid, 9,999,999 Shares to Trigiant Investments; and (ii) credited as fully paid at par the one nil-paid Share held by Trigiant Investments that was transferred from Abraholme. After such transfer, Trigiant BVI became wholly-owned by the Company as an intermediate investment holding company of the Group.

As a result of the share transfer and the allotment and issue of new Shares by the Company as indicated above, the Company became wholly-owned by Trigiant Investments. Each of Abraholme, Forerich, Headwell, Zymmetry and Ace Speed is a shareholder of Trigiant Investments holding 55.5%, 25%, 5.5%, 12% and 2% of the issued share capital of Trigiant Investments respectively.

The PRC Legal Adviser is of the opinion that (i) the Reorganisation and the Global Offering have complied with all relevant PRC laws and regulations, and (ii) the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (外國投資者併購境內企業的規定) which came into force on 8 September 2006 and was amended on 22 June 2009 are not applicable. As further advised by the PRC Legal Adviser, the ultimate beneficial owners of the Company who are PRC residents as defined under SAFE Circular No.75, namely Mr. Qian, Mr. Jiang Wei, Mr. Xia Jie, Mr. Jiang Xinhong, Mr. Sun Huxing, Mr. Shen Xinren, Mr. Sun Jinrong, Mr. Sun Xuelin, Mr. Dai Xiaolin and Mr. Yu Daxiong have registered with the SAFE Jiangsu Branch in respect of the establishment of their investments in Jiangsu Trigiant on 10 June 2010 and completed the necessary registration of the change with the SAFE Jiangsu Branch on 29 November 2011.

Further details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "Further information about the Group" in Appendix V to this prospectus.

OVERVIEW

Established in March 2007, the Group is one of the leading PRC manufacturers engaged in research, development and sales of RF coaxial cables series, new-type electronic components and other related accessories for use in mobile communications and telecommunications equipment. According to the notices issued by OEC in February 2011 and February 2012, which covered all major RF cables manufacturers in the PRC, Jiangsu Trigiant, the principal operating subsidiary of the Group, ranked first in terms of sales volume for RF cables among all RF cables manufacturers in the PRC in 2010 and 2011 respectively.

The Group has been named one of the top 50 communications equipment suppliers by Communications Weekly (通信產業報社) and China Joint Center for Case Management (中國管理案例聯合中心) four times. The Group was also awarded "Top 10 Feeder Cable Suppliers (ranked first) (十大饋線供應商 (第一名))" by Communications Weekly (通信產業報社), "China 3G Construction and Innovation Achievement Award (中國 3G建設與創新成就獎)" in 2009, and "Core Company for Optical Cables in China Communication Industry (中國通信光電纜行業核心企業)" by the Electrical Cable and Wire Branch of China Electrical Equipment Industry Association (中國電器工業協會電線電纜分會) and OEC, "Key Enterprise of State Torch Program (國家火炬計劃骨幹企業)" by Torch High Technology Industry Development Center, Ministry of Science and Technology of PRC (中華人民共和國科學技術部火炬高技術產業開發中心), "Jiangsu Province Leading Innovation Development Enterprise" (江蘇省創新發展先導企業) by The Jiangsu Province Enterprise Engineering Association (江蘇省企業發展工程協會), "2011 Outstanding Innovative Contribution to The Information Industry Enterprise" (2011中國信息產業創新突出貢獻企業) by The China Electronics Information Industry Development Research Institute (中國電子信息產業發展研究院) and "Top 100 PRC Electronic Component Enterprises (ranked 23rd) (中國電子元件百強企業(第23名))" by the Operation Supervision Coordination Bureau of MIIT and CECA in 2011.

The principal products of the Group are RF coaxial cables series (including RF cables for mobile communications and leaky coaxial cables). In FY2009, FY2010 and FY2011, sales of the RF coaxial cables series of the Group accounted for approximately 71.8%, 92.5% and 91.5% of its total turnover respectively. In addition, the Group manufactures and sells new-type electronic components (such as RF coaxial connectors, antenna lightning arresters and jumpers) and other related accessories (such as flame-retardant flexible cables, splitters, couplers and combiners). The products of the Group are used in the transmission systems of telecommunications operators and service providers and major equipment manufacturers in the PRC. In particular, the products can be applied in different mobile network systems, highways, railways, tunnels, underground facilities, and high-rise buildings.

Set out below is the segment turnover of the Group during the Track Record Period:

Segment turnover

	FY2009		FY2010		FY2011	
	RMB'000	*% of total turnover*	*RMB'000*	*% of total turnover*	*RMB'000*	*% of total turnover*
Segment						
RF coaxial cables series	620,983	71.8%	1,304,738	92.5%	1,667,077	91.5%
New-type electronic components	169,615	19.6%	73,138	5.2%	87,715	4.8%
Others	74,411	8.6%	32,903	2.3%	67,955	3.7%
Total	865,009	100%	1,410,779	100%	1,822,747	100%

The Group derives its sales principally from the PRC, where it has an experienced sales force and a distribution network covering 31 provinces and municipalities. A majority of the turnover of the Group during the Track Record Period came from the sales of products to the three major telecommunications operators in the PRC, namely China Unicom, China Mobile and China Telecom, as well as equipment manufacturers, including Shenzhen Zhongxin Kangxun Electronics Co., Ltd. (深圳市中興康訊電子有限公司), a subsidiary of ZTE Corporation (中興通訊股份有限公司).

Since 2008, the Group has formed stable business relationships with the three major telecommunications operators in the PRC. The Group's sales to the three major telecommunications operators in the PRC during the Track Record Period are set out below:

	FY2009		FY2010		FY2011	
	RMB (million)	*% of total turnover*	*RMB (million)*	*% of total turnover*	*RMB (million)*	*% of total turnover*
China Unicom	745.0	86.1%	1,016.0	72.0%	563.3	30.9%
China Mobile	29.4	3.4%	294.1	20.8%	1,120.4	61.5%
China Telecom	37.3	4.3%	38.6	2.7%	31.7	1.7%
Total	811.7	93.8%	1,348.7	95.5%	1,715.4	94.1%

In FY2009 and FY2010, sales to China Unicom, the largest customer of the Group, were approximately RMB745.0 million and RMB1,016.0 million respectively and accounted for approximately 86.1% and 72.0% of its total turnover respectively. In FY2011, China Mobile was the largest customer of the Group and sales to China Mobile in FY2011 was approximately RMB1,120.4 million and accounted for approximately 61.5% of the total turnover of the Group. In FY2009, FY2010 and FY2011, sales to the top five customers of the Group were approximately RMB857.0 million, RMB1,384.4 million and RMB1,778.0 million respectively and accounted for approximately 99.1%, 98.1% and 97.5% of its total turnover respectively. In addition to sales in the PRC, products of the Group are also exported overseas to India, Russia, Brazil and Southeast Asia, where the Group intends to capture local market share.

The Group is committed to maintaining its market position in the RF coaxial cables industry in China by enhancing its research and development capabilities and increasing its market competitiveness through improving product quality. Jiangsu Trigiant was accredited as a high and new technology enterprise (高新技術企業) jointly by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳), Finance Department of Jiangsu Province (江蘇省財政廳), Jiangsu Province State Administration of Taxation (江蘇省國家稅務局) and Jiangsu Province Local Taxation Bureau (江蘇省地方稅務局) in March 2009. As at the Latest Practicable Date, Jiangsu Trigiant has applied for a review of its high and new technology enterprise status which is due to expire in March 2012. The application has passed the preliminary review of the Yixing City Management Working Committee for High and New Technology Enterprise Recognition, and according to the notice dated 6 February 2012 issued by the Yixing City Management Working Committee for High and New Technology Enterprise Recognition, a new certificate is expected to be issued in May 2012, subject to completion of the review process. If Jiangsu Trigiant fails to obtain the new certificate, the applicable enterprise income tax rate for Jiangsu Trigiant will be 25% in 2013. The Group has obtained 22 patents and is in the process of applying for another 15 patents in the PRC for its cable products and accessories. As at the Latest Practicable Date, the Group developed 43 new varieties of RF coaxial cables, new-type electronic components and other related accessories. In recognition of its advanced research and development capabilities, the Group has received Advanced Technology Product Certificate (高新技術產品認定證書) from the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳) for 14 of its products.

Products of the Group are of high quality, as evidenced by the awards and certifications given to its products by various organisations such as TL Certification Center (泰爾認證中心) and China Quality Certification Centre (中國質量認證中心). The Group received an ISO9001:2000 certification in 2007 for its quality control management. The Directors believe such awards and certifications can help the Group attract and secure new customers, thereby strengthening the competitiveness of the Group in the PRC market.

The Group has experienced remarkable growth in its business in recent years. Its turnover increased from approximately RMB865.0 million in FY2009 to approximately RMB1,410.8 million in FY2010 and further increased to approximately RMB1,822.7 million in FY2011, representing a CAGR of approximately 45.2%. During FY2009, FY2010 and FY2011, net profit of the Group attributable to owners of the Company were approximately RMB85.3

million, RMB151.3 million and RMB206.8 million, respectively, representing a CAGR of approximately 55.7%. To the best knowledge of the Directors, the significant growth in sales of the RF coaxial cables series of the Group during the Track Record Period was primarily attributable to the focus of the Group on the provision of quality products and after-sales service to its customers.

COMPETITIVE STRENGTHS

The Directors believe that the Group has the following competitive strengths:

Strong research and development capabilities

As of the Latest Practicable Date, the Group had developed 43 new varieties of RF coaxial cables, new-type electronic components and other related accessories and had obtained 22 patents in the PRC for its products. The Group is dedicated to continuously innovating and developing new products to meet diverse market needs. As the wireless mobile network infrastructure continues to develop, the Group has to ensure that its products are up-to-date when customers migrate to third generation (3G) networks and fourth generation (4G) networks. As at 31 December 2011, the Group had a research and development team comprising 64 professional technical personnel, most of whom had completed at least tertiary education and had accumulated related experience and expertise in the PRC cables industry.

As at the Latest Practicable Date, 15 patent applications in relation to the products of the Group have been submitted to the State Intellectual Property Bureau of the PRC (中華人民共和國國家知識產權局) and are under examination. In addition, the Group has received the Advanced Technology Product Certificate (高新技術產品認定證書) issued by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳) for 14 of its products.

In March 2009, Jiangsu Trigiant was accredited as a high and new technology enterprise (高新技術企業) jointly by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳), Finance Department of Jiangsu Province (江蘇省財政廳), Jiangsu Province State Administration of Taxation (江蘇省國家稅務局) and Jiangsu Province Local Taxation Bureau (江蘇省地方稅務局). In 2010, with the approval from the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳), the Group established Jiangsu Information Transmission Technology Engineering Research Center (江蘇信息傳輸工程技術研究中心). The centre has developed two products, namely, broadband environmentally-friendly RF cables (寬頻綠色環保射頻電纜) and high-speed special optical cables used for Internet of Things (物聯網系統用高速率特種光纜). As at the Latest Practicable Date, the centre is developing two new products, namely, NM-¼” L RF coaxial connector (NM-¼” L射頻同軸連接器) and NF-¼” L RF coaxial connector (NF-¼” L射頻同軸連接器).

The Group believes that its research and development capabilities will consistently improve the quality of its products and broaden the varieties of products offered to meet the changing needs of its customers.

Experienced sales and marketing team with extensive sales and distribution network

The Group has an extensive sales and distribution network covering 31 provinces and municipalities in the PRC. As of the Latest Practicable Date, the Group sold its products to 28 out of 31 provincial branches of China Unicom, 22 out of 31 provincial subsidiaries of China Mobile and 22 out of 31 provincial subsidiaries of China Telecom. Over the years since its establishment, the Group has set up a strong sales and marketing team, which, as at 31 December 2011, consisted of 44 experienced sales personnel. Sales personnel of the Group are strategically located throughout the PRC, and are able to timely and efficiently market products to existing and potential customers. In addition, they are trained to provide quality pre-sales, during-sales and after-sales services to customers, to ensure and maintain a close and good working relationship between the Group and its customers. To effectively serve customers in various markets and ensure efficient allocation of resources, the sales and marketing department of the Group comprises eight divisions which handle sales to domestic customers in different provinces and municipalities, one overseas division which handles sales to overseas customers and one sales management division. For further details, please refer to the paragraph headed "Sales and Marketing" in this section.

The Directors believe that the extensive sales and distribution network of the Group helps to maintain good working relationships with its customers and capture business opportunities both in the PRC and overseas markets.

High quality control standards

Leveraging on its solid experience and strong research and development capabilities in the industry, the Group is able to develop and produce high quality products. With over four years of industry experience, the "Trigiant" brand has become a well-recognised brand name for RF coaxial cables in the PRC. This is evidenced by a variety of awards and certifications the Group has received in recognition of its products and services, as well as the increasing purchase orders from customers.

The Group has adopted a standardised quality management system throughout the various stages of production, including production process and inspection of finished products, in order to maintain quality control standards. Jiangsu Trigiant, the principal PRC operating subsidiary of the Group, was awarded the ISO9001:2000 certification by TL Certification Center (泰爾認證中心) (then known as China Information and Industry Department, Telecommunications Certification Centre) (中國信息產業部郵電通信質量管理體系認證中心) in 2007. The certification was then upgraded to ISO9001:2008 certification in October 2009. In addition to the internal quality controls, its products are also required to comply with various industry technical standards promulgated by PRC authorities. For details of the industry technical standards, please refer to the paragraph headed "Quality Control" in this section.

Comprehensive range of products

The Group offers a comprehensive range of products including RF cables for mobile communications, leaky coaxial cables, RF coaxial connectors, antenna lightning arresters, jumpers and antenna components. These cables and related components offer customers a one-stop solution service for signal transmission in mobile communications as well as for new generation wireless broadband mobile network systems, which saves them time from having to visit multiple suppliers for the products they need. In addition, the leaky coaxial cables series play an important role in a wireless communication network, especially in areas where signal coverage through conventional antennas is low, such as railways, underground mines, tunnels and high-rise buildings. Main products of the Group are set out under the paragraph headed "Products" in this section.

Strong customer base

The Group has built a strong customer base with the three major telecommunications operators in the PRC, namely China Unicom, China Mobile and China Telecom. China Unicom, China Mobile and China Telecom have been customers of the Group since 2008. There has not been any material default in payment by any of the three major customers during the Track Record Period. Save as disclosed in the paragraph headed "Quality Control" in this section, the Group had not received material complaints from any of the major customers during the Track Record Period.

Advanced manufacturing technology and large-scale production capacity

Since the Group is relatively new to the RF coaxial cables industry compared with other existing manufacturers, the Directors believe that most of the production equipment used by the Group are comparatively new and advanced, thereby allowing the Group to produce high quality products, while minimizing product quality issues. With a view towards enhancing its product quality and production efficiency, the Group invested in new and advanced manufacturing equipment. Major production equipment for the manufacturing of RF coaxial cables series and some new-type electronic components were imported from Austria, Germany, Japan and the United States. The Group also purchased advanced inspection and testing instruments from overseas suppliers. By constantly expanding its production capacity, the Group is equipped to meet increasing market demand. As of the Latest Practicable Date, the Group had 34 production lines for RF coaxial cables series; 16 production lines for flame-retardant flexible cable series and 44 production lines for new-type electronic components. The scale of production capacity of the Group enables it to reduce production and operational costs and to achieve economies of scale which in turn increases the market competitiveness of its products.

Experienced management team and technical staff

The Directors believe that the skilled management team and technical staff of the Group is one of the key factors contributing to the success of the Group. The management team of the Company, led by Mr. Qian, an executive Director and the chairman of the Board, has more than 20 years of operations and management experience in the communication cables industry. A majority of the senior management team has accumulated technical expertise and experience in the information and telecommunications industry and has been with the Group since its establishment in 2007. Furthermore, the Directors and senior management have been instrumental in instilling and fostering a distinctive corporate culture that promotes responsibility, achievement and innovation, which in turn encourages the consistent delivery of quality products.

As at 31 December 2011, the Group had 430 skilled production workers, and in particular, a research and development team comprised 64 professional technical personnel responsible for developing new products and upgrading existing products. Under the leadership of its management team, the Group has achieved significant growth in business during the Track Record Period.

BUSINESS STRATEGIES

The business objectives of the Group are to expand its production capacity, broaden its product range and maintain its leading position in the RF coaxial cables industry in the PRC.

Set out below are the business strategies of the Group:

Strengthen research and development capabilities

The Directors believe that one of the key competitive advantages of the Group over its competitors is its strong research and development capabilities. The Group will continue to upgrade and improve its technology platform by investing in research and development. While keeping its focus on RF coaxial cables series for mobile communications and telecommunications equipment, as well as other new-type electronic components, the Group also intends to utilise its research and development capability to develop new versions of existing products such as aluminum cables, 3G leaky coaxial cables, connectors, high frequency connectors, multi-core flexible cables and fire resistant cables and to enhance product quality and safety.

Diversify product range

Driven by the PRC government policies to integrate its three existing networks and implement "fibre to the home" (光纖到戶) network infrastructure, market demand for fibre, ribbon cable and other optical accessories is expected to grow significantly. To meet this potentially strong market demand and capture the accompanying business opportunities, the Group intends to strengthen its research and development efforts on fibre, ribbon cable and other optical accessories and commence mass production of these products in the future.

Through its strong research and development capabilities, the Group is also equipped to expand the scope and application of its products to serve a broader range of customers in different industries.

Expand market share in the PRC

In addition to RF coaxial cables series which are widely used by current PRC telecommunications operators, the Group also has self-developed aluminum telecommunications cables, leaky cables and low-attenuation cables. The flexible cables for 3G mobile telecommunications developed by the Group have been widely accepted among the PRC telecommunications operators. The Group intends to take advantage of its 3G products to enhance its market share and standing among major telecommunications operators in the PRC.

Leveraging on its relationship with the three major telecommunications operators in the PRC, the Group intends to attract new business from provincial branches or subsidiaries of the three major PRC telecommunications operators with which the Group has yet to establish a business relationship. The Group also intends to bid for high-profile projects such as network coverage upgrade, urban high-rise indoor signal coverage and network operation maintenance. The Directors believe that these target business opportunities will help business growth and expand its market share in the PRC across a suite of products.

Broaden the sales and distribution network of the Group

The Group intends to strengthen its sales and marketing efforts by setting up sales offices and sending sales and marketing teams to areas in the PRC where the Group has yet to establish its presence.

In each of FY2009, FY2010 and FY2011, the Group's turnover derived from the PRC accounted for more than 90% of its total turnover. The remaining turnover was derived from sales to overseas markets including India, Russia and Brazil. The Group intends to allocate additional resources to explore and develop overseas markets, while maintaining its principal presence in the PRC. The Group is aware of the growth potential of the mobile telecommunications market in developing countries such as Russia, Brazil and India and intends to focus its overseas sales and marketing efforts on these countries. Certain products of the Group, such as RF coaxial cables series, connectors and antenna lightning arresters are already being sold to Russia. In addition, the Group has also opened up the Brazilian market in FY2010 and sold its products to Brazil. In order to further promote products of the Group in overseas markets, the Group intends to strengthen sales and marketing efforts to enhance its relationship with local telecommunications operators and telecommunications equipment providers in those markets.

The Directors believe that the sales and distribution network of the Group will be significantly expanded if it continues to promote its brand name both domestically and internationally among existing and prospective customers. At the same time, the Group also intends to explore sales opportunities in potential new markets by increasing its participation in tradeshows and organising more marketing activities in those markets to attract new customers and broaden its network of local relationships.

The estimated funding to be spent by the Group is RMB24 million for each of the years ending 31 December 2012 and 2013 respectively. In particular, the Group intends to increase its sales and marketing staff from 50 for the year ending 31 December 2012 to 80 for the year ending 31 December 2013. Currently, the Group intends to strengthen business relationship with the provincial subsidiaries or branches of each of China Unicom, China Mobile and China Telecom with a view to covering all 31 provinces in which each of China Unicom, China Mobile and China Telecom has established subsidiaries or branches by the year ending 31 December 2013.

Expand production capacity

The Directors believe that there is significant potential for development and growth in the PRC telecommunications and RF coaxial cables markets following the launch of the 3G network in the PRC in 2009. In order to increase the 3G network usage, telecommunications operators need to expand and upgrade their base stations, which ultimately would lead to additional demand for RF coaxial cables and related products. As shown in the chart in the paragraph headed "Twelfth Five-Year Plan" in the section headed "Industry Overview", the market demand for RF coaxial cables is expected to increase from approximately 463,000 km in 2011 to approximately 549,000 km in 2014. Additional production equipment will be required in order for the Group to be able to meet the increased market demand. Such additional production equipment will comprise, among others, a large-scale physical foaming production line, an argon arc welding production line and a sheath production line.

As at the Latest Practicable Date, the annual production capacity of the Group for its RF coaxial cables series was approximately 150,000 km. The Group intends to expand its production capacity for its RF coaxial cables series from approximately 150,000 km as at the Latest Practicable Date to approximately 180,000 km for the year ending 31 December 2013, depending on the industry condition and customers' demand for its products in the future. Having considered that relatively short period of time required for installation of a new production line for RF coaxial cables and there are sufficient site areas owned by the Group for construction of additional production plants, the Directors believe and will ensure that the Group is able to meet market demand when opportunities arise.

Explore strategic cooperation opportunities

The Group will consider entering into strategic investments or alliances and/or acquiring businesses in related fields where opportunities arise with a view towards improving its technological capabilities and expanding its business. As at the Latest Practicable Date, the Group had not identified any investment or acquisition targets, however, the Group believes strategic cooperation initiatives may present meaningful expansion opportunities in the PRC and overseas markets.

PRODUCTS

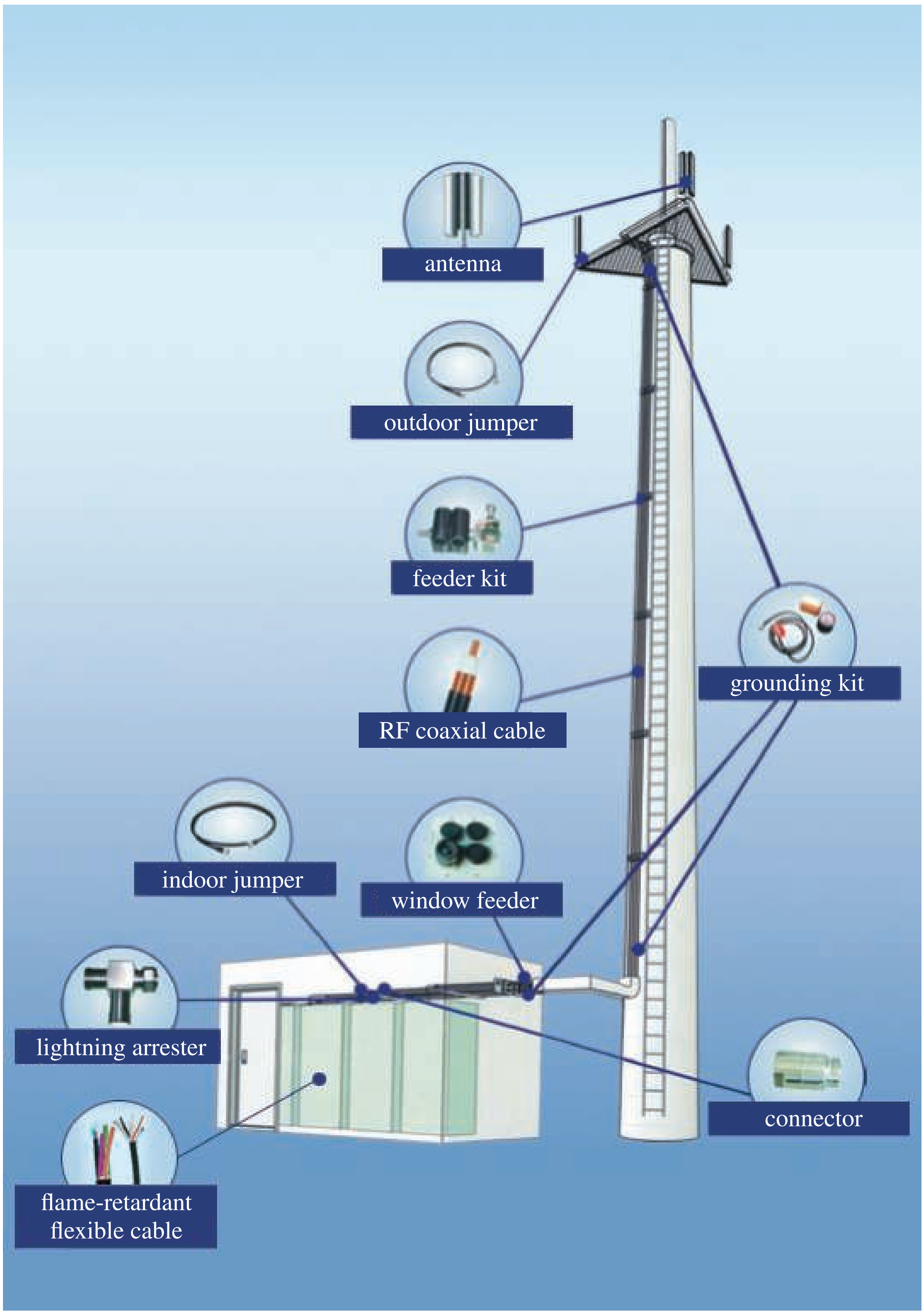
Currently, the Group specialises in the research and development, production and sales of telecommunications related products, including RF coaxial cables series, new-type electronic components and other related accessories for the mobile communications and telecommunications equipment industry.

The following table sets forth the turnover for the production and sales of telecommunications related products of the Group for the periods indicated:

	FY2009		**FY2010**		**FY2011**	
	RMB ('000)	*% of total turnover*	*RMB ('000)*	*% of total turnover*	*RMB ('000)*	*% of total turnover*
Segments						
RF coaxial cables series	620,983	71.8	1,304,738	92.5	1,667,077	91.5
New-type electronic components	169,615	19.6	73,138	5.2	87,715	4.8
Others	74,411	8.6	32,903	2.3	67,955	3.7
Total	865,009	100	1,410,779	100	1,822,747	100

Products

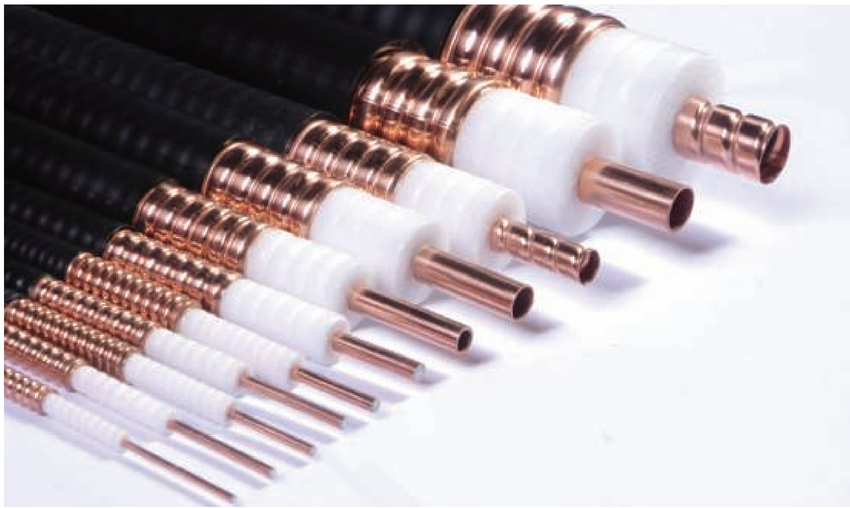
The products of the Group are primarily used in signal transmission systems for deployment in telecommunications networks. The following diagram illustrates the applications of the products of the Group in a base station within a wireless communications infrastructure:



Set out below are products which the Group manufactures and sells:

RF coaxial cables series

(a) RF cables for mobile communications



RF cables for mobile communications are mainly used as feeder cables for transmitting and receiving radio signals and are also essential components for telecommunications transmission equipment. They appear throughout applications in telecommunications, broadcasting, television, microwave radio relay, radar, remote control, telemetry, instrumentation and energy systems. With an operating frequency range of 100-3000MHz, the RF cables for mobile communications of the Group are especially used as main and sub-feeder lines as well as in other high frequency applications that provide low attenuation and low VSWR for transmitting radio signals.

(b) Leaky coaxial cables

The leaky coaxial cables of the Group are mainly used for wireless mobile communications, wireless remote control and wireless alarm systems under a working frequency range of 100-2500MHz. They can transmit RF signals as well as send and receive antenna data in places where wireless signals cannot be directly transmitted or the transmission of which is weak, such as tunnels, subways and other underground environments. In particular, these cables are used in low signal coverage areas such as mountainous areas, mines, underground structures, shopping centres and in television broadcasting, microwave communications and cellular mobile networks.

New-type electronic components

New-type electronic components of the Group mainly include jumpers, connectors and antenna lightning arresters.

- *Jumpers*

The Group manufactures and sells a variety of jumpers, including heavy-duty jumpers, soft jumpers, feeder clamps, grounding kits, grounding copper, feeder window and grounding wires. These components connect wireless antennas with feeder cables and various communications equipment.

- *Connectors*

Connectors connect RF circuits to radio equipment and electronic devices, operating on a 5-3000MHz frequency. Installed on cables or electronic devices such as base stations as electrical transmission lines, RF coaxial connectors are especially suitable for mobile communications, microwave devices, digital communications systems, ground-launch systems and radio equipment operating under poor conditions.

- *Antenna lightning arresters*

Antenna lightning arresters are installed between a high-frequency device and a coaxial feeder cable. When lightning strikes, a designated channel quickly grounds the energy exerted by thunderbolts so as to prevent damages to the high-frequency device, protecting the antenna and other communications equipment. The outdoor base station itself has several lightning arresters to provide additional protection. In addition to preventing lightning damage to telecommunication base stations, the antenna lightning arresters are used to prevent lightning damage to Personal Handyphone Systems (PHS), GPRS global positioning systems, MMDS spread spectrum communications, satellite and microwave communications transceiver station equipment and communications systems antennas.

Others

In addition to RF coaxial cables series and new-type electronic components, the Group manufactures and sells other related accessories, including flame-retardant flexible cables, splitters, couplers, combiners, feeder wall plates, adjustable stands, waterproof clay, insulating tape, cable ties and feeder hoisting grips. Other than flame-retardant flexible cables, the accessories are mainly used to install, fix and set main feeder, sub-feeder, leaky coaxial cables, soft jumpers, heavy-duty jumpers, antenna, coaxial connectors and antenna lightning arresters. They are also used as a means of waterproofing and preventing corrosion between feeders.

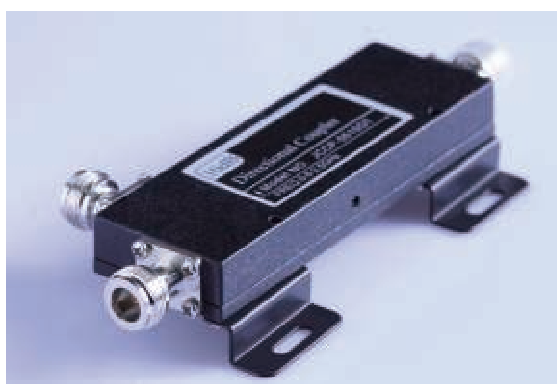
- *Flame-retardant flexible cable*

Flame-retardant flexible cables of the Group are widely used as internal connection cables for power systems or mobile cable transmission and distribution systems in telecommunications, railways, chemical engineering and high-rise buildings. Under a 90°C~125°C working temperature, its working voltage is rated 600V~1000V. Flame-retardant flexible cables of the Group are for application in areas with uninterrupted power supply including communications switch centres, skyscrapers, elevator machine rooms, airports, subways, air defense and automatic fire extinguishing systems. Other applications include cable groove, shelf, ditch and pipe laying.

- *Splitters*

Splitters are used to divide the power of one input signal into two or more outputs. They are widely applied in skyscrapers, subways and tunnels. They can also be found in indoor coverage projects and outdoor repeaters.

- *Couplers*



As a microwave and millimetre wave component, couplers are used for signal isolation, separation and mixing, such as power monitoring (for steady power output) and transmission and reflection of sweep test. Couplers are widely applied in skyscrapers, subways, tunnels, indoor coverage projects and outdoor repeaters.

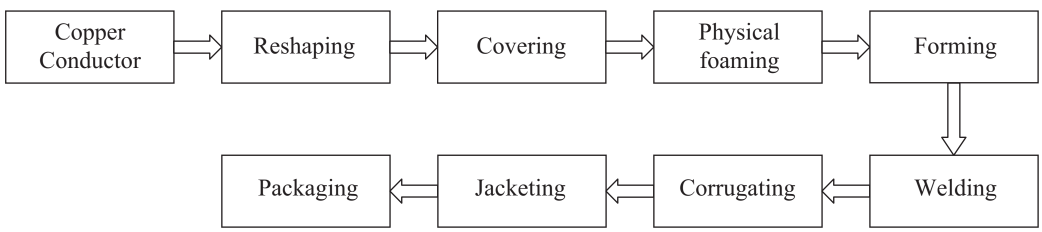
- *Combiners*

Combiners are used to combine multi-system signals into one indoor distribution system, allowing the system to work on both CDMA and GSM frequency bands simultaneously.

Production Process

The production process of the products is set out below:

RF coaxial cable series



Major raw materials used in the production of RF coaxial cables series are copper tubes, copper wires and/or copper clad aluminum. Copper conductors are first reshaped by using straighteners and wiredrawing moulds. A thin layer of endothelium is then squeezed onto the inner conductor to serve as an adhesive layer after ultrasonic cleaning. High pressure and purified carbon dioxide is injected to form a foaming polyethylene insulation layer. Copper tape is evenly and smoothly wrapped around the insulated core, followed by the welding and corrugating processes. A welded pipe is formed after an electric arc is ignited between the electrode and joining seam with a high voltage and high-frequency or high-voltage pulse in order to generate a high temperature and evenly fuse the joining seam. The welded pipe then undergoes a high-speed rotation process with a specially designed mould that makes the pipe corrugate continuously. Fire-retarding polyethylene jacket is squeezed out and then wrapped evenly on the outer conductor. The Group packages and stores the finished product after the final inspection is passed.

An additional step is needed in the manufacturing process of leaky coaxial cables after corrugation, known as slotting. Slotting produces a symmetrical or spiral ring or slot and is done by cutting the outer conductor. Special slotting equipment is used for this particular step.

New-type electronic components

Copper Bar → Refinement processes → Plating → Assembly → Packaging

Copper bars are the major raw material used in the manufacturing process of RF coaxial connectors, jumpers and other related accessories. Before assembly, the copper material undergoes a series of refinement processes at the processing centre (數控加工中心) including baiting, blanketing, rough machining, milling and fine machining for the plate and various parts of the accessories. The parts are assembled into a variety of connectors, jumpers and other related accessories. Semi-finished products will be discarded or repaired if it fails any of the quality control tests conducted at each step of the manufacturing process. Finished products will be packaged and stored.

Splitters, couplers and combiners which are categorized as "Others" share similar production processes with the new-type electronic components.

PRODUCTION FACILITIES

All production activities of the Group are carried out at the plant located at the Industrial Park for Environmental Protection Science & Technology (a state high and new technology development zone), Yixing City, Jiangsu Province, PRC. As at the Latest Practicable Date, the Group's production facilities occupied a site area of over 240,000 sq.m.

As of the Latest Practicable Date, the Group had 34 production lines for RF coaxial cables series; 44 production lines for new-type electronic components; and 16 production lines for flame-retardant flexible cables series. The normal production lead time of RF coaxial cables series is about 1.5 days.

The table below sets out the production capacity, production volume and utilisation rates of the following production lines of the Group during the Track Record Period:

	FY2009			FY2010			FY2011		
	Production Capacity(1)	Production Volume	Utilization Rates (%)(2)	Production Capacity(1)	Production Volume	Utilization Rates (%)(2)	Production Capacity(1)	Production Volume	Utilization Rates (%)(2)
RF coaxial cables series *(thousand km)*	68	50.5	74	123	96	78	150	116	78
New-type electronic components *(million pieces)*	11.2	9.4	84	11.2	7.2	64	11.2	9.4	84

Notes:

(1) This represents the weighted average production capacity of the Group for the relevant period, which is calculated by dividing the sum of annualized production capacity as at the end of each month during such period by the number of months in the same period. The annualized production capacity as at the end of each month is calculated based on 26 operating days per month and 24 hours each day for its production lines. The Group generally increases its production capacity in anticipation of the increase in market demand for its products in the subsequent year.

(2) The utilization rates are calculated by dividing the actual production volume for the relevant period by the weighted average production capacity during the same period.

The major production equipment used in the production lines, particularly for RF coaxial cables series and some new-type electronic components, are imported from or made in Austria, Germany, Japan or the United States, which had helped the Group maintain high product quality, production efficiency, cost-effectiveness and its advanced position in terms of manufacturing capacity in the cable industry. The Group generally conducts its maintenance work on its production lines on a regular basis.

Further, in order to ensure that its products meet customers' specifications and to maintain product quality, the Group also imported advanced inspection and testing instruments from the United States, Germany and Japan.

PROCUREMENT AND SUPPLIERS

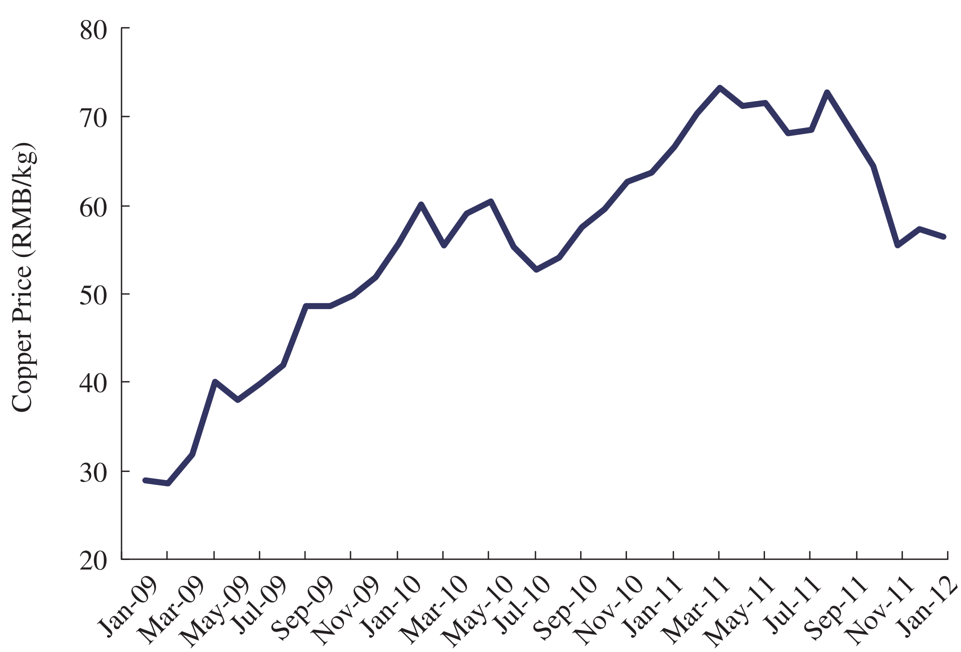
Raw materials for production are primarily copper-based raw materials, PE and PVC. The Group purchases its raw materials from suppliers in the PRC. The raw materials that the Group purchased from its single largest supplier during the Track Record Period are copper-based raw materials. Purchases from the single largest supplier increased during the Track Record Period primarily due to the increase in the demand for copper-based raw materials as a result of the significant growth in sales. Further, the Group intends to have better control over the supply of major raw materials in terms of quality, delivery and cost. The Group purchases its copper-based raw materials primarily from suppliers close to its production facilities, in Shanxi province, Jiangsu province and Zhejiang province. Purchase of copper-based raw materials by the Group accounted for approximately 66.2%, 80.3% and 76.9% of its total purchases in FY2009, FY2010 and FY2011, respectively.

The Group selects its suppliers through tenders and invites potential suppliers to submit bids. When selecting potential supplier candidates, the Group takes into consideration their reputation, product quality, prices, reliability, delivery time and credit terms offered by the candidates. Before the Group invites a candidate to submit a bid, its procurement personnel usually reviews the necessary permits, licenses and certificates of such candidate and requires the candidate to complete a questionnaire on its background and the quality and technical standard of the raw materials it supplies. With respect to the procurement of its major raw materials, such as copper-based materials, the Group will, if necessary, conduct an onsite visit at the candidate's premises and carry out sample inspection and testing before inviting the candidate to participate in the tender. According to the internal control guidelines of the Group, there shall be at least two or more candidates for each type of raw materials who the Group will invite to submit bids at open tenders so as to lower the costs of its purchases of raw materials. In addition, the Group maintains a list of qualified suppliers, which is subject to annual review conducted jointly by its procurement, production, quality control and technology departments. Only those suppliers who pass such annual joint review are able to continue to be a supplier to the Group in the following year.

The Group has built up business relationships with most of its major suppliers since its official operation started in 2008. The Directors believe that the Group has established stable cooperative relationships with its key suppliers, which enables the Group to obtain a reliable and uninterrupted supply of requisite raw materials. During the Track Record Period, the Group did not experience any raw material shortages that materially affected its normal course of business. The Directors further believe that as there are numerous alternative suppliers of raw materials in the market, it is unlikely that the Group will encounter any difficulty in procuring an adequate supply of raw materials.

The following graph shows the average monthly market prices of copper from January 2009 to January 2012:

Monthly Copper Prices from January 2009 to January 2012



Source: Yangtze River Nonferrous Metals Network (長江有色金屬網)

The Group has from time to time experienced cost increases for copper-based materials, the major raw materials used by the Group, due to price fluctuations in the copper supply market during its Track Record Period. The Group has not entered into any derivative contract to reduce its exposure to fluctuations in the purchase price of copper-based materials, which are in line with the trend of the commodity price of copper. Generally, the Group tends to pass on most of these additional costs to its customers. The Group has preset a policy in its framework agreement with one of its major customers to the effect that the selling price of its products shall be linked to the products' cost, particularly in relation to copper-based materials which can effectively mitigate its risks associated with the fluctuation in copper prices. The framework agreement with China Telecom, one of its major customers, sets forth that selling prices for each category of products are either under different copper price ranges or with a basic selling price plus a formula for adjustment in the event that the fluctuation in copper price exceeds the prescribed limit. As for one of its other major customers, namely China Mobile, the tender documents set forth a formula for adjustment of the selling prices of each category of products in the event that the fluctuation in copper price exceeds the prescribed limit.

Suppliers of the Group generally grant to the Group credit terms ranging from 15 days to 90 days. The Group requests some of its suppliers to deposit a quality bond with it, which will only be released to the suppliers within one month upon termination of the business relationship between the Group and them. If there is any insolvable dispute on the quality of the raw materials supplied to the Group, the Group may discontinue the business relationship with the relevant supplier and confiscate the quality bond deposited by such supplier. During the Track Record Period, the Group had not experienced any material quality problems with the raw materials supplied to it. Raw materials purchases are settled in RMB.

In FY2009, FY2010 and FY2011, purchases from the top five suppliers amounted to approximately RMB407.3 million, RMB863.3 million and RMB1,119.5 million respectively, representing approximately 62.9%, 80.0% and 78.8% of the total purchases of the Group respectively. During the same period, purchases from the single largest supplier amounted to approximately RMB247.2 million, RMB708.2 million and RMB647.4 million respectively, representing approximately 38.2%, 65.6% and 45.6% of the total purchases of the Group respectively. The top five suppliers of the Group during the Track Record Period are mainly engaged in the production and/or sales of, among others, copper pipe, copper related products, PVC cable materials, polyethylene, plastic materials, electronic wire and copper clad aluminum wire.

The supply agreements for copper-based materials between the Group and its major suppliers include the following major terms:

i. quality of goods provided by the suppliers shall meet the procurement specifications of the Group and packaging materials need to be environmentally friendly and recyclable;

ii. if the goods supplied do not meet the specifications or standards of the Group, the Group is entitled to reject the goods;

iii. price determination mechanism with reference to the prevailing copper price, price of the goods (inclusive of value added taxes) are fixed at the time when the Group places orders with the suppliers;

iv. suppliers shall be liable for economic losses incurred by the Group due to problems concerning the quality of the goods supplied by them;

v. generally the purchase price is required to be settled within 15 days upon delivery of the goods, and in some of the supply agreements, RMB200,000 out of the purchase price will be held by the Group as a quality bond which is released to the supplier within one month upon termination of the business relationship with the supplier; and

vi. disputes arising from the supply agreements shall be resolved through negotiations between the parties, failing which the dispute shall be resolved by the court.

Such supply agreements do not contain any provision in relation to the duration of the agreement, exclusivity, termination or minimum sale or purchase requirements. Some supply agreements contain confidentiality clauses which prohibit the parties from disclosing the terms and confidential information of the supply agreement to any third party. As advised by the PRC Legal Adviser, the supply agreements in respect of copper-based materials with major suppliers are valid, legally binding and enforceable by each of the parties thereto.

During the Track Record Period, none of the Directors or their associates or the Shareholders who, to the knowledge of the Directors, owned more than 5% of the issued share capital of the Company had any interest in any of the top five suppliers other than Fullway Technology.

Fullway Technology was acquired by Trigiant Singapore in November 2007 and was later transferred to 宜興市富創電子科技有限公司 (Yixing City Fu Chuang Electronics Technology Co., Limited*), Premo Superior Investments Limited and Smart Time Enterprise Limited in December 2009. Fullway Technology, with its production and customer base in the PRC, is principally engaged in the production of precision seamless copper pipes and was one of the top five suppliers of the Group in FY2009. In FY2009, purchases from Fullway Technology were approximately RMB247.2 million, representing approximately 38.2% of the total purchases of the Group.

CUSTOMERS

The Group sells to its major customers in the PRC RF coaxial cables series, new-type electronic components and other related accessories for mobile communications and other telecommunications equipment. The Group also exports some products to overseas customers in countries and regions including India, Russia, Brazil and Southeast Asia.

Products of the Group are primarily sold to the following categories of customers:

(1) major telecommunications operators: these include China Unicom, China Mobile, China Telecom and their respective branches or subsidiaries in the PRC;

(2) equipment manufacturers: these include 深圳市中興康訊電子有限公司 (Shenzhen Zhongxin Kangxun Electronics Co., Ltd.*), a subsidiary of 中興通訊股份有限公司 (ZTE Corporation*), 京信通信系統控股有限公司 (Comba Telecom Systems Corporation*), Rosenberger Asia Pacific Co., Ltd. (羅森伯格亞太電子有限公司) and Huawei.

The major customers of the Group, the three major PRC telecommunications operators, usually select their suppliers through the tendering process. They generally invite the Group and its competitors to participate in the tender and submit bids. If the Group wins the tender, the relevant customer will enter into a framework agreement with the Group setting out the general terms of the supply of products. The Group will then enter into specific sales contracts with the subsidiaries or branches of such customer which set out the details and specific terms of each purchase. All suppliers of RF coaxial cables series to the three major PRC telecommunications operators are subject to the tender organised by them. The three major PRC telecommunications operators primarily consider pricing, quality and service offerings when selecting the winning bidder. Despite intense competition which has led some of the Group's competitors to lower their prices, the average selling prices of the RF coaxial cables series of the Group for the year ended 31 December 2011 increased in comparison with that for the year ended 31 December 2010 and the year ended 31 December 2009, respectively. The Directors believe that the Group is subject to the same assessment by the three major PRC telecommunications operators as its competitors.

Currently, the Group has entered into framework agreements with China Unicom, China Mobile and China Telecom respectively, specifying pricing, delivery arrangement, product warranty and liabilities in the event of breach of the framework agreement. The framework agreement with each of China Unicom and China Mobile stipulates that the agreement will remain valid until the next tender. The framework agreement with China Telecom does not specify its duration, but according to industry practice, it will also remain valid until the next tender. The Group has also entered into contracts with individual branches or subsidiaries of each of the three major PRC telecommunications operators. As advised by the PRC Legal Adviser, such framework agreements are valid, legally binding on and enforceable by each of the parties thereto.

None of such framework agreements contains any restriction on the operations of the Group.

Other than these framework agreements with each of the three major PRC telecommunications operators, the Group had not entered into any long-term contract with its top five customers during the Track Record Period and up to the Latest Practicable Date.

Since 2008, the Group has started supplying products to China Unicom, China Mobile and China Telecom and formed stable business relationships with them. The Group's sales to the three major telecommunications operators in the PRC during the Track Record Period are set out below:

	FY2009		**FY2010**		**FY2011**	
	RMB (million)	*% of total turnover*	*RMB (million)*	*% of total turnover*	*RMB (million)*	*% of total turnover*
China Unicom	745.0	86.1%	1,016.0	72.0%	563.3	30.9%
China Mobile	29.4	3.4%	294.1	20.8%	1,120.4	61.5%
China Telecom	37.3	4.3%	38.6	2.7%	31.7	1.7%
Total	811.7	93.8%	1,348.7	95.5%	1,715.4	94.1%

As at the Latest Practicable Date, the Group sold its products to 28 out of 31 provincial branches of China Unicom. The Group also sold its products to 22 out of 31 provincial subsidiaries of China Mobile and 22 out of 31 provincial subsidiaries of China Telecom. While China Unicom was the largest customer of the Group in FY2009 and FY2010, China Mobile became the largest customer of the Group in FY2011. The Group relies on and expects to continue to rely on these major customers for a significant portion of turnover in the foreseeable future. To mitigate its reliance on these major customers, the Group has adopted various measures, such as diversifying its product portfolios, identifying new customers and exploring overseas markets. For instance, the Group became a qualified supplier of Huawei in December 2010. Huawei started placing purchase orders with the Group in August 2011 and the Group's sales to Huawei in FY2011 amounted to approximately RMB0.3 million.

In FY2009, FY2010 and FY2011, sales to its top five customers were approximately RMB857.0 million, RMB1,384.4 million and RMB1,778.0 million respectively and accounted for approximately 99.1%, 98.1% and 97.5% of the total turnover of the Group respectively. The three major PRC telecommunications operators, namely, China Unicom, China Mobile and China Telecom, who were amongst the top five customers of the Group during the Track Record Period, are engaged in the provision of mobile telecommunications services, fixed line and broadband services in the PRC. Other top five customers of the Group during the Track Record Period are engaged in (i) manufacturing of high-frequency and fibre optics technology products worldwide; (ii) manufacturing of telecommunications and related equipment in the PRC; and (iii) logistics and distribution of telecommunications related products to customers including the three major PRC telecommunications operators.

Domestic customers generally settle their payments in RMB by way of direct bank transfers. In most sales contracts, the Group generally requests its customers to pay 60%-80% of the total purchase price upon delivery of the goods and the remaining 20%-40% when all goods and related services pass customers' final inspection.

In general, the Group allows a credit period of 180 days to 360 days to its major customers. The Group had not experienced any material defaults in payment by its customers during the Track Record Period.

During the Track Record Period, none of the Directors or their associates or the Shareholders who, to the knowledge of the Directors, owned more than 5% of the issued share capital of the Company had any interest in any of the top five customers of the Group.

SALES AND MARKETING

As at 31 December 2011, the sales and marketing department of the Group had 44 well-trained and experienced sales staff, led by Mr. Jiang Wei, an executive Director and group chief executive officer. Mr. Jiang Wei has over 30 years experience in the cable industry and has established good business relationships with telecommunications operators and equipment manufacturers in the PRC. The Group sells its products directly to its customers through the sales and marketing department. In FY2009, FY2010 and FY2011, the aggregate sales to the three major telecommunications operators in the PRC was approximately RMB811.7 million, RMB1,348.7 million and RMB1,715.4 million respectively. The success rate of the bids submitted by the Group for such tenders in FY2009, FY2010 and FY2011 was 100%, 75% and 87.5% respectively.

The sales and marketing department comprises eight divisions that handle sales to domestic customers in different provinces and municipalities, one overseas division that handles sales to overseas customers and one sales management division. Each division works independently of one another and is responsible for its own duties as follows:

- seven of the eight domestic sales divisions are mainly responsible for conducting sales and marketing activities relating to the three major customers of the Group, i.e. the three major telecommunications operators in the PRC;
- one of the eight domestic sales divisions is mainly in charge of sales and marketing activities relating to the PRC telecommunications equipment manufacturers;
- the overseas sales division is in charge of sales and marketing activities in respect of overseas markets; and
- the sales management division is in charge of organising and arranging tenders, providing quotations and technical support.

Each sales and marketing personnel has received proper training in respect of sales and marketing methods and strategies including training relating to provision of pre-sales, during-sales and post-sales services, in an effort to better understand customers' requirements and respond quickly to changes in their demands and new product development needs.

In addition, commercialising and marketing new products is a key sales and marketing strategy of the Group. In order to better understand market trends and develop new products suitable for the market, the research and development team interacts extensively with the sales and marketing department. After new products are developed, the research and development team will provide necessary training to sales personnel on the functions, strengths and particulars of the new products to ensure that sales personnel are familiar with the products before marketing them to customers. Further, sales personnel of the Group also visit customers periodically to collect feedback on its products, which is then communicated to the research and development team for analysis.

The Group will continue to further strengthen its sales and marketing efforts to take full advantage of its sales team, network of customer relationships, industry knowledge and experience.

According to the internal policies of the Group, wrong product models inadvertently ordered by customers can be exchanged without handling charge. Customers requesting a return or exchange will notify the Group in writing stating the specific product name, reason for the return and replacement as well as the quantity of the products to be returned or exchanged. The Group will then prepare a product return form based on the information and details provided by the customers for the various departments to confirm. The request for returns or exchanges will only be allowed with the approvals from the production, quality control and sales and marketing departments. Representatives of each of the departments will counter-sign on the product return form if they are satisfied with the request. The Group generally offers its customers a warranty period of three years. During the Track Record Period and up to the Latest Practicable Date, the Group had not incurred material costs in relation to its warranty for products returned by customers and accordingly, no warranty provision is made.

QUALITY CONTROL

The Group places great emphasis on product quality.

The Group has a team of quality management personnel, headed by one of the deputy general managers of Jiangsu Trigiant, Mr. Jiang Xinhong, who is responsible for quality management and quality control of the Group.

The Group has adopted a standardised quality management system throughout the various stages of production, including production process, inspection and service of finished products. Jiangsu Trigiant, the principal PRC operating subsidiary of the Group, was awarded the ISO9001:2000 certification by TL Certification Center (泰爾認證中心) (then known as China Information and Industry Department, Telecommunications Certification Centre (中國信息產業部郵電通信質量管理體系認證中心)) in 2007. The certification was then upgraded to the ISO9001:2008 certification in October 2009.

The ISO certification process involves reviewing and observing the manufacturing processes and quality management systems. The Group has a specialised team of staff members headed by Mr. Jiang Xinhong, designated to monitor compliance with ISO standards. This specialised team consists of management, engineers, technicians and staff members from quality control, supply, production, sales and marketing, logistics and research and development departments. Most members of the specialised team have received training relating to the relevant applicable ISO standards. In addition to providing training for the specialised team, the Group conducts internal reviews of its operations periodically or when the management considers necessary to ensure ongoing compliance with ISO standards. The Group passed the ISO annual review in August 2011.

The Group has implemented a series of measures to ensure thorough and strict quality control during the various stages of production. Firstly, the Group assesses and selects its suppliers after conducting market research and in accordance with internal guidelines. Secondly, at each stage of production, there is an examination station whereby inspection personnel will inspect and examine semi-finished products using advanced testing equipment. Thirdly, the products are subject to a final quality inspection before they are sent to the warehouse. Inspection personnel makes use of advanced instruments to inspect various performance parameters of the products to ensure that the products are free from defects and meet the requirements of customers. Only products which pass the final quality control inspection are issued qualified product certificates and allowed to be sold on the market.

In FY2011, one customer identified certain substandard products supplied by the Group. The Group resolved this quality issue by exchanging those substandard products with new products that met the standard of such customer. As a result, the Group incurred additional costs of approximately RMB500,000 which comprised compensation, costs of exchanged products and inspection costs. The senior management of the Group confirmed that this was an isolated incident and did not have any material adverse effect on the business relationship with such customer. The Group has also tightened the inspection of products during the production process. As at the Latest Practicable Date, the Group continued normal business dealings with such customer. Apart from the aforementioned, the Directors confirmed that the Group did not make any compensation to its customers due to product quality issues during the Track Record Period and up to the Latest Practicable Date.

In addition to the internal quality control, products of the Group are also required to comply with various industry technical standards prescribed by competent PRC authorities, including the following:

Industry Standards	Governing Authority	Applicable Products	Specifications
YD/T1092-2004	MIIT	RF coaxial cable series for mobile communications (移動通信RF電纜系列)	The standard provides product classifications, technical requirements, test methods, inspection rules and logo, packaging and other requirements for RF coaxial cables for wireless communication with 50 ohm foam polyethylene dielectric, corrugated copper outer conductor. The cable is used to connect wireless communication devices to the antenna and RF electronic equipment and has an operating frequency mainly in the range of 100-3000MHz.
YD/T1120-2007	MIIT	Leaky coaxial cable (漏泄同軸電纜)	The standard specifies product classifications, requirements, test methods, inspection rules, packaging, labeling, certification, transportation, and storage of the physical foam polyethylene dielectric, corrugated copper outer conductor leaky RF cable. Its operating frequency range is 10-2500MHz.
TB/T3201-2008	Ministry of Railways (中華人民共和國鐵道部)	Leaky coaxial cable (漏泄同軸電纜)	The standard specifies the models, specifications, technical requirements, test methods, inspection rules and logo, packaging, transportation and storage of the leaky coaxial cable for railway wireless communication systems. The standard applies to manufacturing, inspection and engineering design of the leaky coaxial cable in railway wireless communication systems for the frequency band 450MHz to 900MHz.

Industry Standards	Governing Authority	Applicable Products	Specifications
YD/T1542-2006	MIIT	Antenna lightning arrester (天饋避雷器)	The standard specifies the definition, classification, technology, requirements, test methods and inspection rules for surge protective devices (SPD) (including line interface arrester and antenna lightning arrester). The standard applies to quality inspection and evaluation of SPD, which protects other devices from sudden power surges caused by lightning.
YD/T1966-2009	MIIT	RF coaxial jumper (射頻同軸跳線)	The standard provides product classifications, requirements, test methods, inspection rules, packaging, transportation and storage for mobile telecommunications with 50 ohm RF coaxial jumpers. The standard applies to RF coaxial jumpers used in connecting the base station antenna to the main feeder or amplifier on tower tops, main feeder or a lightning arrester and the base station receiver devices. Its main frequency range is 5MHz-3000MHz.
YD/T1967-2009	MIIT	RF coaxial connector (射頻同軸連接器)	The standard provides product classifications, requirements, test methods, inspection rules, packaging, transportation and storage for the 50 ohm RF coaxial connectors for mobile communications. The standards applies to 50 ohm 7/16 type and N type RF coaxial connectors which are used in antenna and feeding systems for mobile telecommunications. Its main frequency range is 5MHz-3000MHz.
YD/T1173-2001	MIIT	Flexible cable series (軟電纜系列)	The standard provides product classifications, requirements, test methods, inspection rules, packaging, transportation and storage for flame-retardant and fire resistant flexible cables for power supply systems for communication. The standard is mainly applied to fire retardant flexible cables which are used in power supply and distribution systems of communication stations and high-rise buildings.

The Group strives to develop and adhere to higher product standards than those commonly adopted in the industry with respect to its products. The Group also regularly organises training for its employees to keep them updated as to the product standards adopted by the Group from time to time.

AWARDS AND CERTIFICATIONS

In recognition of the quality of its products and management, the Group has been given a number of awards and certifications by various government authorities and other organisations. The more significant awards and certifications received by the Group are summarised as follows:

(i) Awards

Year	Award	Significance	Awarding Authority
2007	Top 50 Chinese Communications Equipment Supplier (ranked 22nd) (中國通信設備供應商50強(排名第22名))	In recognition of the good quality of the products of the Group and its excellent customer service	Communications Weekly (通信產業報社) Communications Industry Ranking Committee (通信產業榜評選委員會)
2008	"Greatest Potential for Growth" ("最具成長潛力獎")	In recognition of the development potential of the Group among its peers	Communications World Weekly (通信世界週刊)
2008	Top 50 Chinese Communications Equipment Suppliers (中國通信設備供應商50強)	In recognition of the good quality of the products of the Group and its excellent customer service	Communications Weekly (通信產業報社) China Joint Center for Case Management (中國管理案例聯合中心)

Year	Award	Significance	Awarding Authority
2008-2009	Communication Industrial Technology Contribution Award (通信產業技術貢獻獎)	In recognition of the advanced technological capabilities of the Group	2009 China Annual Committee for Communication Technology (2009中國通信技術年會組委會) Communications Weekly (通信產業報社)
2009	China 3G Construction and Innovation Achievement Award (中國 3G建設與創新成就獎)	In recognition of the advanced technological capabilities of the Group	2009 International Seminar for Wireless Communications Applications (2009無線通信應用(國際)研討會) MIIT China Center for Information Industry Development (中國電子資訊產業發展研究院) Communications Weekly (通信產業報社)

Year	Award	Significance	Awarding Authority
2009	High and New Technology Enterprise Certificate (高新技術企業證書)	In recognition of the advanced technological capabilities of the Group	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳) Finance Department of Jiangsu Province (江蘇省財政廳) Jiangsu State Administration of Taxation (江蘇省國家税務局) Jiangsu Local Taxation Bureau (江蘇省地方税務局)
2009	Top 10 Feeder Cable Suppliers (ranked 1st) (十大饋線供應商 (第一名))	In recognition of the good quality of the products of the Group and its excellent customer service	Communications Weekly (通信產業報社)
2009	Top 100 Technologically Innovative Small & Medium Enterprises (中國科技創新型中小企業)	In recognition of the advanced technological capabilities of the Group	China Annual Committee for Small & Medium Enterprises (中國中小企業家年會組委會) China Association of Small & Medium Commercial Enterprises (中國中小商業企業協會)

Year	Award	Significance	Awarding Authority
2009	China Influential Business in Communication Technology (中國信息產業年度影響力企業)	In recognition of the reputation and brand name of the Group in the industry	CCID Group (賽迪集團) China Center for Information Industry Development (中國電子資訊產業發展研究院)
2009-2010	Technological Innovation for the Communication Industry (通信產業技術創新獎)	In recognition of the advanced technological capabilities of the Group	2010 China Annual Committee for Communication Technology (2010中國通信技術年會組織委員會) Communications Weekly (通信產業報社)
2009	Outstanding Wireless Coverage (無線覆蓋傑出表現獎)	In recognition of the good quality of the products of the Group and its excellent customer service	2009 China Communication Industry of Large Inventory (2009中國通信行業大盤點) Communications World Weekly (通信世界週刊)
2009-2010	Top 50 Chinese Communications Equipment Technology Suppliers (中國通信設備技術供應商50強)	In recognition of the good quality of the Group's products and its excellent customer service	Communications Weekly (通信產業報社) China Joint Center for Case Management (中國管理案例聯合中心)

Year	Award	Significance	Awarding Authority
2009-2010	Customer Satisfaction Enterprise in China Communication Industry (中國通信產業用戶滿意企業)	In recognition of the good quality of the products of the Group and its excellent customer service	Communications Weekly (通信產業報社) China Joint Center for Case Management (中國管理案例聯合中心)
2010	2009 Award for Product Safety Integrity (2009年度江蘇省安全生產誠信企業)	In recognition of the product safety level adopted by the Group	Jiangsu Province Production Safety Supervision and Management Bureau (江蘇省安全生產監督管理局)
2010	Top 10 Partners of 2010 (十佳合作夥伴)	In recognition of the good quality of the products of the Group and its excellent customer service	Henan Branch, China Unicom (中國聯合網路通信有限公司河南省分公司)
2010	Jiangsu Model Company in Standardized Intellectual Property Rights Management (江蘇省企業知識產權管理標準化示範創建單位)	In recognition of the Group's management of intellectual property rights	Intellectual Property Office of Jiangsu Province (江蘇省知識產權局) Quality and Technical Supervisors Bureau of Jiangsu Province (江蘇省質量技術監督局)
2010	Honest and Law-Abiding Company (誠信守法企業)	In recognition of the reputation of the Group and its good standing with the law	Ruling City by Law Leading Team of Wuxi (無錫市依法治市領導小組)
2010	Top Supplier of China Telecom of Jiangsu (中國電信江蘇公司優秀供應商)	In recognition of the good quality of the products of the Group and its excellent customer service	Jiangsu Branch, China Telecom (中國電信江蘇公司)

Year	Award	Significance	Awarding Authority
2010-2011	Top 50 Chinese Communications Equipment Technology Suppliers (中國通信設備技術供應商50強)	In recognition of the good quality of the Group's products and its excellent customer service	Communications Weekly (通信產業報社) China Joint Center for Case Management (中國管理案例聯合中心)
2011	Core Company for Optical Cables in China Communication Industry (中國通信光電纜行業核心企業)	In recognition of the quality of the products of the Group and its reputation in the industry	The Electrical Cable and Wire Branch of China Electrical Equipment Industry Association (中國電器工業協會電線電纜分會) OEC
2011	2010 Top Seller of RF Coaxial Cables Series (2010射頻同軸電纜銷售第一)	In recognition of the performance of the Group	CECA
2011	Key Enterprise of State Torch Program (國家火炬計劃骨幹企業)	In recognition of the status of the Group in the cables industry	Torch High Technology Industry Development Center, Ministry of Science and Technology of PRC (中華人民共和國科學技術部火炬高科技術產業開發中心)
2011	Top 100 China Electronic Component Enterprises (ranked 23rd) (中國電子元件百強企業 (第23名))	In recognition of the quality of electronic component products of the Group	Operation Supervision Coordination Bureau of MIIT (中國工業和信息化部運行監測協調局) CECA

Year	Award	Significance	Awarding Authority
2011	Jiangsu Province Model Harmonious Labour Relationship Enterprise (江蘇省模範勞動關係和諧企業)	In recognition of the harmonious employer-employee relationship of the Group	Jiangsu Province Human Resources Social Protection Office (江蘇省人力資源社會保障廳)
2011	Respectable Supplier (尊敬的供應商)	In recognition of the good quality of the products of the Group	ZTE Corporation (中興通訊股份有限公司)
2011	Jiangsu Province Leading Innovation Development Enterprise (江蘇省創新發展先導企業)	In recognition of the advanced technological capabilities of the Group	Jiangsu Province Enterprise Development Engineering Association (江蘇省企業發展工程協會)
2011	Outstanding Supplier (優秀供應商)	In recognition of the quality of the products of the Group	China Unicom Guangzhou Branch
2011	2011 Outstanding Innovative Contribution to the Information Industry Enterprise (2011中國信息產業創新突出貢獻企業)	In recognition of the advanced technological capabilities of the Group	China Electronics Information Industry Development Research Institute (中國電子信息企業發展研究院)

In addition to the above awards, the following table sets out the various certificates the Group has received for its products:

Product Name	Certificates	Issuing Authority	Validity
Type-N RF connectors for 3G system (3G系統用N型射頻連接器)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	24 April 2008 to 23 April 2013
High frequency lightning protector for antenna system (天饋系統用高頻信號防雷保護器)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	24 April 2008 to 23 April 2013
Broadband, low attenuation, low VSWR RF coaxial cable for 3G system (3G系統用寬頻、低損耗、低駐波比射頻同軸電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	July 2009 to July 2014
Low smoke and halogen free RF coaxial cable for third generation mobile communications (第三代移動通信用低煙無鹵射頻同軸電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	November 2009 to November 2014
Environmentally-friendly RF coaxial cable for third generation mobile communications (第三代移動通信用綠色環保射頻同軸電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	December 2009 to December 2014

Product Name	**Certificates**	**Issuing Authority**	**Validity**
Type-7/16 RF coaxial cable welding component for third generation mobile communications (第三代移動通信用7/16型焊接式射頻同軸電纜組件)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	August 2010 to August 2015
Low consumption aluminum feeder for wireless cellular communications (無線蜂窩通信用低耗鋁饋線)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	December 2010 to December 2015
Low attenuation waterproof RF coaxial cable for mobile communications (移動通信用低損耗防水射頻同軸電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	December 2010 to December 2015
New-type low carbon emission environmentally-friendly feeder for mobile communications (移動通信用新型低碳環保饋線)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	May 2011 to May 2016
Low carbon emission environmentally-friendly refractory multi-core cable for communications power supply (通信電源用低碳環保型耐火多芯軟電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	May 2011 to May 2016

Product Name	Certificates	Issuing Authority	Validity
Leaky cables for underground railway CBTC signal system (地鐵CBTC信號系統用漏泄電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	October 2011 to October 2016
N-Type RF connectors for indoor 4G coverage system (4G室內覆蓋系統用N型射頻連接器)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	December 2011 to December 2016
High-frequency signal antenna lightning arrester for 4G system (4G系統用高頻信號防雷保護器)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	December 2011 to December 2016
Leaky Cables for WIMAX System Wireless Short Distance Communication (WIMAX系統用短距離無線通信漏泄電纜)	Advanced Technology Product Certificate (高新技術產品認定證書)	Science and Technology Department of Jiangsu Province (江蘇省科學技術廳)	August 2011 to August 2016

(ii) Certifications

The Group has obtained all necessary permits, certifications and approvals for carrying on its business.

The following are the major certificates/permits obtained by the Group:

Certificates/Permits	Significance	Issuing Authority	Validity
Management System Certificate (the design, production, and servicing process of RF coaxial cable, connector and assembly flame-retardant and fire resistant flexible cable, leaky coaxial cable) (管理體系認證證書) (RF射頻同軸電纜、連接器及組件，阻燃耐火軟電纜、漏泄同軸電纜的設計、生產和服務過程))	The Group's manufacture of RF coaxial cables complies with GB/T19001-2008 idt ISO9001:2008 standards of quality assurance	TL Certification Center (泰爾認證中心)	16 August 2010 to 15 August 2013
Management System Certificate for the Group's Environment Management System (the relative environment management activities and areas of design, manufacturing and services process of RF coaxial cable, connector and assembly flame-retardant and fire resistant flexible cable, leaky coaxial cable) (關於環境管理體系的管理體系認證證書) (RF射頻同軸電纜、連接器及組件、阻燃耐火軟電纜、漏泄同軸電纜的設計、生產和服務過程相關的環境管理活動和場所)	The environment management system of the Group complies with GB/T24001-2004 idt ISO14001:2004 standards	TL Certification Center (泰爾認證中心)	16 August 2010 to 15 August 2013

Certificates/Permits	Significance	Issuing Authority	Validity
Management System Certificate for the Group's Occupational Health and Safety Management System (the relative occupational health and safety management activities and areas of design, manufacturing and services process of RF coaxial cable, connector and assembly flame-retardant and fire resistant flexible cable, leaky coaxial cable (關於職業健康安全管理體系的管理體系認證證書) (RF射頻同軸電纜、連接器及組件、阻燃耐火軟電纜、漏泄同軸電纜的設計、生產和服務過程相關的職業健康安全管理活動和場所)	The safety management system of the Group complies with GB/T28001-2001 standards	TL Certification Center (泰爾認證中心)	16 August 2010 to 15 August 2013
Product Certification (產品認證證書) (HCAAY(Z)-50-12(1/2") RF coaxial cable (射頻同軸電纜)	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	13 August 2010 to 12 August 2013
Product Certification (產品認證證書) (HCAAY-50-6(1/4") RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	13 August 2010 to 12 August 2013
Product Certification (產品認證證書) (HCTAY-50-32(1-1/4") RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	13 August 2010 to 12 August 2013

Certificates/Permits	Significance	Issuing Authority	Validity
Product Certification (產品認證證書) (HCTAY(Z)-50-22(7/8”) RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	13 August 2010 to 12 August 2013
Product Certification (產品認證證書) (HCAHY-50-9(1/2”S) RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	13 August 2010 to 12 August 2013
Product Certification (產品認證證書) (HHTAY-50-21(7/8”S) RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	12 August 2011 to 11 August 2014
Product Certification (產品認證證書) (HCAHY-50-5(1/4”S) RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	12 August 2011 to 11 August 2014
Product Certification (產品認證證書) (HCTAY-50-23(7/8”A) RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	12 August 2011 to 11 August 2014

Certificates/Permits	Significance	Issuing Authority	Validity
Product Certification (產品認證證書) (NM(F)-12 50Ω RF coaxial connector for mobile communication use (移動通信用50Ω射頻同軸連接器))	The connector of the Group meets the YD/T1967-2009 product standards set by MIIT	TL Certification Center (泰爾認證中心)	6 July 2010 to 5 July 2013
Product Certification (產品認證證書) (HHTAY-50-42(1-5/8") RF coaxial cable (射頻同軸電纜))	The cables of the Group meet the YD/T1092-2004 product standards set by MIIT	TL Certification Center (泰爾認證中心)	12 August 2011 to 11 August 2014
Product Certification (產品認證證書) (HLCTAYZ-50-22(7/8") RF leaky coaxial cable (漏泄同軸電纜))	The cables of the Group meet the YD/T1120-2007 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012
Product Certification (產品認證證書) (ZA-RVV22 Power supply with flame-retardant flexible cable (通信電源用阻燃軟電纜))	The cables of the Group meet the YD/T1173-2001 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012
Product Certification (產品認證證書) (ZA-RVV Power supply with flame-retardant flexible cable (通信電源用阻燃軟電纜))	The cables of the Group meet the YD/T1173-2001 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012

Certificates/Permits	Significance	Issuing Authority	Validity
Product Certification (產品認證證書) (ZA-RV Power supply with flame-retardant flexible cable (通信電源用阻燃軟電纜))	The cables of the Group meet the YD/T1173-2001 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012
Product Certification (產品認證證書) (WDNA-RYY23 Power supply with fire-resistant flexible cable (通信電源用耐火軟電纜))	The cables of the Group meet the YD/T1173-2001 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012
Product Certification (產品認證證書) (WDNA-RYY Power supply with fire-resistant flexible cable (通信電源用耐火軟電纜))	The cables of the Group meet the YD/T1173-2001 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012
Product Certification (產品認證證書) (WDNA-RY Power supply with fire-resistant flexible cable (通信電源用耐火軟電纜))	The cables of the Group meet the YD/T1173-2001 product standards set by MIIT	TL Certification Center (泰爾認證中心)	27 October 2009 to 26 October 2012
China Compulsory Product Certification (中國強制性產品認證證書) (PVC insulated non-sheathed cables and wires 60227 IEC02 (RV)450/750V1.5-240 outer colour: black) (聚氯乙烯絕緣無護套電纜電線)	The product of the Group meets the GB/T5023.3-2008/IEC60227-3:1997 standards and technical requirements	China Quality Certification Centre (中國質量認證中心)	25 November 2009 to 25 November 2014

Certificates/Permits	Significance	Issuing Authority	Validity
China Compulsory Product Certification (中國國家強制性產品認證證書) (PVC insulated flexible cables and wires 60227 IEC 53 (RVV) 300/500 V 1-2.5 (2-5 Cores, round shape, black) (聚氯乙烯絕緣軟電纜電線))	The cables of the Group meet the GB/T5023.5-2008 / IEC 60227-5:2003 product standards	China Quality Certification Centre (中國質量認證中心)	25 November 2009 to 25 November 2014
Export Product Quality License Certificate for coaxial cables series	The coaxial cables series of the Group meet the YD/T1092-2004 product standard for export	Jiangsu Entry-Exit Inspection and Quarantine Bureau	18 March 2011 to 17 March 2014
Export Product Quality License Certificate for communication power supply flame retardant flexible cables series	The communication power supply flame retardant flexible cables series of the Group meet the YD/T1173-2010 product standard for export	Jiangsu Entry-Exit Inspection and Quarantine Bureau	16 November 2011 to 15 November 2014

The products which are granted with mandatory product certification are subject to different regulatory requirements. Please refer to the section headed "Regulatory Overview" for details.

The above awards and certifications signify the quality of the products of the Group and the established position of the "Trigiant" brand in the PRC market, which makes it more effective for the Group to promote its products domestically and to capture a larger market share in the domestic cables industry.

INVENTORY MANAGEMENT

The Group closely monitors the inventory levels of its raw materials to ensure that there are sufficient raw materials to meet its production needs as well as to minimize obsolete inventory. Inventory of the Group comprises raw materials, work-in-progress, semi-finished products, finished goods, etc.

The Group has implemented the following principal inventory management procedures:

- all purchase of raw materials and components must be authorised and approved by the production department;
- all incoming raw material types, specifications, quantities and delivery time must be examined and verified against the purchase orders before acceptance;
- all outgoing raw materials must be authorised by the production manager and recorded in the inventory management system;
- all raw materials must be used at designated areas at each production stage;
- all finished products shall be inspected and tested by the quality control department before storage in the warehouse; and
- monthly stock counts and semi-annual stock takes are carried out to ensure consistency between the number of stored items and all recorded entries.

Inventories of the Group are managed on a "first-in first-out" basis to avoid unnecessary overstocking and obsolescence.

As at 28 December 2009, 31 December 2010 and 31 December 2011, inventory of the Group was approximately RMB65.3 million, RMB60.0 million and RMB111.8 million respectively, and the turnover days were 29, 20 and 22 respectively.

The Group had not experienced any inventory write-off or made any provisions for inventory obsolescence during the Track Record Period and up to the Latest Practicable Date.

RESEARCH AND DEVELOPMENT

The Directors consider the research and development department of the Group a competitive advantage of the Group. As at 31 December 2011, the department consisted of 64 professional technical personnel, most of whom obtained at least tertiary education with relevant experience and expertise in the cables industry. These engineers and technicians, apart from performing production and other operational functions, also engage in research and development projects organized and initiated by the research and development department.

The research and development department is mainly responsible for developing new products and upgrading existing products of the Group to improve product quality, widen product application scope and reduce production costs.

To keep up with the latest technological developments and commercialise its research and development efforts into successful products, the Group relies on its sales team to communicate with customers on a regular basis to get a better understanding of customer needs and market demands. To capture potential business opportunities brought by new market trends and develop new products suitable for the market, the research and development department works closely with its sales personnel. Periodic visits to customers by sales personnel of the Group help the research and development team collect feedback on its products from customers. Upon successful development of new products, business training on the new products organised by the research and development department is provided to sales personnel to ensure the new products are marketed timely and efficiently.

In March 2009, Jiangsu Trigiant was accredited as a high and new technology enterprise (高新技術企業) jointly by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳), Finance Department of Jiangsu Province (江蘇省財政廳), Jiangsu Province State Administration of Taxation (江蘇省國家稅務局) and Jiangsu Province Local Taxation Bureau (江蘇省地方稅務局). As at the Latest Practicable Date, Jiangsu Trigiant has applied for a review of its high and new technology enterprise status which is due to expire in March 2012. The application has passed the preliminary review of the Yixing City Management Working Committee for High and New Technology Enterprise Recognition, and, according to the notice dated 6 February 2012 issued by the Yixing City Management Working Committee for High and New Technology Enterprise Recognition, a new certificate is expected to be issued in May 2012, subject to completion of the review process.

With the approval from the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳), the Group established Jiangsu Information Transmission Technology Engineering Research Center (江蘇俊知信息傳輸工程技術研究中心) in 2010. Using the government subsidy of RMB900,000 granted by Yixing Science and Technology Department (宜興市科學技術局), the centre has developed two products, namely, broadband environmentally-friendly RF cables (寬頻綠色環保射頻電纜) and high-speed special optical cables used for Internet of Things (物聯網系統用高速率特種光纜). As at the Latest Practicable Date, the centre is developing two more new products, namely, NM-¼" L RF coaxial connector (NM-¼" L射頻同軸連接器) and NF-¼" L RF coaxial connector (NF-¼" L射頻同軸連接器). The Directors believe that the establishment of the centre helps boost its research and development capabilities and allows the Group to keep abreast of latest product technology and industry trends.

As of the Latest Practicable Date, the Group developed 43 new varieties of RF coaxial cables, new-type electronic components and other related accessories. Amongst the products of the Group, 14 of those were awarded the Advanced Technology Product Certificate (高新技術產品認定證書) by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳). Please refer to the paragraph headed "Awards and Certifications" of this section for further details on the awards the Group received for its products over the years.

In addition to the recognition of its products, the Group has also received numerous awards for technological innovation in the field of RF coaxial cable series, new-type electronic components and accessories for use in mobile communications and telecommunications equipment. As of the Latest Practicable Date, the Group registered 22 patents in the PRC for its cable products and accessories and is in the process of applying for another 15 patents in the PRC for its products. For details of such patents, please refer to the paragraph headed "Intellectual property rights – Patents" under the section headed "Further information about the business of the Company" in Appendix V to this prospectus.

The Directors believe that the research and development capabilities of the Group is one of the factors that enables the Group to maintain its competitiveness in the PRC cables industry. Leveraging on this, the Group is positioned to expand the scope and suite of its product mix to serve new and existing customers in various industries. The Group has put in such research and development efforts with a view to producing existing products at a high quality at a lower cost.

In FY2009, FY2010 and FY2011, the research and development expenditures incurred by the Group were approximately RMB0.48 million, RMB0.87 million and RMB1.08 million respectively.

SAFETY

The Group has compiled an internal safety manual in accordance with the requirements of GB/T28001-2001 which provides guidance to its staff on maintaining a safe working environment. The GB/T28001-2001 standard outlines the range of products it covers, the general requirements and policies of an effective occupational health and safety management system, plans for identifying, assessing and controlling risk, proposals to monitor and improve safety mechanisms and prevention and corrective measures. Furthermore, the standard details training requirements to ensure the awareness of safety controls and the capacity to take necessary steps to comply with all safety standards. The Group has a safety management team consisting of representatives from the management and staff. The safety management team carries out regular safety inspections of the production facilities of the Group to ensure that the safety measures are complied with and proper production procedures are followed. New production equipment and machineries are required to pass safety tests before commencement of production. Protective devices are installed and warning signage posted on the production equipment and machinery to ensure the machines are operated safely. Production staff is provided with regular trainings on the operation of production equipment and occupational safety gear.

The Group has formed its own security team and has installed monitoring systems which perform 24-hour patrols around the production plants and other ancillary facilities at regular intervals to ensure safety and security at its site.

During the Track Record Period, the Group has not experienced any material fire or collapse in its production equipment and machinery or industrial accidents.

ENVIRONMENTAL PROTECTION

The Group is subject to the following major environmental protection laws and regulations in the PRC:

- the Environmental Protection Law of the PRC (中華人民共和國環境保護法)
- the PRC Law of the Prevention and Control of Air Pollution (中華人民共和國大氣污染防治法)
- the Law of the Prevention of Water Pollution in the PRC (中華人民共和國水污防治法)
- the Administration Regulation on the Levy and Use Discharge Fees (排污費徵收使用管理條例)

For further details of the above laws and regulations, please refer to the section headed "Regulatory Overview" of this prospectus.

In December 2007, the Group obtained the ISO 14001:2004 certification, an international standard used to measure the impact of an operation on the environment, taking into account compliance with applicable laws, regulations and other environment oriented requirements from time to time.

The Directors confirmed that the manufacturing process of the Group does not generate significant chemical wastes, waste water or other industrial wastes. Therefore, the negative impact of the production process of the Group on the environment is believed to be minimal. Despite this, the Group has entered into agreements with third party contractors in relation to dangerous wastes disposal and waste water treatment. Under the waste water treatment agreement with an Independent Third Party, such third party agrees to help pre-treat the waste water of the Group with a maximum discharge tonnage of 150 tonnes each day and the Group agrees to pay the Independent Third Party a treatment fee of RMB1.1 per tonne. This treatment agreement also sets forth the standards of waste water the Group discharges and an indemnity if the Group breaches such standards. There is no specified term for this agreement. In addition, the Group also entered into a dangerous wastes disposal agreement with another professional third party with a one-year validity term commencing from 13 June 2011. Under the disposal agreement, (i) the third party agrees to help dispose of the dangerous wastes the Group discharges, and (ii) the Group agrees to pay the third party an annual service fee of RMB8,000. The Group is also required to classify and label its wastes based on their different features. The PRC Legal Adviser advised that the Group is not liable for the improper waste treatment by third party contractors. In addition, the Group has obtained a City Water Discharge Permit (城市排水許可證) (effective from January 2008 to January 2013) in 2008, which allows the Group to discharge waste water within the designated city water pipe network.

Before commencing its production, the Group is required to carry out an environmental impact assessment, including submitting a report to the Environmental Protection Bureau of Yixing City (宜興市環境保護局) for approval. As advised by the PRC Legal Adviser, the Group has passed such assessment.

The PRC Legal Adviser has confirmed that the Group has complied with all relevant environmental protection laws and regulations and has obtained all relevant necessary permits and licenses for its business and operations. On 2 February 2012, the Group also received a confirmation from the Environmental Protection Bureau of Yixing City (宜興市環境保護局), the competent authority in issuing such confirmation, stating that the Group had complied with all relevant environmental protection laws and regulations.

The Directors believe that the Group has adopted effective measures to prevent and control pollution to the environment. During the Track Record Period, the Group did not receive any warning in relation to nor was the Group penalized for any non-compliance with applicable environmental protection or related laws and regulations.

INSURANCE

The Group has taken out insurances on its buildings, production plants, equipment and machinery, buildings under construction and vehicles. The Group also provides social insurance for its employees, covering areas such as retirement, sickness and injury, etc. Current PRC laws do not require the Group to maintain any insurance in relation to its business operation, and the Group has not taken out any product liability insurance or disruption of operation insurance. The Group does not carry any insurance coverage against wars or acts of terrorism either. The Directors believe that the types of insurance coverage the Group currently has are adequate and sufficient to cover its operations and consistent with usual industry practice. The Group has made all necessary social insurance contributions for eligible employees since its establishment and has not been in default on any such payments.

During the Track Record Period, the Group had not made or been the subject of any insurance claims which are material to the Group.

The Group will continue to review and assess its operations and other risks regularly and make necessary adjustments to its current insurance practice so as to make it more in line with its operational needs and industry practice as it sees fit.

PROVISION OF SERVICES BY ASSOCIATES OF A RELATED PARTY PRIOR TO LISTING

Prior to Listing, the Group entered into several agreements with 北京因特聯企業諮詢有限公司 (Beijing Yin Te Lian Corporate Consultancy Co., Ltd.*) (“Beijing YTL”) and ICH Partners Ltd (“ICH Partners”) respectively, under which they agreed to provide the Group with certain services in connection with the preparation for Listing. The Directors are of the view that both Beijing YTL and ICH Partners are competent and able to provide the services as required by the Group. Each of Beijing YTL and ICH Partners is indirectly controlled by Mr. Toe Teow Heng ("Mr. Toe") (being the ultimate beneficial owner of Zymmetry) and Mr. Toe Teow Teck, the brother of Mr. Toe. Pursuant to the said agreements, each of Beijing YTL and ICH Partners agreed to provide the following services to the Group:

1. Introducing the Group and/or its affiliates to potential investors;

2. Reviewing pre-IPO investment term sheets;

3. Assisting the Group and/or its affiliates in providing information to the professionals involved in preparation for the overseas listing ("IPO Professionals");

4. Collating corporate, financial and any other requisite information on the Group;

5. Co-ordinating site visits, meetings and project timetable; and

6. Recommending IPO Professionals and reviewing the mandate terms of the IPO Professionals.

In connection with the provision of the above services, (i) up to the Latest Practicable Date, the Group paid an aggregate of RMB600,000 to Beijing YTL and (ii) the Group has also agreed to pay ICH Partners a success fee of 1.5% of the aggregate proceeds from the issue of the New Shares (including the New Shares which may be issued under the Over-allotment Option) within seven working days after Listing. Assuming an Offer Price of HK$1.30 per Share (being the midpoint of the indicative Offer Price range of HK$1.10 to HK$1.50 per Share), the amount of the success fee is approximately HK$3.9 million. The fees (including the success fee) for the above financial services are on normal commercial terms. The provision of the above services will cease upon Listing.

INTELLECTUAL PROPERTY

The Group owns and uses a number of trademarks, patents and domain names in connection with its business operation.

The Group has registered certain trademarks. As at the Latest Practicable Date, the Group owned 8 registered trademarks in the PRC, 12 registered trademarks in Hong Kong and 8 registered trademarks in Singapore which are material to the Group's business. In addition, the Group has also filed 3 trademark applications to the Trade Marks Registry of the Hong Kong Intellectual Property Department, the registration of which had not yet been granted. For details of such trademarks, please refer to the paragraph headed "Intellectual property rights – Trademarks" under the section headed "Further information about the business of the Company" in Appendix V to this prospectus.

In order to protect its research and development results, as of the Latest Practicable Date, the Group registered 22 patents in the PRC for its RF coaxial cables series and accessories and another 15 patent applications for its products were under review by the PRC Intellectual

Property Rights Bureau. For details of such patents, please refer to the paragraph headed "Intellectual property rights – Patents" under the section headed "Further information about the business of the Company" in Appendix V to this prospectus.

On 3 December 2010, Jiangsu Trigiant entered into separate license agreements with each of Jiangsu Sensing and Jiangsu Opto-electrical, pursuant to which Jiangsu Trigiant confirmed the use of the name of "俊知" (Jun Zhi) by each of Jiangsu Sensing and Jiangsu Opto-electrical since 1 March 2010 and agreed to grant a royalty-free non-exclusive license to each of Jiangsu Sensing and Jiangsu Opto-electrical to use the name of "俊知" (Jun Zhi) at nil consideration until the date when Jiangsu Trigiant ceases to hold any interest in the registered capital of each of them respectively. The license to use the name of "俊知" (Jun Zhi) granted by Jiangsu Trigiant is only limited to within the PRC. The licensee shall not, without the prior written consent of Jiangsu Trigiant, directly or indirectly use or grant a sub-license to use the name of "俊知" (Jun Zhi) or any name similar to the name of "俊知" (Jun Zhi) or trademark, whether phonetically or in fonts, anywhere outside the PRC. The license agreement can be terminated prior to the expiry of its term, inter alia, by mutual agreement, as a result of any breach by the licensee or unilaterally by Jiangsu Trigiant upon giving 30 days advance notice to the licensee.

During the Track Record Period, the Group had not encountered any proceedings concerning any actual, pending or threatened claims of actual or potential infringement of any intellectual property rights that is of material importance in which the Group is the claimant or respondent.

PROPERTIES

As of the Latest Practicable Date, the Group had land use rights for three parcels of land occupying a total site area of approximately 240,737.20 sq.m. 21 buildings, having a total gross floor area of 82,481.57 sq.m., were erected on these lands.

Pursuant to a tenancy agreement entered into between Jiangsu Trigiant as landlord and Jiangsu Sensing as tenant, a parcel of land with an area of 4,000 sq.m. and a production facility with a gross floor area of approximately 4,023.59 sq.m., both owned by the Group, were leased to Jiangsu Sensing for a term of three years from 1 March 2010 to 28 February 2013 at a total annual rental of RMB240,660, exclusive of water, gas and electricity charges. Pursuant to another tenancy agreement entered into between Jiangsu Trigiant as landlord and Jiangsu Opto-electrical as tenant, another parcel of land with an area of 7,200 sq.m. and a production facility with a gross floor area of approximately 7,916.72 sq.m., both owned by the Group, were leased to Jiangsu Opto-electrical for a term of three years from 1 March 2010 to 28 February 2013 at a total annual rental of RMB484,428, exclusive of water, gas and electricity charges.

As at the Latest Practicable Date, the Group leased a property in the PRC with a total gross floor area of approximately 243.19 sq.m. at Room 504, Unit 2, Block 2, Jinchen International Apartment, Xicheng District, Beijing, as a dormitory. As advised by the PRC Legal Adviser, the lessor of such property has legal rights to lease the relevant property to the

Group and the leasehold interests of the Group under such lease agreement are protected by PRC laws and regulations. As confirmed by the PRC Legal Adviser, the non-registration of the tenancy agreement would not affect the possession and use of the leased properties by the Group according to the lease agreements and PRC laws and regulations.

As at the Latest Practicable Date, the Group also leased a property at Room 1801, 18th Floor, Tai Tung Building, No. 8 Fleming Road, Wan Chai, Hong Kong with a gross floor area of approximately 101.08 sq.m. as its principal place of business in Hong Kong.

Savills Valuation and Professional Services Limited, an independent property valuer, has assessed the property interests of the Group as of 31 December 2011. The letter from Savills Valuation and Professional Services Limited, summary of values and the valuation certificate are set out in Appendix III to this prospectus. The Group has obtained all land use right certificates and building ownership certificates with a total gross floor area of 82,481.57 sq.m. in respect of properties owned by it as referred to in Group I and Group II in the property valuation report as set out in Appendix III to this prospectus.

NON-COMPLIANT TRADE FINANCING

Background

In FY2009 and FY2010, Jiangsu Trigiant, the principal operating subsidiary of the Group, and Fullway Technology entered into certain trade financing transactions with certain commercial banks in the PRC which were not supported by any underlying transactions. Most of these transactions were initiated by the relevant banks. In FY2009, Fullway Technology was a major supplier of Jiangsu Trigiant.

Prior to the transfer by Trigiant Singapore of (i) the entire equity interest in Jiangsu Trigiant to Trigiant Hong Kong in December 2009; and (ii) the entire equity interest in Fullway Technology in December 2009, Trigiant Singapore was the holding company of both of Jiangsu Trigiant and Fullway Technology. In July 2008, Jiangsu Trigiant entered into its first non-compliant trade financing transaction with Fullway Technology in the amount of RMB10 million, and Jiangsu Trigiant deposited RMB5 million into the relevant bank as a guarantee deposit for drawing such bill. Jiangsu Trigiant was not in need of working capital at the relevant time.

In December 2009, the Directors considered that focusing on the development and manufacturing of RF coaxial cable series would be in the best interest of the Group and would provide the Group with better returns. Thus Trigiant Singapore, which was then the predecessor holding company of Jiangsu Trigiant, disposed of its entire shareholding interests in Fullway Technology to 宜興市富創電子科技有限公司 (Yixing City Fu Chuang Electronics Technology Co., Limited*), Premo Superior Investments Limited and Smart Time Enterprise Limited (collectively the "Purchasers") in order to centralise human resources and working capacity for the development of the RF coaxial cables business. Since the major raw materials for the Group's RF coaxial cables series, i.e. copper based materials, are common materials used in various manufacturing industries and are easily sourced from other independent suppliers, the Directors consider terminating purchasing from and disposing of Fullway Technology had no material adverse impact on the business and operations of the Group though Fullway Technology was one of the major suppliers of the Group in FY2008 and FY2009.

The aggregate consideration paid by the Purchasers was US$10 million, representing the then total paid-up capital of Fullway Technology.

The background of the Purchasers are as follows:

(i) 宜興市富創電子科技有限公司 (Yixing City Fu Chuang Electronics Technology Co., Limited*) ("FC Electronics")

FC Electronics is a company established in the PRC with limited liability and was at the time of its acquisition of Fullway Technology in December 2009 owned as to approximately 30% by Zhang Rongming, 30% by Zhu Ronghua and 40% by Sun Jianxin, who were directors of Fullway Technology but not directors of any company comprising the Group. In October 2010, Sun Jianxin and Zhu Ronghua respectively transferred 35% and 24% equity interest in FC Electronics to Zhang Rongming, resulting in Zhang Rongming becoming the major shareholder holding 89% equity interest while each of Sun Jianxin and Zhu Ronghua held 5% and 6% equity interest in FC Electronics respectively.

Save as disclosed above and below, the Directors confirm that to the best of their knowledge, FC Electronics, its shareholders and directors have no other past or present family, employment, trust or other relationships with the Company, its subsidiaries, and Fullway Technology, their shareholders, directors and senior management and any of their respective associates.

(ii) Premo Superior Investments Limited ("Premo Superior")

Premo Superior is a company incorporated in the BVI with limited liability and to the best knowledge of the Directors, at the time of its acquisition of Fullway Technology in December 2009, was managed by an Independent Third Party (being its sole director, who is also the current sole shareholder of Premo Superior). Premo Superior was in or around January 2007 equally owned by Sun Jianxin, who was one of the shareholders of Bin Fan from September 2005 to November 2006, and Zhu Ronghua. To the best knowledge of the Directors, Sun Jianxin and Zhu Ronghua subsequently disposed of their entire shareholding in Premo Superior to an Independent Third Party around the time when Premo Superior acquired Fullway Technology. Prior to the disposal of Jiangsu Trigiant by Trigiant Singapore in December 2009, Sun Jianxin was one of the ultimate beneficial owners of Trigiant Singapore through his 50% equity interest in Premo Superior. Premo Superior owned 10% of Trigiant Singapore at the time when Trigiant Hong Kong acquired Jiangsu Trigiant on 29 December 2009. After the disposal of Jiangsu Trigiant by Trigiant Singapore to Trigiant Hong Kong, Premo Superior was no longer a shareholder of the Group.

Save as disclosed above, the Directors confirm that to the best of their knowledge, Premo Superior, its shareholders and directors, have no other past or present family, employment, trust or other relationships with the Company, its subsidiaries, and Fullway Technology, their shareholders, directors and senior management and any of their respective associates.

(iii) Smart Time Enterprise Limited ("Smart Time")

Smart Time is a company incorporated in the BVI with limited liability and, at the time of its acquisition of Fullway Technology in December 2009 and as at the Latest Practicable Date, was indirectly wholly-owned by Goi Seng Hui through China World Agents Limited. At the time when Trigiant Hong Kong acquired Jiangsu Trigiant on 29 December 2009, Trigiant BVI was indirectly owned as to 2% by Goi Seng Hui through Ace Speed, a company incorporated in the BVI and wholly-owned by China World Agents Limited. As at the Latest Practicable Date (i) Smart Time was indirectly wholly-owned by Goi Seng Hui through China World Agents Limited; and (ii) China World Agents Limited, through its interest in Ace Speed, held 2% of the issued share capital of Trigiant Investments, which is expected to hold 75% of the issued share capital of the Company upon completion of the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised).

Save as disclosed above, the Directors confirm that to the best of their knowledge, Smart Time, its shareholders and directors have no other past or present family, employment, trust or other relationships with the Company, its subsidiaries, and Fullway Technology, their shareholders, directors and senior management and any of their respective associates.

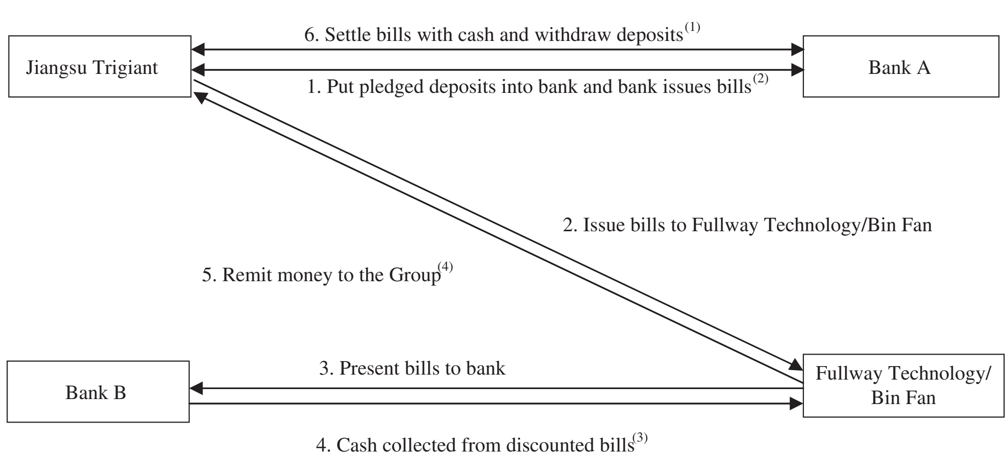
In FY2010, Jiangsu Trigiant and Bin Fan, an Independent Third Party to both the Group and Fullway Technology also entered into certain trade financing transactions with certain commercial banks in the PRC which were not supported by any underlying transactions. Bin Fan's former controlling shareholder, i.e. Sun Jianxin, (i) was a director of Fullway Technology between December 2004 and October 2010; (ii) was one of the ultimate beneficial owners of Trigiant Singapore through his 50% equity interest in Premo Superior prior to the disposal of Jiangsu Trigiant by Trigiant Singapore in December 2009 (at the relevant time, Premo Superior owned 10% of the issued share capital of Trigiant Singapore); and (iii) currently holds 5% equity interest in FC Electronics, one of the current shareholders of Fullway Technology. Save as aforesaid, the Directors confirm that to the best of their knowledge, Bin Fan and its current shareholders and directors have no other past or present family, employment, trust or other relationships with (i) the Company and its subsidiaries and (ii) Fullway Technology and its shareholders, directors and senior management and any of their respective associates. Bin Fan, with its customer base in the PRC, is principally engaged in sales of copper pipe. Since it became one of the major suppliers of the Group in FY2010, the business relationship between the Group and Fullway Technology ceased. One of Fullway Technology's then shareholders, Smart Time, is indirectly wholly-owned by Goi Seng Hui through China World Agents Limited. At the time when Trigiant Hong Kong acquired Jiangsu Trigiant on 29 December 2009, Trigiant

BVI was indirectly owned as to 2% by Goi Seng Hui through Ace Speed, a company incorporated in the BVI and wholly owned by China World Agents Limited. As at the Latest Practicable Date, China World Agents Limited, through its interest in Ace Speed, held 2% of the issued share capital of Trigiant Investments, which is expected to hold 75% of the issued share capital of the Company upon completion of the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised). Save as disclosed above, each of Fullway Technology and Bin Fan does not have any present relationship with the Company, its subsidiaries, their directors, shareholders, senior management or any of their respective associates.

As the relevant commercial banks proceeded with the non-compliant trade financing activities and all of the relevant commercial banks confirmed to Jiangsu Trigiant their consent to and approval of such activities, the Directors believe that such commercial banks should have consented and approved the non-compliant trade financing arrangements prior to commencing the same. Under the bank acceptance agreements entered into between Jiangsu Trigiant and the relevant banks, (i) the banks agreed to accept bills issued by Jiangsu Trigiant and presented by third parties; (ii) Jiangsu Trigiant agreed to provide guarantees for the banks (such as cash deposit) and pay the banks service fees in the amount of approximately 0.05% of the face amount of the bills; and (iii) Jiangsu Trigiant made representations that the bills should be issued with the support of genuine underlying transactions. Under these arrangements, the Group issued bank bills to Bin Fan and Fullway Technology at certain face amounts with pledged bank deposits ranging from 30% to 100% of the face amount of the bills. These bank bills were presented by Bin Fan and Fullway Technology to other PRC commercial banks for discounting, and then the proceeds of the discounted bills were remitted back to the Group.

As advised by the PRC Legal Adviser, since such arrangements were not supported by any underlying transactions, those arrangements were therefore not in compliance with the relevant PRC laws.

The diagram below illustrates the details of the trade financing arrangements:



(1) Bills are typically settled within six months.

(2) The amount of the deposit was entered as pledged bank deposits in the financial statements of Jiangsu Trigiant.

(3) The relevant interest expenses were recognised as finance costs by Jiangsu Trigiant.

(4) Representing repayment of bills payable to related company.

Most of such non-compliant trade financing arrangements were initiated by the relevant banks. The principal reason for such non-compliant trade financing arrangements was to lower the overall financing costs of Jiangsu Trigiant on bank deposits. In addition, from the perspective of the banks involved, they entered into such non-compliant trade financing arrangements with a view to boost their respective banking business. In FY2009 and FY2010, the interest rates of the bank bills issued by Jiangsu Trigiant and discounted by Fullway Technology and Bin Fan ranged from approximately 1.58% to 2.47% and 2.24% to 4.35% per annum, respectively. Mr. Qian, the chairman of the Board and an executive Director, and Mr. Sun Huxing, who was then the assistant to the general manager and deputy general manager of Jiangsu Trigiant, authorised and approved the non-compliant trade financing activities. Both Mr. Qian and Mr. Sun Huxing confirmed that neither of them received any direct or indirect benefit from such activities. The Directors believe that the principal reason for Bin Fan and Fullway Technology entering into such non-compliant trade financing activities was their intention to build a good business relationship with the Group and that Bin Fan, Fullway Technology and their respective directors did not obtain any other benefit from such activities or financing through the Group under similar transactions, including any rebate or amount in connection with the non-compliant trade financing activities.

Effect on the financial position of the Group

In FY2009, bills in aggregate amounting to RMB494 million were issued by Jiangsu Trigiant to Fullway Technology under these non-compliant trade financing arrangements. As at 28 December 2009, there were bank deposits of RMB159 million pledged to those PRC commercial banks for those non-compliant trade financing arrangements. In FY2009, the bank bills issued by Jiangsu Trigiant and discounted by Fullway Technology carried interest rates ranging from 1.58% to 2.47% per annum. These related interest expenses were incurred and recognised as finance costs of approximately RMB4.5 million by Jiangsu Trigiant in FY2009.

In FY2010, bills in aggregate amounting to RMB270 million were issued by Jiangsu Trigiant to Fullway Technology and Bin Fan under these non-compliant trade financing arrangements. In FY2010, the bank bills issued by Jiangsu Trigiant and discounted by Bin Fan and Fullway Technology carried interest rates ranging from approximately 2.24% to 4.35% per annum. These related interest expenses were incurred and recognised as finance costs of approximately RMB5.1 million by Jiangsu Trigiant in FY2010.

The Group used the receipts/advances from the non-compliant trade financing arrangements as working capital to partially finance its daily operations. However, as the Group had pledged deposits in connection with such non-compliant trade financing transactions, the Group could have used such pledged cash as working capital if the Group had not entered into such non-compliant trade financing transactions during the Track Record

Period. In addition, there were other existing resources, such as cash generated from its operations, which the Group could also have used to fund its working capital requirements during the Track Record Period. As at 28 December 2009 and 31 December 2010, the Group had undrawn bank loan facilities of approximately RMB530.8 million and RMB534.0 million respectively which could also have been used by the Group as general working capital. In this respect, the Directors have confirmed that the Group would have had sufficient working capital even if it had not made use of such non-compliant trade financing arrangements during the Track Record Period. Upon the cessation of the non-compliant trade financing arrangements after April 2010, the Group continued to have sufficient resources for its working capital needs based on its undrawn bank loan facilities and the amount of pledged cash released as a result of the termination of the non-compliant trade financing arrangements. In addition, the Group had approximately RMB242.4 million pledged bank deposits and approximately RMB383.5 million bank balances and cash equivalents as at 31 December 2011. The Directors have also confirmed that, after taking into account the estimated net proceeds of the Global Offering, the Group will have sufficient working capital to satisfy its requirements for at least the next 12 months following the Listing Date. For more information on this, please refer to the paragraph headed "Working Capital" under the section headed "Financial Information" of this prospectus.

In FY2009 and FY2010, had the Group not entered into the non-compliant trade financing arrangements, the alternative source of funding available to the Group would have been undrawn credit facilities (including unsecured or secured short-term bank loans which were subject to higher interest rates in general). As at 28 December 2009 and 31 December 2010, the bank borrowings of the Group carried fixed interest rates ranging from approximately 4.37% to 7.77% and 4.86% to 5.84% per annum respectively. The financing costs that would be saved under the non-compliant trade financing arrangements in FY2009 and FY2010 in comparison to the interest on the equivalent amount of short-term bank loans during the relevant periods, being the alternative source of funding available to the Group (and assuming the relevant bank loans carried interest at the weighted average effective interest rate at the end of each reporting period), were approximately RMB8.0 million and RMB3.8 million respectively.

As at 28 December 2009, those outstanding non-compliant bills payables were recorded under "Bills payable to a fellow subsidiary" in the statement of financial position of Jiangsu Trigiant. Since the Group ceased to enter into any further non-compliant trade financing transactions after April 2010 and all prior non-compliant bills payables were settled before the end of October 2010, no non-compliant trade financing arrangement was recorded in the consolidated statement of financial position of the Group as at 31 December 2011.

Confirmation from regulatory authorities

The Group ceased to enter into non-compliant trade financing transactions after 27 April 2010, and all outstanding loans and borrowings in relation to prior non-compliant trade financing transactions had been fully settled before the end of October 2010. Since then, the Group has not conducted any non-compliant trade financing activities. Having considered that (i) the relevant banks were aware that the non-compliant trade financing transactions were not supported by any genuine underlying transactions; (ii) most of such non-compliant trade financing arrangements were initiated at the request and with the consent or approval of certain of the relevant banks; (iii) all funds received from such transactions were utilized in the ordinary course of business of the Group; and (iv) such activities had not caused any loss to the relevant banks, the Directors have confirmed that no fraudulent activities (such as the provision of falsified contracts or receipts) was involved in obtaining such trade financing. In addition, the Group has received confirmations from the CBRC Wuxi Bureau, the PBOC Wuxi Centre Branch and all banks involved in the trade financing activities. Details of the confirmations are set out in the paragraphs below.

On 28 December 2010, the CBRC Wuxi Bureau, a competent authority, issued a written confirmation and confirmed in accordance with Article 27 of the PRC Administrative Penalty Law that it will not take any punitive action against the banks involved in the non-compliant trade financing activities since all outstanding amounts involved have been settled, these activities had not caused any loss to those banks involved, the Group has ceased these activities and has undertaken not to engage in such activities in the future.

The Group received a written confirmation from the PBOC Wuxi Centre Branch, a competent authority, confirming that it will not take any punitive action against Jiangsu Trigiant or the senior management involved in the non-compliant trade financing activities since the current PRC laws and regulations do not require the PBOC Wuxi Centre Branch to impose administrative penalties on enterprises that have entered into non-compliant trade financing arrangements.

The Group also received confirmation letters from each of the banks that issued the bills that:

– as regards to most of the relevant banks, all trade financing arrangements were entered into with the consent or approval of such banks and a substantial number of them were made at the request of the relevant banks for the purpose of enhancing the banks' business;

– all amounts owing or outstanding under such trade financing arrangements with the relevant banks have been settled in full;

– such activities had not caused any loss to the relevant banks;

– there is no potential or contingent disputes associated with the trade financing arrangements;

– the relevant bank will not take any legal action against Jiangsu Trigiant, its directors and senior management in relation to the trade financing arrangements;

– the relevant bank will not enter into similar trade financing arrangements with Jiangsu Trigiant in the future; and

– the trade financing arrangements will not adversely affect future bank credit facilities that may be granted to Jiangsu Trigiant by the relevant bank.

Most of the banks that issued the bills have indicated that they were aware that the trade financing activities of Jiangsu Trigiant were not fully supported by underlying transactions.

Opinion of the PRC Legal Adviser

The PRC Legal Adviser advised that the trade financing transactions entered into by the Group, which were not supported by underlying transactions, were not in compliance with the PRC Negotiable Instruments Law (中華人民共和國票據法) (in particular Article 10 which states that bank bills shall be issued on the basis of genuine underlying transactions) and certain banking regulations promulgated by the PBOC, including the Measures for the Implementation of the Administration of Negotiable Instruments (票據管理實施辦法), the Measures for the Payment and Settlement (支付結算辦法) and the Notice of the People's Bank of China on Certain Improvements of the Negotiable Instruments Systems (中國人民銀行關於完善票據業務制度有關問題的通知). Further, by entering into arrangements without any underlying transactions, Jiangsu Trigiant was also in breach of one of its representations that the bills would be issued with the support of underlying transactions. As advised by the PRC Legal Adviser, other than this issue, the non-compliant trade financing was in compliance with the terms and conditions stipulated in the bank acceptance agreements in material respects.

According to the PRC Negotiable Instrument Law and other relevant PRC laws and regulations, parties committing the following acts of deception can be held administratively or even criminally liable:

i. forging and altering a negotiable instrument;

ii. intentionally using forged and altered negotiable instruments;

iii. issuing dishonoured cheques or deliberately issuing cheques where the signature or seal does not tally with the signature or seal in the true name pre-submitted for counter-checking in order to obtain property by deception;

iv. issuing unreliable bills of exchange and cashier's order in order to obtain property by deception;

v. in respect of the person issuing the bills of exchange and cashier's order, making false records in order to obtain property by deception;

vi. deliberately using overdue or void negotiable instruments in order to obtain property by deception; and

vii. the payer of the notes colluding maliciously with the issuer and holder of the notes to commit any of the above acts.

According to the legal opinion of the legal adviser to the Sole Sponsor as to PRC laws, (1) it is a criminal offence for an issuer to issue a bill of exchange or promissory note without cash guarantee or to make false recordings at the time of draft in order to obtain property by deception under the PRC Criminal Law, and (2) in construing what amounted to "issue of bills" and "making false records on a bill", reference should be made to the PRC Negotiable Instrument Law. On the basis that (1) Jiangsu Trigiant did not make any false records at the time of issuance of the bills and did not fraudulently obtain property through the aforementioned non-compliant trade financing activities; (2) Jiangsu Trigiant had settled all proceeds from the non-compliant trade financing activities and had not caused any loss to the relevant banks; and (3) certain of the relevant banks had issued the written confirmations of their consent and approval of the non-compliant trade financing activities with Jiangsu Trigiant, the legal adviser to the Sole Sponsor as to PRC laws advised that the non-compliant trade financing activities of Jiangsu Trigiant and the representations made in the acceptance agreements with the banks that the bills would be issued with the support of underlying transactions did not constitute an offence of "making false record at the time of issuing bills in order to obtain property by deception" under the PRC Criminal Law. The PRC Legal Adviser concurred with the above view of the legal adviser to the Sole Sponsor as to PRC laws.

The PRC Legal Adviser advised that according to the PRC Negotiable Instrument Law, "issuing of bills" means "a person signing and issuing a bill and delivering the bill to the recipient". Given this, the PRC Legal Adviser is of the view that Jiangsu Trigiant did not make any false record on the relevant bills (such as affixing false company seals or applying false signature) at the time of issuing the relevant bills and therefore the representation made on the acceptance agreements with the banks that the bills would be issued with the support of underlying transactions did not constitute the conduct of "making false records at the time of issuing bills" under the PRC Criminal Law.

In addition, as interpreted by the PRC Legal Adviser, "making false records on a bill" under the PRC Negotiable Instrument Law refers to "making records on a bill that are in contradiction with true facts so as to evade liability under the bill, causing the bearer of the bill to be unable to exercise his rights on the bills". Under the PRC Negotiable Instrument Law, a bill must specify the following items: (1) the word "bill"; (2) authorisation of unconditional payment; (3) a fixed sum; (4) the name of the payer; (5) the name of the payee; (6) the date of issue; and (7) the endorsement of the issuer. As advised by the PRC Legal Adviser, since the bills issued by Jiangsu Trigiant did not contain any false records on the bills (such as affixing false company seals or producing false signature), the issuing of the bills by Jiangsu Trigiant did not constitute the conduct of making false records on bills.

Lastly, the PRC Legal Adviser was of the opinion that pursuant to the PRC Criminal Law, "making false records at the time of issuing bills" and "obtaining property by deception" should be read together with a causation relationship. In the context of the non-compliant trade financing activities of Jiangsu Trigiant, (1) Jiangsu Trigiant did not make any false record at the time of issuing the relevant bills as a result of which it could not have obtained property by deception; and (2) all amounts owing or outstanding under such non-compliant trade financing activities were settled in full and such activities did not cause any loss to the relevant counterparties. Therefore, the PRC Legal Adviser is of the opinion that the non-compliant trade financing activities of Jiangsu Trigiant did not constitute conduct of fraudulently obtaining property by making false records at the time of issuing bills.

The legal adviser to the Sole Sponsor as to PRC laws confirmed that it concurred with the analysis of the PRC Legal Adviser. Taking into account the legal analysis of the PRC Legal Adviser presented above and on the basis of the concurrence of the legal adviser to the Sole Sponsor as to PRC laws with such analysis, the Sole Sponsor also concurs with the PRC Legal Adviser that the previous non-compliant trade financing activities of Jiangsu Trigiant did not constitute the relevant offence under the PRC Criminal Law.

According to the advice of the PRC Legal Adviser, it is unlikely that the trade financing arrangements as described above will cause Jiangsu Trigiant, its directors or senior managements to be liable criminally, administratively or civilly under PRC laws on the basis that (i) Jiangsu Trigiant has repaid all amounts due to the relevant banks, and the trade financing arrangements did not cause any loss to the banks; (ii) the relevant banks have issued confirmation letters stating that the trade financing arrangements were entered into with the consent of the relevant banks and the relevant banks will not take any legal action against Jiangsu Trigiant; and (iii) the CBRC Wuxi Bureau and PBOC Wuxi Centre Branch, having competent authority over such trade financing arrangements, have confirmed that they would not take any punitive actions against the banks, Jiangsu Trigiant or senior management involved in such trade financing arrangements.

As the involvement of the Directors and senior management in the non-compliant trade financing activities was in their respective capacity as officers and staff of the Group and based on the confirmations of the relevant banks that no legal action will be taken against Jiangsu Trigiant or its senior management involved in the non-compliant trade financing activities, the Directors believe that the relevant banks will not take any legal action against the Directors and the senior management of the Group.

The PRC Legal Adviser also advised that Fullway Technology, Bin Fan or their respective directors will not be subject to any significant legal consequences for the non-compliant trade financing activities as the PRC Negotiable Instrument Law and other relevant laws and regulations do not clearly provide that participants in the non-compliant trade financing activities shall be subject to any criminal or administrative liabilities. Further, each of Fullway Technology and Bin Fan issued a written confirmation to Jiangsu Trigiant confirming that they will not request Jiangsu Trigiant to indemnify or assume any liabilities for their losses, expenses or liabilities arising out of such activities.

Internal Control

The Group ceased to enter into any further non-compliant trade financing transactions after April 2010, and all outstanding loans and borrowings in relation to prior non-compliant trade financing transactions were fully settled before the end of October 2010. Since the cessation of the non-compliant trade financing transactions, the Group had formulated and implemented a series of measures to ensure such non-compliant trade financing arrangements will not occur in the future. The Group has established an audit committee comprising all independent non-executive Directors who will review and supervise its internal control system. In addition, Jiangsu Trigiant developed and implemented formal internal guidelines and policies in March 2011 for approving, reporting and monitoring all trade financing transactions. For the purpose of and in preparation for the Listing, on 25 October 2010, the Group engaged an independent consulting firm, which is a renowned consulting firm and an Independent Third Party, to assess the overall internal control systems of the Group, including internal control policies and procedures, particularly in relation to its bank/commercial bills transactions. The independent consulting firm noted that the Company did not have comprehensive policies and procedures to guide bill management and related approval processes and the Group lacked a proper mechanism to monitor the processing of bills and its compliance with laws and regulations. It also noted that some bill arrangements were not related to any underlying transactions, which was not in compliance with the relevant PRC laws. Based on the recommendations made by the independent consulting firm, Jiangsu Trigiant has formulated, approved and implemented since March 2011 a series of specific internal guidelines and corporate governance measures that provide for cross checking of bank/commercial bills against underlying contracts to ensure that all future trade financings will be supported by actual transactions or debtor-creditor relationships. The key policies and procedures implemented by Jiangsu Trigiant include:

- cross-checking mechanisms to ensure the duties of trade financing-related matters, such that the application for and the approval of bank/commercial bills are properly segregated;

- all trade financing applications must be supported by valid transactions and approved by the finance manager or deputy general manager, or by the chairperson of the board of directors or his authorised person if such applications were made by the finance manager or deputy general manager;

- a register shall be prepared to log each trade financing arrangement with detailed information of the underlying transactions;

- monthly schedule shall be prepared to monitor the purpose of each trade finance arrangement and the terms of each trade financing transaction including interest rate, loan amount and repayment;

- any discrepancy between the register and the monthly schedule shall be subject to investigation;

- internal audit functions shall be carried out by the internal auditor of the Group or outsourced to an independent consulting firm with a view to perform periodical reviews on its trade financing arrangements and to report to the Audit Committee;

- the senior management or legal adviser of the Group shall provide training to finance department personnel on related laws and regulations on trade financing.

A follow up review was conducted by the independent consulting firm in June 2011. Based on the trade financing summary prepared and provided by Jiangsu Trigiant, the independent consulting firm reported that the deficiencies in relation to the non-compliant trade financing arrangements identified during the previous review had been remedied, and no further deficiencies were found and no non-compliance with the established policies and procedures of the Group for trade financing was noted, except that (i) the contract reference numbers on three purchase contracts of the Group were inconsistent with the pre-assigned reference numbers on the contract summary due to clerical error and that the Group did not file and record the said three contracts using the pre-assigned reference number as required by the relevant policy and procedure; and (ii) the monthly schedule of sales, purchase and trade financing amounts only recorded the total amounts of the trade financing that the Group obtained from banks each month instead of an analysis of the trade financing amounts by categories as recommended by the independent consulting firm. The management of the Group has already remedied such clerical error and adopted the recommendation of the independent consulting firm on the preparation of monthly analyses of sales, purchase and trade financing amounts by category. The internal control system of the Group will be subject to continuous review and independent verification after Listing and the Group will continuously monitor the efficiency of the internal control system from time to time. The Directors believe that such measures will help the Group effectively monitor and prevent non-compliant trade financing transactions in the future. The Directors confirm that the Group will not engage in any non-compliant trade financing activities in the future.

As at the Latest Practicable Date, the following measures had been taken by the Company to ensure that the Directors are fully aware of their duties and responsibilities as directors of a listed company and kept abreast of the Listing Rules and legal requirements in Hong Kong and the PRC:

(a) the legal adviser to the Company as to Hong Kong laws has provided trainings to the Directors (and certain senior management of the Company) on, among other matters, the following topics: (i) directors' duties and responsibilities under common law, applicable Hong Kong statutory laws and regulations and the Listing Rules; (ii) declarations and undertakings with regard to the Directors in accordance with the Listing Rules; (iii) corporate governance under the Listing Rules; (iv) the continuing obligations of the Directors under the Listing Rules; (v) dealing with securities of the Company; and (vi) notifiable and connected transactions (as defined in the Listing Rules) and the respective obligations as Directors;

(b) the Company, as recommended by the independent consulting firm, had implemented internal guidelines and policies, among other matters, on the following areas: (i) corporate governance in accordance with the Listing Rules and applicable laws; (ii) procedures on dealing with shares of the Company by the Directors (and their associates); (iii) risk management system of the Company; (iv) disclosure of price sensitive information; and (v) resolving and management of connected transactions (as defined in the Listing Rules) of the Company; and

(c) the Company will, from time to time with the assistance of professional advisers, review the internal guidelines and policies as referred to in item (b) above and make any amendment and implement them as necessary.

Having (i) reviewed the internal control assessment report prepared by and the relevant supporting documents collected by the independent consulting firm; (ii) discussed with the independent consulting firm the findings and recommendations concerning the internal control system of the Group; (iii) followed upon the implementation works performed by the Group; and (iv) participated in the training session provided to the Directors and certain senior management by the legal adviser to the Company as to Hong Kong laws, the Sole Sponsor is of the view that the internal control systems of the Group are considered adequate and effective under Rule 3A.15(5) of the Listing Rules.

Indemnity from Controlling Shareholders

Pursuant to a deed of indemnity dated 5 March 2012, the Controlling Shareholders have agreed to provide an indemnity to the Group in respect of all possible, potential and contingent losses incurred or likely to be incurred by the Group in relation to such non-compliant trade financing activities.

COMPETITION

The RF coaxial cables industry is highly competitive in the PRC. Some of the Group's competitors might have lowered the selling prices of their RF coaxial cable products during the Track Record Period in view of market competition. The PRC RF coaxial cables market is mainly dominated by the PRC domestic manufacturers, which accounts for over 90% of the market. In China, there are only a few cable manufacturers and thus the industry market concentration has been relatively high, due to the stringent requirements for production technologies and other high entry barriers. According to the report prepared by CCID, Jiangsu Trigiant, Zhuhai Hansen Technology Co., Ltd. and Hengxin (Jiangsu), the top three leaders in the PRC RF coaxial cables industry, captured over 60% of the PRC market share in 2010. However, the market may expand and become more competitive in the future.

All suppliers of RF coaxial cables to the three major PRC telecommunications operators are subject to the tendering process separately organised by those operators. The three major PRC telecommunications operators will consider various aspects of candidates, including but not limited to, pricing, quality and services. Compared with its major competitors, the Directors believe that there is no significant deviation on the pricing, quality and scale of operation between the Group and its major competitors since they are also subject to the same assessment by the three major PRC telecommunications operators.

The Directors believe that it is difficult for new entrants to enter into and operate the business on a large scale without strong research and development capabilities. Potential new entrants generally face a number of barriers including (i) ability to meet the stringent requirements of customers; (ii) ability to recruit and maintain well-trained and experienced technical personnel; (iii) industry operational and managerial experience; (iv) financial capability, in particular, in investing in advanced production equipment and research projects; and (v) ability to import advanced equipment.

While the Directors believe that size of operations, use of advanced equipment, research and development capabilities and brand recognition in the industry will give the Group a comparative advantage over its competitors, they cannot assure the Group will always be able to compete successfully in existing and new markets.

REGULATORY COMPLIANCE

The Directors and the PRC Legal Adviser confirmed that, during the Track Record Period and up to the Latest Practicable Date, save as the non-compliant trade financing activities as disclosed above, the Group has complied with all PRC laws and regulations applicable to the operation and business of the Group in all relevant material respects. The Group has obtained all approvals, licenses, permits and qualification certificates required under PRC laws and regulations in order to conduct its businesses, and as at the Latest Practicable Date, such approvals, licenses, permits and qualification certificates had not been revoked, cancelled or otherwise expired.

LEGAL PROCEEDINGS

The Directors and the PRC Legal Adviser confirmed that, during the Track Record Period and up to the Latest Practicable Date, no member of the Group was involved in or has been involved in any legal or arbitration proceedings of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

CONTROLLING SHAREHOLDERS

Immediately upon Listing, the Controlling Shareholders will together control the exercise of voting rights of 75% of the Shares eligible to vote in a general meeting of the Company (assuming the Over-allotment Option is not exercised).

Name of Controlling Shareholders	Total number of ordinary Shares	Approximate percentage of interest
Trigiant Investments	750,000,000	75%
Abraholme	750,000,000*note*	75%
Mr. Qian	750,000,000*note*	75%

Note: These Shares are registered in the name of Trigiant Investments, a company owned as to 55.5% by Abraholme, which in turn is a company owned as to 80% by Mr. Qian. Under the SFO, each of Mr. Qian and Abraholme is deemed to be interested in all the Shares held by Trigiant Investments.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

Having considered the following factors, the Directors are satisfied that the Group can carry on its business independently of the Controlling Shareholders following Listing:

(a) the Group is able to operate independently in terms of management, business administration, financial capabilities, staff, required licences and access to customer base, raw materials and production facilities;

(b) as confirmed by the Directors, the Controlling Shareholders and their respective associates do not have any interests in any business that competes or is likely to compete with the business of the Group; and

(c) there was no significant business transactions, as at the Latest Practicable Date, between the Group on the one hand and any of the Controlling Shareholders or their associates on the other hand.

NON-DISPOSAL UNDERTAKINGS GIVEN BY THE CONTROLLING SHAREHOLDERS

Each of the Controlling Shareholders has, jointly and severally, undertaken with the Company and the Stock Exchange that each of them shall not and shall procure that the relevant registered holder(s) shall not:

(a) except pursuant to the Stock Borrowing Agreement and the transfer of the Sale Shares to be offered for sale under the Global Offering, in the period commencing on the date by reference to which disclosure of the shareholding of such Controlling Shareholders is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-Month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares beneficially owned (directly or indirectly) by such Controlling Shareholder; and

(b) in the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares beneficially owned (directly or indirectly) by such Controlling Shareholder, if immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders would cease to be the controlling shareholders (as defined in the Listing Rules) of the Company.

Each of the Controlling Shareholders has, jointly and severally, undertaken with the Company and the Stock Exchange that within a period commencing from the date by reference to which disclosure of the shareholding of such Controlling Shareholders is made in this prospectus and ending on the date on which is the first anniversary of the Listing Date, he or it shall:

(a) when he or it pledges or charges any securities beneficially owned by him or it in favour of an authorised institution (as defined under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and

(b) when he or it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as the Company has been informed of the matters referred to above by any of the Controlling Shareholders and disclose such matters by way of announcement pursuant to the requirements under the Listing Rules as soon as possible.

DIRECTORS

The Board currently consists of six Directors, including two executive Directors and four independent non-executive Directors. The table below shows certain information in respect of the members of the Board:

Name	Age	Position	Effective date of appointment to the Board
Mr. QIAN Lirong	47	Chairman and executive Director	19 March 2012 *(Note)*
Mr. JIANG Wei	53	Executive Director and group chief executive officer	19 March 2012 *(Note)*
Prof. JIN Xiaofeng	43	Independent non-executive Director	23 August 2011
Mr. POON Yick Pang Philip	42	Independent non-executive Director	23 August 2011
Mr. NG Wai Hung	48	Independent non-executive Director	23 August 2011
Ms. JIA Lina	44	Independent non-executive Director	23 August 2011

Note: Mr. Qian and Mr. Jiang Wei were appointed as directors of the Company since its incorporation on 23 December 2010. Their appointment as executive Directors of the Company will become effective on the Listing Date, i.e. 19 March 2012. Both Mr. Qian and Mr. Jiang Wei have been appointed as directors of Jiangsu Trigiant, the operating subsidiary of the Company, since 10 November 2007.

Executive Directors

Mr. Qian Lirong (錢利榮), aged 47, is an executive Director and the chairman of the Board. Mr. Qian is principally responsible for the overall strategic development of the Group's operation as well as overall management of the Group. Mr. Qian graduated from Changshu Machinery and Industrial Employees' University (常熟市機械工業職工大學) in 1987 and completed the No. 3 Industrial and Regional Culture and Economic Management Postgraduate Course offered by Shanghai Social Science Institute (Arts Research Centre) (上海社會科學院文學研究所，第三產業暨區域文化經濟管理碩士研究生班) in 2004. Mr. Qian is a senior engineer, senior economist and an exemplary worker of Jiangsu Province.

Mr. Qian has more than 20 years of experience in the information and telecommunications industry, and has been involved in various divisions in the manufacturing of information and telecommunications products and components including technology development and management. Between November 2004 and January 2007, Mr. Qian was a director and an executive chairman of Hengxin (Singapore). Between November 2004 and February 2007, he acted as the chief executive officer of Hengxin (Singapore). Between June 2003 and January 2007, Mr. Qian held various positions (including chairman and general manager) in Hengxin (Jiangsu), a wholly-owned subsidiary of Hengxin (Singapore). Between December 1996 and

June 2003, he was general manager of Jiangsu Hengtong Cable Co., Ltd. (江蘇亨通線纜有限公司). Prior to that, Mr. Qian was an assistant to the manager in Wujiang Qidu Town Industrial Co., Ltd. (吳江市七都鎮工業公司) from September to November 1996. Between December 1988 and September 1996, Mr. Qian worked in Suzhou Wujiang Special Cable Factory (蘇州市吳江特種電纜廠), which was mainly engaged in the manufacture and sale of indoor communications and data cables. During that period, he held various positions including deputy director of the factory.

Mr. Qian has been awarded numerous awards in the past, including but not limited to, Outstanding Worker in High and New Technology Industrialisation (高新技術產業化"先進工作者") by the Ministry of Science and Technology of Jiangsu Province (江蘇省科學技術廳) in 2003, Outstanding Technological Entrepreneur (Private Enterprise) (中國優秀民營科技企業家) by the China Private Enterprise Technology Association (中國民營科技實業家協會) in 2004, Outstanding People of PRC Information Industry of the Year (中國信息產業年度新銳人物) in 2007, Economic People of PRC Information Industry of the Year (中國信息產業年度經濟人物) in 2008 and Chinese Outstanding Entrepreneur (Private Enterprises) (中國優秀民營企業家) in 2010. Mr. Qian is a senior member of Chinese Communications Institute (中國通信學會), an executive member of the Seventh Council of the Jiangsu Foreign Investment Enterprise Association (江蘇省外商投資企業協會), as well as a member of the fifth, seventh and eighth Chinese Communications Cable Committee (中國通信線路委員會). Mr. Qian is a director of Abraholme and Trigiant Investments, each being a Controlling Shareholder.

Mr. Jiang Wei (蔣唯), aged 53, is an executive Director and the group chief executive officer. Mr. Jiang is also responsible for managing the sales management team of the Group. Mr. Jiang has substantial experience in the communications cable industry and is principally responsible for the sales and marketing activities of the Group. Mr. Jiang completed his studies in mechanics manufacturing in Xi'an Electric Power Machinery Manufacturing Co. Ltd., Electromechanical Institute (西安電力機械製造公司機電學院) in 1984 and completed the No. 3 Industrial and Regional Culture and Economic Management Postgraduate Course offered by Shanghai Social Science Institute (Arts Research Centre) (上海社會科學院文學研究所，第三產業暨區域文化經濟管理碩士研究生班) in 2004.

Mr. Jiang joined Jiangsu Trigiant in November 2007 and has been holding the position of executive deputy general manager since January 2009. Between June 2005 and January 2007, he was the executive director and marketing director of Hengxin (Singapore). During the time while Mr. Jiang was serving as an executive director of Hengxin (Singapore), he was also the deputy general manager (sales) of Hengxin (Jiangsu) between July 2003 and March 2007. From July 1999 to June 2003, he was the deputy general manager of Jiangsu Hengtong Cable Co., Ltd. (江蘇亨通線纜有限公司) in charge of sales and marketing matters. From December 1993 to June 1997, he worked in US Global Pacific Co., Ltd. and served as a technician until May 1994 and was seconded to Anhui Lida Communications Cable Co., Ltd. (安徽立達通信電纜有限公司), a company principally engaged in, amongst others, the manufacture and sale of indoor communications and data cables and telephones and held positions of assistant chief engineer and deputy general manager until June 1997. From 1984 to 1993, Mr. Jiang worked in Xi'an Cable Factory (Plastic Branch) (西安電纜廠全塑分廠) and held various positions from technician to vice factory director.

Mr. Jiang has been awarded the Economic People of PRC Information Industry of the Year (中國信息產業年度經濟人物) in 2010.

Mr. Jiang is a director of Trigiant Investments, a Controlling Shareholder.

Independent non-executive Directors

Professor Jin Xiaofeng (金曉峰), aged 43, is an independent non-executive Director. Prof. Jin is currently the deputy head of general affairs of the Institute of Electronic Information Technologies and Systems, Zhejiang University (浙江大學). In February 2007, he was appointed as a Doctor of Philosophy supervisor in the Institute of Electronic Information Technologies and Systems, Zhejiang University. Between January 2004 and February 2006, Prof. Jin worked in Hengtong Group Technology Center (亨通集團技術中心). In July 2005, Prof. Jin was appointed as a member of the first Technical Committee of the Optical Transmission Engineering and Technology Center of Jiangsu Province (江蘇省光電傳輸工程技術研究中心第一屆技術委員會). During the period from October 2000 to 2002, Prof. Jin has worked in Oplink Communications Inc., LightMatix Inc. and Agiltron Inc. Prof. Jin obtained his Doctor of Philosophy degree in engineering from Zhejiang University in September 1996 and a master's degree from China Ship Research & Development Academy (中國艦船研究院) in May 1993. Prof. Jin obtained a bachelor's degree from the Department of Photoelectronics of Huazhong University (華中科技大學) of Science and Technology in July 1990. From December 1996 to April 2000, Prof. Jin was engaged in teaching and research work in the Department of Electronic and Information Engineering at Zhejiang University. He was appointed as an Associate Professor of Zhejiang University in December 1999 and was appointed as a professor in December 2006.

Mr. Poon Yick Pang Philip (潘翼鵬), aged 42, is an independent non-executive Director. Mr. Poon has over 17 years of experience in corporate finance and accounting. Mr. Poon has been serving as an independent non-executive director of Infinity Chemical Holdings Company Limited (星謙化工控股有限公司) (stock code: 640), a company listed on the Stock Exchange, since March 2010. Mr. Poon joined Real Nutriceutical Group Limited (瑞年國際有限公司) formerly known as Ruinian International Limited (瑞年國際有限公司), a company listed on the Stock Exchange, in June 2008 as chief financial officer and company secretary. From 2007 to 2008, he was the director of finance of China Medical Technologies, Inc., a NASDAQ listed company engaging in the manufacture and sale of advanced medical devices in China. From 2002 to 2007, he worked as the senior vice president, qualified accountant and company secretary of Paradise Entertainment Limited (stock code: 1180), a company listed on the Stock Exchange. Mr. Poon also served various positions in Advent International Corporation, a global private equity firm, Lenovo Group Limited, a company listed on the Stock Exchange (stock code: 992) and Sun Hung Kai Properties Limited, a company listed on the Stock Exchange (stock code: 16). Mr. Poon obtained a bachelor's degree in commerce from the University of New South Wales in 1993 and is a holder of a Chartered Financial Analyst Charter of the CFA Institute, a Certified Practising Accountant (Australia) and a fellow of the Hong Kong Institute of Certified Public Accountants.

Mr. Ng Wai Hung (吳偉雄), aged 48, is an independent non-executive Director. Mr. Ng is a practising solicitor in Hong Kong and a partner in Iu, Lai & Li, a Hong Kong law firm. He has extensive experience in the areas of securities law, corporate law and commercial law in Hong Kong and has been involved in initial public offerings of securities in Hong Kong as well as corporate restructuring, mergers and acquisitions and takeovers of listed companies. Mr. Ng is also an independent non-executive director of four companies listed on the Stock Exchange, namely Fortune Sun (China) Holdings Limited (stock code: 352), Gome Electrical Appliances Holding Limited (stock code: 493), HyComm Wireless Limited (stock code: 499) and Tech Pro Technology Development Limited (stock code: 3823). Mr. Ng served as an independent non-executive director of KTP Holdings Limited (stock code: 645) since 1999 until 16 February 2011.

Ms. Jia Lina (賈麗娜), aged 44, is an independent non-executive Director. She has over 16 years of experience in accounting. From February 2011 up to the Latest Practicable Date, Ms. Jia has been an independent director of Suzhou Tianma Fine Chemicals Co., Ltd (蘇州天馬精細化學品股份有限公司). Ms. Jia has been and remains a certified public accountant in Jiangsu Talent CPA (天衡會計師事務所有限公司) since September 1994. Ms. Jia graduated with a bachelor's degree in economic trade in July 1989 and a master's in economics from Dongbei University of Finance and Economics (東北財經大學) in October 1992. Ms. Jia was qualified as an accountant in December 1996 by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部).

SENIOR MANAGEMENT

Name	Age	Position
QIAN Lirong	47	Chairman and executive Director
JIANG Wei	53	Executive Director and group chief executive officer
LAU Chi Hung	41	Group chief financial officer and company secretary
JIANG Xinhong	44	Deputy general manager of Jiangsu Trigiant

Mr. Qian Lirong (*錢利榮*) is the chairman of the Board and an executive Director. Please refer to his biography in the paragraph headed "Directors" in this section.

Mr. Jiang Wei (*蔣唯*) is an executive Director and the group chief executive officer. Please refer to his biography under the paragraph headed "Directors" in this section.

Mr. Lau Chi Hung (劉志雄), aged 41, is the group chief financial officer and company secretary. Mr. Lau has over 18 years of experience in corporate finance, accounting, and auditing. Prior to joining the Group in January 2011, Mr. Lau was the group financial controller of Wai Chi Electronics Ltd., a company engaged in the production of light-emitting diode backlights and lighting products between February 2008 and 2010. Between 2005 and January 2008, Mr. Lau worked as the financial controller of Computime Limited, a subsidiary of Computime Group Ltd. (金寶通集團有限公司) (stock code: 320), a company listed on the Stock Exchange. Prior to that, Mr. Lau also held management positions in other companies listed on the Stock Exchange and was responsible for finance and accounting management, such companies include Ngai Lik Enterprises Limited, a subsidiary of Ngai Lik Industrial Holdings Limited (毅力工業集團有限公司) (stock code: 332) and Tonic Industries Holdings Limited (東力實業控股有限公司) (stock code: 978). Mr. Lau also worked in the assurance and advisory department of Deloitte Touche Tohmatsu for over 6 years, where the last position he served was manager. Mr. Lau is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, an associate of the Association of Chartered Certified Accountants in England and Wales and an associate and certified tax adviser of the Taxation Institute of Hong Kong. Mr. Lau graduated with a bachelor's degree in accountancy in 1993 and a master's degree in business administration in 2001 from Hong Kong Polytechnic University.

Mr. Jiang Xinhong (蔣新洪), aged 44, is a deputy general manager of Jiangsu Trigiant. Mr. Jiang joined Jiangsu Trigiant in March 2007 and held the position of an assistant to the general manager. Mr. Jiang has accumulated over 10 years of experience in the cable industry. Mr. Jiang is mainly responsible for production, equipment, technology, quality control, material and logistics management.

Prior to joining the Group, Mr. Jiang served in various positions in several other companies. Between July 2003 and January 2007, Mr. Jiang served Hengxin (Jiangsu) as an assistant to deputy general manager and deputy manager of production department. In August 2000, Mr. Jiang was appointed as the deputy manager of production department of Jiangsu Hengtong Cable Co., Ltd. (江蘇亨通線纜有限公司). In 1996, Mr. Jiang worked in production department of Jiangsu Zhongyou Guohao Optical and Electronic Cable Co., Ltd. (江蘇中郵國浩光電纜有限公司). Mr. Jiang completed his studies in party politics management in Jiangsu Radio & Television University (江蘇廣播電視大學) in August 2001. Mr. Jiang was qualified as an assistant economist in September 2002 by Wuxi Personnel Bureau (無錫市人事局).

Mr. Jiang has been awarded the Economic People of PRC Information Industry of the Year (中國信息產業年度經濟人物) in 2011.

COMPANY SECRETARY

Mr. Lau Chi Hung (劉志雄) is the company secretary. Please refer to his biography in the paragraph headed "Senior Management" in this section.

To the best knowledge of the Directors, except that Mr. Jiang Wei who still holds 210,000 shares in Hengxin (Singapore), none of the Directors or senior management of the Group had equity interest (directly or indirectly) in Hengxin (Singapore) during the Track Record Period and up to the Latest Practicable Date.

LITIGATION INVOLVING DIRECTORS

During the Track Record Period, certain Directors were involved in certain litigation proceedings, details of which are set out below.

Litigation involving Mr. Qian and Mr. Jiang Wei

Prior to joining the Group, Mr. Qian and Mr. Jiang Wei had been directors of Hengxin (Singapore) since 29 November 2004 and 23 June 2005 respectively until their respective resignation as directors of Hengxin (Singapore) on 17 January 2007. In addition to being an executive director of Hengxin (Singapore), Mr. Qian was also appointed the chief executive officer of Hengxin (Singapore) pursuant to a service agreement dated 9 February 2006 entered into between Hengxin (Singapore) and Mr. Qian (the "Qian Service Agreement"). Mr. Qian was also the general manager and legal representative of Hengxin (Jiangsu), a wholly owned subsidiary of Hengxin (Singapore). Mr. Jiang Wei and Hengxin (Singapore) also entered into a service agreement dated 9 February 2006 (the "Jiang Service Agreement") pursuant to which Mr. Jiang Wei was appointed as an executive director. Mr. Jiang Wei was also the deputy general manager of sales of Hengxin (Jiangsu). In each of the Qian Service Agreement and the Jiang Service Agreement, there was a termination clause which provided that termination may be initiated by either party by giving the other party no less than six months' written notice.

Mr. Qian was one of the founders of Hengxin (Jiangsu) and one of the shareholders of Siskin Investment Ltd. when it acquired the entire issued share capital of Hengxin (Singapore) on 29 November 2004. Hengxin (Jiangsu) acquired the coaxial cable manufacturing business together with related assets from Jiangsu Hengtong Cable Co., Ltd. (江蘇亨通線纜有限公司*) ("Jiangsu Hengtong"). Mr. Qian and Mr. Jiang Wei worked at Hengxin (Jiangsu) and Jiangsu Hengtong previously. Hengtong Group Co., Ltd. ("Hengtong") was owned as to 90% by Cui Genliang, the elder brother of Cui Genxiang and brother-in-law of Mr. Qian, and 10% by an Independent Third Party. Hengtong is a Chinese enterprise devoted to communications and electrical power undertakings and its principal products include local telephone cable, power cables, optical fibre and cable, optical device and nylon coated wire. The Group had not entered into any transactions with Hengtong, Jiangsu Hengtong or their respective affiliated companies during the Track Record Period. Save that all executive Directors and Mr. Jiang Xinhong, being a senior management of the Group, were former employees of Jiangsu Hengtong, the Directors confirmed that the Group and its Controlling Shareholders never had any relationship with each of Hengtong and Jiangsu Hengtong. Based on the confirmation of the Directors, the Group does not expect to enter into any transactions with Hengtong, Jiangsu Hengtong, or their respective affiliated companies in the future.

On 18 December 2006, Cui Genxiang, being the then non-executive director of Hengxin (Singapore) and another shareholder of Hengxin (Singapore) called an extraordinary general meeting to be held on 18 January 2007 proposing, inter alia, to remove Mr. Qian from his position as a director of Hengxin (Singapore). On 17 January 2007, the day immediately before the extraordinary general meeting, Mr. Qian resigned as a director of Hengxin (Singapore). On the same date, Mr. Jiang Wei also resigned as a director of Hengxin (Singapore).

Mr. Qian was appointed as a director of Trigiant Singapore in December 2007. Mr. Jiang Wei joined Jiangsu Trigiant as a deputy general manager and was appointed as a director of Trigiant Singapore in December 2007.

On 3 March 2008, Hengxin (Singapore) filed separate writs of summons against Mr. Jiang Wei and Mr. Qian respectively at the High Court of Singapore ("Singapore High Court"). Statements of claim for both actions were filed on 23 June 2008. The two actions were consolidated by order of court on 9 February 2009.

In the separate actions against Mr. Qian and Mr. Jiang Wei, Hengxin (Singapore) alleged that they had breached the Qian Service Agreement and Jiang Service Agreement respectively and fiduciary and/or statutory duties that they owed at law as director/employee of Hengxin (Singapore) to (i) act bona fide in the interest of Hengxin (Singapore), (ii) not use their position or to act in a manner so as to obtain any unauthorised benefit for themselves or for any third party, and (iii) not act so as to place themselves in a position where their personal interests did or might conflict with that of Hengxin (Singapore).

Hengxin (Singapore) claimed for injunctions restraining Mr. Qian and Mr. Jiang Wei from further breaches of the Qian Service Agreement and the Jiang Service Agreement respectively and sued for damages. Mr. Qian and Mr. Jiang Wei counterclaimed against Hengxin (Singapore) for unpaid bonuses to which they were entitled pursuant to the Qian Service Agreement and the Jiang Service Agreement respectively.

On 19 November 2009, the Singapore High Court delivered judgment on the consolidated action (i) dismissing the claims of Hengxin (Singapore), (ii) awarding Mr. Qian an aggregate sum of S$1,260.28, RMB1,101,900.49 and RMB378,574.36 all being unpaid bonuses to which Mr. Qian was entitled, with interest (iii) further awarding Mr. Qian an interlocutory judgment with damages to be assessed for repudiation of the Qian Service Agreement by Hengxin (Singapore), (iv) awarding Mr. Jiang Wei an aggregate sum of S$1,693.15 being unpaid prorated bonus for 2007 and S$3,008.22 being the lost bonus to which Mr. Jiang Wei was entitled, with interest and (v) further awarding Mr. Jiang Wei an interlocutory judgment with damages to be assessed for repudiation of the Jiang Service Agreement by Hengxin (Singapore).

The judgment was made on the basis that (1) Hengxin (Singapore) failed to prove that it or Hengxin (Jiangsu) had any confidential information or trade secrets, (2) the restraint of trade clauses in both Qian Service Agreement and Jiang Service Agreement did not have territorial limits and hence were too wide to be valid and enforceable against Mr. Qian and Mr. Jiang Wei respectively, (3) Hengxin (Singapore) failed to prove that it was not in repudiatory breach of the Qian Service Agreement and the Jiang Service Agreement by making payment in lieu of notice, (4) there was no evidence to show or prove that Mr. Qian or Mr. Jiang Wei removed or took away any confidential information, their knowledge in the cable industry was gained through their past experiences, (5) there was no evidence to show that either Mr. Qian or Mr. Jiang Wei had attempted to entice away customers of Hengxin (Singapore) or Hengxin (Jiangsu) to Jiangsu Trigiant and (6) reasons for the removal of Mr. Qian and subsequently Mr. Jiang Wei were out of personal spite.

On 9 December 2009, Hengxin (Singapore) filed a notice of appeal to the Court of Appeal of Singapore against the judgment of the Singapore High Court. Subsequent to its filing of the notice of appeal, on 11 February 2010, Hengxin (Singapore) and Hengxin (Jiangsu) entered into a settlement agreement with Mr. Qian and Mr. Jiang Wei for a full and final settlement of all disputes and issues arising out of the litigations involving Mr. Qian and Mr. Jiang Wei.

Save as disclosed in this section, Mr. Qian and Mr. Jiang Wei were not involved in any other material litigation which should be disclosed herein.

EX-SENIOR MANAGEMENT

Mr. Xia Jie (夏杰) is one of the ultimate beneficial owners of the Company and was a former director and a former deputy general manager of certain members of the Group and a former deputy general manager of Jiangsu Opto-electrical. Mr. Xia Jie joined the Group in March 2007. Prior to his resignations in May 2011, Mr. Xia Jie had held various positions in the Group companies, including assistant to the general manager and deputy general manager of Jiangsu Trigiant and director of each of the Company and its subsidiaries. The Directors and Mr. Xia Jie considered that the outstanding litigations as mentioned below in which Mr. Xia Jie is involved are not related to the Group and will not have an adverse impact on the operation and business of the Group. The PRC Legal Adviser advised, and the Sole Sponsor concurred with the PRC Legal Adviser that, since the litigation proceedings involved Mr. Xia Jie in his personal capacity referred to below and are not against the Group, such litigation proceedings and any result thereof will have no adverse impact on the business and operation of the Group. Mr. Xia Jie nevertheless considered that his resignation as a deputy general manager of Jiangsu Trigiant and as a director of each of the Company and its subsidiaries would be in the best interests of the Group and thus resigned in May 2011. On 19 September 2011, Mr. Xia Jie also resigned as deputy general manager of Jiangsu Opto-electrical.

After Mr. Xia Jie's resignations from the Group, Mr. Qian, in his own capacity, employed Mr. Xia Jie to act as his personal assistant on a business trip during the period from late August to mid-September 2011 to make appropriate arrangements for Mr. Qian's personal needs on travelling, accommodation and catering preferences, as Mr. Qian considered that Mr. Xia Jie, being his acquaintance and former subordinate for a long period of time, would best understand his personal needs and preferences. As Mr. Qian's personal assistant and upon his request, Mr. Xia Jie also accompanied Mr. Qian at certain meetings during such business trip. Immediately after Mr. Qian's business trip, Mr. Xia Jie ceased to be the personal assistant to Mr. Qian. Mr. Xia Jie no longer participates in the Group's daily operations nor acts as a shadow director after his resignation.

Mr. Xia Jie was involved in certain litigation proceedings as set out below which remained outstanding as at the Latest Practicable Date:

(i) First litigation involving Mr. Xia Jie

A lawsuit was filed on 7 March 2008 against Mr. Xia Jie and another alleging that Mr. Xia Jie and the other defendant entered into a share entrustment agreement with the plaintiff respectively on 19 November 2004, under which Mr. Xia Jie and the other defendant, each of whom was a former employee of Hengxin (Jiangsu), were entrusted by the plaintiff and 10 other shareholders of Hengxin (Jiangsu) to set up a company (the "Relevant Company") and to hold certain shares in the Relevant Company on behalf of the plaintiff. The plaintiff later entered into a share transfer agreement with the Relevant Company under which he transferred his 48.2398% equity interest in Hengxin (Jiangsu) to the Relevant Company at a consideration of RMB28,943,880.00.

On 18 December 2004, the Relevant Company transferred its 93.3516% equity interest in Hengxin (Jiangsu) to Hengxin (Singapore) at a consideration of US$10.06 million, out of which US$6.56 million was used up by the plaintiff and the 10 other shareholders of Hengxin (Jiangsu). The plaintiff alleged that (i) as he held 51.6754% equity interest in the Relevant Company, the Relevant Company should pay him approximately RMB14,956,000, representing his corresponding interest in the remaining balance of the proceeds of the transfer of the equity interests in Hengxin (Jiangsu) to Hengxin (Singapore) by the Relevant Company; and that (ii) Mr. Xia Jie and the other defendant failed to return any part of such sum to him.

The High People's Court of Jiangsu Province (江蘇高級人民法院) held that the share entrustment agreement between Mr. Xia Jie and the plaintiff was legal and valid and ruled that (i) Mr. Xia Jie shall refund to the plaintiff RMB1,861,945.47 and its corresponding interest; and (iii) Mr. Xia Jie and the other defendant shall jointly refund to the plaintiff RMB28,943,880.00 and its corresponding interest and shall be liable for related legal fees and announcement fees.

On 25 September 2010, Mr. Xia Jie filed an appeal to the Supreme People's Court of the PRC (中華人民共和國最高人民法院) against the decision of the High People's Court of Jiangsu Province.

On 14 April 2011, due to unclear facts and insufficient evidence, the Supreme People's Court of the PRC (i) quashed the judgment by the High People's Court of Jiangsu Province; and (ii) ordered that the case be retried by the High People's Court of Jiangsu Province. As at the Latest Practicable Date, the retrial of the case by the High People's Court of Jiangsu Province was still pending.

Save that (i) Mr. Xia Jie was a former employee of Hengxin (Jiangsu); (ii) Mr. Qian was the former chairman, general manager and legal representative of Hengxin (Jiangsu); and some of the Directors and senior management members of the Group were former employees of Hengxin (Jiangsu), Hengxin (Jiangsu) has no other relations with the Group. Save that (i) Mr. Jiang Wei, an executive Director, currently holds 210,000 shares in Hengxin (Singapore) and was a former director of Hengxin (Singapore); and (ii) Mr. Qian was a former shareholder and a former chairman, director and chief executive officer of Hengxin (Singapore), Hengxin (Singapore) has no relationship with the Group.

(ii) Second litigation involving Mr. Xia Jie

On 2 April 2008, Mr. Xia Jie and another filed a lawsuit against a company (the "Defendant"). In this lawsuit, Mr. Xia Jie and the other plaintiff claimed that they, through a company (the "Lender") set up by them (which was later dissolved), lent a sum of RMB28,762,965.00 to the Defendant. The Intermediate People's Court of Suzhou City (蘇州市中級人民法院) ruled that Mr. Xia Jie and the other plaintiff failed to submit sufficient evidence to prove the existence of a creditor-debtor relationship between the Lender and the Defendant and therefore dismissed the claims of Mr. Xia Jie and the other plaintiff. On 6 November 2009, Mr. Xia Jie and the other plaintiff appealed to the High People's Court of Jiangsu Province (江蘇高級人民法院), which affirmed the judgment of the Intermediate People's Court of Suzhou City and dismissed their appeal on 23 March 2010.

Mr. Xia Jie and the other plaintiff subsequently applied for freezing of the Defendant's bank deposits with a view to preventing the Defendant from dissipating its assets so as to frustrate their allegations (the "Preservation Action"). On 3 December 2010, the Defendant filed a lawsuit against Mr. Xia Jie and the other plaintiff in the above-mentioned lawsuit and claimed for economic loss of RMB1,838,800 as a result of the Preservation Action. As at the Latest Practicable Date, the judgment in respect of the lawsuit filed by the Defendant against Mr. Xia Jie and the other plaintiff for economic loss as a result of the Preservation Action was still pending.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in management and internal control procedures so as to achieve effective accountability.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules and appointed a qualified accountant to oversee the Company's financial reporting procedures and internal controls so as to ensure compliance with the Listing Rules.

The Company has adopted a system of corporate governance.

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. The Company is also committed to the view that the independent non-executive Directors should be of sufficient caliber and number for their views to carry weight. The independent non-executive Directors are free of any business or other relationship with the Directors or the Group in general which could interfere in any material manner with the exercise of their independent judgment.

AUDIT COMMITTEE

An audit committee was established by the Company on 23 August 2011 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and approve the Group's financial reporting process and internal control system. Members of the audit committee are Mr. Poon Yick Pang Philip, Ms. Jia Lina, Mr. Ng Wai Hung and Professor Jin Xiaofeng, all being independent non-executive Directors. Mr. Poon Yick Pang Philip is the chairman of the audit committee.

REMUNERATION COMMITTEE

A remuneration committee was established by the Company on 23 August 2011 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to review and make recommendations to the Board on terms of remuneration packages, bonuses and other compensation payable to Directors and senior management of the Group. The remuneration committee shall also ensure that no Director or any of his/her associate is involved in deciding his/her own remuneration. Members of the remuneration committee are Mr. Ng Wai Hung, Mr. Poon Yick Pang Philip, and Mr. Jiang Wei. Mr. Ng Wai Hung is the chairman of the remuneration committee.

NOMINATION COMMITTEE

A nomination committee was established by the Company on 23 August 2011 with written terms of reference. The primary duties of the nomination committee are to make recommendations to the Board on the appointment of Directors and the management of the Board succession. The members of the nomination committee are Professor Jin Xiaofeng, Mr. Poon Yick Pang Philip and Ms. Jia Lina. Professor Jin Xiaofeng is the chairman of the nomination committee.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Please refer to the accountants' reports set out in Appendices 1A and 1B to this prospectus for information regarding remuneration received by Directors (including fees, salaries, discretionary bonus, contributions to defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind) in FY2009, FY2010 and FY2011.

The five highest paid individuals in FY2009 were all employees. The highest paid individuals in FY2010 were 3 Directors and 2 employees, while the five highest paid individuals in FY2011 were 2 Directors and 3 employees.

The Group has not paid any remuneration to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office in respect of FY2009, FY2010 and FY2011. Further, none of the Directors had waived any remuneration during the same period.

Except as disclosed above, no other payments have been paid or are payable, in respect of FY2009, FY2010 and FY2011, by the Group to the Directors.

STAFF

As at 31 December 2011, the Group had 648 employees. The table below sets forth the number of employees of the Group by their functions.

Department	Number of employees
Directors and senior management *(note)*	4
Administration	51
Production	430
Procurement	7
Sales and marketing	44
Research and development	64
Others	48

Note: For the above purpose, the independent non-executive Directors are not included.

RELATIONSHIP WITH STAFF

The Directors are of the view that the Group has maintained a good relationship with its staff. The Group has not, in the past, experienced any disruption of its operations due to labour disputes.

The Directors are of the view that the ability to recruit and retain experienced and skilled labour is crucial to the Group's sustainable growth and development. In order to enhance the morale and productivity of employees, employees are remunerated based on their performance, experience and prevailing industry practices. Compensation policies and packages of management staff and functional heads are being reviewed on a yearly basis. In addition to basic salary, performance-related salary may also be awarded to employees based on internal performance evaluation.

The Group invests in continuing education and training programmes for management staff and other employees with a view to upgrading their skills and knowledge. These training courses include internal courses run by the management of the Group and external courses provided by professional trainers. They range from technical training for production staff to financial and administrative trainings for management staff.

The Group enters into individual employment contracts with validity periods ranging from three to five years and other terms such as wages, employee benefits, health and safety conditions in the workplace, confidentiality and grounds for termination.

In accordance with applicable PRC laws and regulations, as well as the compulsory requirements of local authorities where the Group is located, the Group participates in a pension contribution plan, a work-related injury insurance plan, an unemployment insurance plan, a medical insurance plan and an accident insurance plan for the employees. The contributions to these pension and insurance plans made by the Group in FY2009, FY2010 and FY2011 were approximately RMB2.09 million, RMB2.45 million and RMB3.60 million respectively. As confirmed by the Group, in addition to the statutorily required benefits, the Group also provides its employees with other welfare benefits including medical care, meal subsidies, education subsidies, housing, transportation and other retirement benefits in accordance with applicable regulations and the internal policies of the Group.

As required by relevant PRC regulations, the Group has formed a workers' union which protects employees' rights and welfare benefits, encourages employees' participation in management decisions, and assists in mediating disputes between the Group and individual employees. As advised by the PRC Legal Adviser, the constitution and operation of such workers' union are in compliance with relevant PRC regulations. During the Track Record Period, the Group had not experienced any strike or other labour disturbance which have interfered with the Group's operations.

COMPLIANCE ADVISER

The Company has appointed SinoPac Securities (Asia) Limited as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise the Group in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including issuance or repurchase of Shares;

(iii) if the Group proposes to use the net proceeds of the Global Offering in a manner different from that detailed in this prospectus or if the business activities, developments or results of the Group deviate from any forecast, estimate or other information in this prospectus; and

(iv) if the Stock Exchange makes an inquiry with the Group regarding unusual movements in the price or trading volume of the Shares.

In addition, the compliance adviser will also provide, among other services, the following services to the Group:

(i) if required by the Stock Exchange, deal with the Stock Exchange in respect of any or all matters listed in paragraphs (i) to (iv) above;

(ii) in relation to an application by the Group for a waiver from any of the requirements in Chapter 14A of the Listing Rules, advise the Company on its obligations and in particular the requirement to appoint an independent financial adviser; and

(iii) assess the understanding of all new appointees to the Board regarding the nature of their responsibilities and fiduciary duties as a director of a listed issuer, and, to the extent the Company forms an opinion that the new appointees' understanding is inadequate, discuss the inadequacies with the Board and make recommendations to the Board regarding appropriate remedial steps, such as training.

The term of the appointment shall commence on the Listing Date and end on the date on which the Group distributes its annual report in respect of the financial results for the first full financial year commencing after the Listing Date, and such appointment may be subject to extension by mutual agreement.

In addition, after the Listing Date, the Group will retain legal advisers to advise on ongoing compliance and Listing Rules issues and other applicable laws and regulations in Hong Kong.

So far as the Directors are aware, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the Capitalisation Issue, the following persons will have an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	**Capacity**	**Number of Shares held**	**Position**	**Percentage of shareholding**
Trigiant Investments	Beneficial owner	750,000,000	Long	75%
Abraholme	Interest of controlled corporation	750,000,000 *(Note)*	Long	75%
Mr. Qian	Interest of controlled corporation	750,000,000 *(Note)*	Long	75%
Qian Jindi	Interest of spouse	750,000,000	Long	75%

Note: These Shares are registered in the name of Trigiant Investments, a company owned as to 55.5% by Abraholme, which in turn is a company owned as to 80% by Mr. Qian. Madam Qian Jindi is the spouse of Mr. Qian. Under the SFO, each of Mr. Qian and Abraholme is deemed to be interested in all the Shares held by Trigiant Investments and Madam Qian Jindi is deemed to be interested in all the Shares in which Mr. Qian is interested.

SHARE CAPITAL

The following table is prepared on the basis that the Global Offering and the Capitalisation Issue were effected. This table does not take into account any Shares which may be issued upon exercise of the Over-allotment Option or any Shares which may be allotted and issued or repurchased pursuant to the Issue Mandate and the Repurchase Mandate.

Authorised share capital		*HK$*
10,000,000,000	Shares	100,000,000
Issued and to be issued, fully paid or credited as fully paid upon completion of the Global Offering and the Capitalisation Issue:		
10,000,000	Shares in issue as of the date of this prospectus	100,000
200,000,000	Shares to be issued under the Global Offering	2,000,000
790,000,000	Shares to be issued under the Capitalisation Issue	7,900,000
1,000,000,000		10,000,000

If the Over-allotment Option is exercised in full, the Company's issued share capital immediately following the Global Offering, the Capitalisation Issue and the issue of Shares pursuant to the exercise of the Over-allotment Option will be as follows:

Authorised share capital		*HK$*
10,000,000,000	Shares	100,000,000
Issued and to be issued, fully paid or credited as fully paid upon completion of the Global Offering:		
10,000,000	Shares in issue as of the date of this prospectus	100,000
237,500,000	Shares to be issued under the Global Offering (including those issued pursuant to the exercise of the Over-allotment Option)	2,375,000
790,000,000	Shares to be issued under the Capitalisation Issue	7,900,000
1,037,500,000		10,375,000

The Shares referred to in the above table have been or will be fully paid or credited as fully paid when issued.

Assumptions

The above tables assume that the Global Offering and the Capitalisation Issue become unconditional. Unless otherwise stated, it takes no account of Shares which may be allotted and issued upon the exercise of the Over-allotment Option or of any Shares which may be allotted and issued or repurchased by the Company pursuant to the Issue Mandate and the Repurchase Mandate.

Ranking

The Offer Shares will rank pari passu in all respects with all Shares in issue and/or to be allotted and issued as mentioned in this prospectus and will qualify for all dividends or other distributions hereafter declared, paid or made on the Shares save for the entitlement to the Capitalisation Issue.

ISSUE MANDATE

Subject to the conditions set forth in the section headed "Structure of the Global Offering" in this prospectus being fulfilled, the Directors have been granted a general mandate (i.e. the Issue Mandate) to exercise all the powers of the Company to allot, issue and deal with the Shares with an aggregate nominal value not exceeding:

– 20% of the aggregate nominal value of the Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), and

– the aggregate nominal value of the share capital of the Company repurchased by the Company (if any) pursuant to the Repurchase Mandate.

The Issue Mandate will expire:

– at the conclusion of the next annual general meeting of the Company; or

– upon the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or

– the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or reviewing such mandate,

whichever is the earliest.

For further details of the Issue Mandate, please refer to the section headed "Resolutions in writing of the sole Shareholder passed on 7 September 2011 and 28 February 2012" in Appendix V to this prospectus.

REPURCHASE MANDATE

Subject to the conditions set forth in the section headed "Structure of the Global Offering" in this prospectus being fulfilled, the Directors have been granted a general mandate (i.e. the Repurchase Mandate) to exercise all the powers of the Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal amount of the share capital of the Company in issue following the completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

The Repurchase Mandate only relates to repurchases made on the Stock Exchange or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with all applicable laws and the Listing Rules. A summary of the relevant requirements of the Listing Rules on the Repurchase Mandate is set forth in the section headed "Repurchase by the Company of its securities" in Appendix V to this prospectus.

The Repurchase Mandate will expire:

– at the conclusion of the next annual general meeting of the Company; or

– upon the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or

– the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate,

whichever is the earliest.

For further information about the Repurchase Mandate, please refer to the section headed "Resolutions in writing of the sole Shareholder passed on 7 September 2011 and 28 February 2012" in Appendix V to this prospectus.

The following discussion and analysis should be read in conjunction with the audited financial information and accompanying notes, as of and for the period from 1 January to 28 December 2009 of Jiangsu Trigiant in Appendix IB and the audited financial information and the accompanying notes, of the Group as of and for the period from 29 December to 31 December 2009, financial year ended 31 December 2010 and financial year ended 31 December 2011 in Appendix IA. Since there was a change in the controlling shareholders of Jiangsu Trigiant on 29 December 2009, the financial information of Jiangsu Trigiant as of and for the period from 1 January to 28 December 2009 could not be included in the same accountants' report of the Group as of and for the period from 29 December to 31 December 2009, financial year ended 31 December 2010 and financial year ended 31 December 2011. The consolidated financial information included in the accountants' report in Appendix IA and the audited financial information of Jiangsu Trigiant in Appendix IB have been prepared in accordance with HKFRS.

The following discussion and analysis contain certain forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by the Company in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as other factors which the Company believes are appropriate under the circumstances. However, whether the actual outcome and developments will meet the Company's expectations and predictions depend on a number of risks and uncertainties over which the Company does not have control. Please refer to the section headed "Risk Factors" in this prospectus.

The term "FY2009" refers to the period from 1 January 2009 to 28 December 2009, the term "FY2010" refers to the period from 29 December 2009 to 31 December 2010 and the term "FY2011" refers to the financial year ended 31 December 2011.

The financial information of FY2009, which is primarily based on the accountants' report included in Appendix IB, sets out the results and financial position of Jiangsu Trigiant before the change in controlling shareholders, whereas the financial information of FY2010 and FY2011, which is primarily based on the accountants' report included in Appendix IA, sets out the result and financial position of the Group after the change in control of Jiangsu Trigiant. Since 29 December 2009 (being the date of change in control of Jiangsu Trigiant), the business of Jiangsu Trigiant has been managed substantially by the same management team as before and the performance and financial position of Jiangsu Trigiant has reflected substantially the result and financial position of the Group's business. The Directors are of the opinion that the basis of presentation of financial information adopted in this section provides a meaningful analysis and consistent comparison of the performance and financial position of the Group's business during the Track Record Period.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Established in March 2007, the Group is one of the leading PRC manufacturers engaged in research, development and sales of RF coaxial cables series, new-type electronic components and other related accessories for use in mobile communications and telecommunications equipment. According to the notices issued by OEC in February 2011 and February 2012, which covered all major RF cables manufacturers in the PRC, Jiangsu Trigiant, the principal operating subsidiary of the Group, ranked first in terms of sales volume for RF cables among all RF cables manufacturers in the PRC in 2010 and 2011 respectively.

The Group has been named one of the top 50 communications equipment suppliers by Communications Weekly (通信產業報社) and China Joint Center for Case Management (中國管理案例聯合中心) four times. The Group was also awarded "Top 10 Feeder Cable Suppliers (ranked first) (十大饋線供應商 (第一名))" by Communications Weekly (通信產業報社), "China 3G Construction and Innovation Achievement Award (中國3G建設與創新成就獎)" in 2009, "Core Company for Optical Cables in China Communication Industry (中國通信光電纜行業核心企業)" by the Electrical Cable and Wire Branch of China Electrical Equipment Industry Association (中國電器工業協會電線電纜分會) and OEC, "Key Enterprise of State Torch Program (國家火炬計劃宜興電線電纜產業基地骨幹企業)" by the Torch High Technology Industry Development Center, Ministry of Science and Technology (科學技術部火炬高技術產業開發中心), "Jiangsu Province Leading Innovation Development Enterprise" (江蘇省創新發展先導企業) by The Jiangsu Province Enterprise Engineering Association (江蘇省企業發展工程協會), "2011 Outstanding Innovative Contribution to The Information Industry Enterprise" (2011中國信息產業創新突出貢獻企業) by The China Electronics Information Industry Development Research Institute (中國電子信息產業發展研究院) and "Top 100 PRC Electronic Component Enterprises (ranked 23rd) (中國電子元件百強企業(第23名))" by the Operation Supervision Coordination Bureau of MIIT and CECA in 2011.

The principal products of the Group are RF coaxial cables series (including RF cables for mobile communications and leaky coaxial cables). In FY2009, FY2010 and FY2011, sales of the RF coaxial cables series of the Group accounted for approximately 71.8%, 92.5% and 91.5% of its total turnover respectively. In addition, the Group manufactures and sells new-type electronic components (such as RF coaxial connectors, antenna lightning arresters and jumpers) and other related accessories (such as flame-retardant flexible cables, splitters, couplers and combiners). The products of the Group are used in the transmission systems of telecommunications operators and service providers and major equipment manufacturers in the PRC. In particular, the products can be applied in different mobile network systems, highways, railways, tunnels, underground facilities and high-rise buildings.

The turnover of the Group was substantially derived from the PRC market during the Track Record Period. The expertise of the management of the Group, coupled with its extensive sales and distribution network in the PRC, has helped the Group gain business from the three major PRC telecommunications operators, namely China Unicom, China Mobile and China Telecom and their respective provincial subsidiaries or branches. In FY2009, FY2010 and FY2011, sales to the top five customers of the Group amounted to approximately RMB857.0 million, RMB1,384.4 million and RMB1,778.0 million respectively and accounted for approximately 99.1%, 98.1% and 97.5% of the total turnover of the Group respectively. During the same period, sales to the largest customer of the Group amounted to approximately RMB745.0 million, RMB1,016.0 million and RMB1,120.4 million respectively, and accounted for approximately 86.1%, 72.0% and 61.5% of the total turnover of the Group respectively. The Group also exported its products to overseas markets, including India, Russia and Southeast Asia.

The business of the Group experienced remarkable growth in the recent years of operation, which was partially attributable to the official launch of the PRC 3G network in 2009. The turnover of the Group increased from approximately RMB865.0 million in FY2009 to approximately RMB1,410.8 million in FY2010, and further increased to approximately RMB1,822.7 million in FY2011, representing a CAGR of approximately 45.2%. The Group recorded gross profit margins of approximately 24.3%, 20.5% and 21.8% in FY2009, FY2010 and FY2011 respectively. The Group's net profit attributable to owners of the Company increased from approximately RMB85.3 million in FY2009 to approximately RMB206.8 million in FY2011, representing a CAGR of approximately 55.7%.

BASIS OF PRESENTATION

This prospectus includes two accountants' reports which are set forth in Appendix IA and Appendix IB. The accountants' report in Appendix IB includes the financial information of Jiangsu Trigiant for FY2009, the period prior to the change of controlling shareholders of Jiangsu Trigiant on 29 December 2009. Details of the change of controlling shareholders of Jiangsu Trigiant on 29 December 2009 are set out in the section headed "History and Development" in this prospectus. The accountants' report in Appendix IA includes the audited consolidated financial information of the Group for the period from 29 December 2009 to 31 December 2009, the year ended 31 December 2010 and the year ended 31 December 2011. Since there was a change in controlling shareholders of Jiangsu Trigiant on 29 December 2009, the audited financial information of Jiangsu Trigiant for the period from 1 January 2009 to 28 December 2009 could not be included in the same accountants' report of the Group for the period from 29 December 2009 to 31 December 2009, the year ended 31 December 2010 and the year ended 31 December 2011.

Although the financial year end of the Group is on 31 December and there is a gap of three days between 29 December 2009 and 31 December 2009, the Directors believe that the presentation of the financial information of the Group for the period from 29 December 2009 to 31 December 2010 facilitates a better understanding of the business of the Group during the Track Record Period after taking into consideration the following:

1. the business of the Group had been conducted by Jiangsu Trigiant during the period from 1 January 2009 to 28 December 2009 and subsequently by the Group and has been managed substantially by the same management team;

2. the financial positions of the Group as of 28 December 2009 and 31 December 2009 were not materially different and the profit or loss for the three days ended 31 December 2009 was immaterial;

3. the financial information of Jiangsu Trigiant for FY2009 and the financial information of the Group for the period from 29 December 2009 to 31 December 2010 provide a consistent and meaningful comparison of the financial results of the business of the Group under the period-to-period discussion under the "Review of operating results" in this section.

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 23 December 2010. Prior to the Global Offering, the Group underwent the Reorganisation pursuant to which the Company became the holding company of the Group. Please refer to the paragraph headed "Reorganisation" in Appendix V to this prospectus for details. The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the financial information prepared presents the consolidated results and financial positions of the Group as if the current group structure had been in existence throughout the Track Record Period.

All intra-group transactions and balances have been eliminated on consolidation.

FACTORS AFFECTING THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF THE GROUP

The results of operations and financial condition of the Group had been during the Track Record Period, and will continuously be, affected by a number of factors, including but not limited to those set forth in the section headed "Risk Factors" in this prospectus and as set out below:

Development and opportunities of telecommunications industry in the PRC

RF coaxial cables are integral parts of the communications system and are mainly used for the antenna feeder of wireless communications, while flexible cables are used for power supply to communications devices. In light of rapid development of mobile communications in developing countries and upgrades to mobile communications networks in developed countries, market prospects for RF coaxial cables and flexible cables are promising. In the PRC, construction and maintenance of the telecommunications network put forward by the three major PRC telecommunications operators are the main drivers of the demand for RF coaxial cables and flexible cables.

Reliance on major customers

The Group is dependent on its major customers, the three major PRC telecommunications operators, namely China Unicom, China Mobile and China Telecom and their respective provincial branches or subsidiaries. They usually invite the Group to participate in the tender separately organized by them. If the Group wins the tender, the respective telecommunications operator will enter into a framework agreement with the Group which sets out the general terms with respect to the supply of products. After entering into the framework agreement, the Group still needs to negotiate and enter into definitive sales contracts with the provincial branches or subsidiaries of such telecommunications operator. As at the Latest Practicable Date, the Group had entered into framework agreements with each of China Unicom, China Mobile and China Telecom. As of the Latest Practicable Date, the Group sold its products to 28 out of 31 provincial branches of China Unicom, 22 out of 31 provincial branches of China Mobile and 22 out of 31 provincial branches of China Telecom.

In FY2009, FY2010 and FY2011, sales to the largest customer of the Group were approximately RMB745.0 million, RMB1,016.0 million and RMB1,120.4 million respectively, and accounted for approximately 86.1%, 72.0% and 61.5% of the total turnover of the Group respectively. The Group's sales to the three major telecommunications operators in the PRC during the Track Record Period are set out below:

	FY2009		**FY2010**		**FY2011**	
	RMB (million)	*% of total turnover*	*RMB (million)*	*% of total turnover*	*RMB (million)*	*% of total turnover*
China Unicom	745.0	86.1%	1,016.0	72.0%	563.3	30.9%
China Mobile	29.4	3.4%	294.1	20.8%	1,120.4	61.5%
China Telecom	37.3	4.3%	38.6	2.7%	31.7	1.7%
Total	811.7	93.8%	1,348.7	95.5%	1,715.4	94.1%

As aforementioned, the Group heavily relies on and expects to continue to rely on these major customers, in particular China Unicom and China Mobile, for a significant portion of its future turnover. However, there is no assurance that the Group will win future tenders organised by such key customers or that the customers will maintain or increase their current level of business with the Group. In the event of any cancellation, delay or reduction in the scope of the existing business with any of these key customers or if the Group loses any of its key customers, its business and financial performance will be adversely affected.

Reliance on sales of RF coaxial cables series

The Group has been dependent on its RF coaxial cables series (including RF cables for mobile communications and leaky coaxial cables) for a significant portion of its turnover during the Track Record Period. The RF coaxial cables series of the Group generated approximately 71.8%, 92.5% and 91.5% of the turnover of the Group in FY2009, FY2010 and FY2011 respectively. In FY2011, the increase in the turnover of the Group as derived from sales of its RF coaxial cables series was mainly due to the respective increase in investment in the construction of outdoor 3G base stations by China Mobile, which in turn led to an increase in the demand for RF coaxial cables series. Even though the Group intends to leverage on its research and development capabilities to diversify its product portfolio, the Group still expects to continue to derive a majority of its turnover from sales of its RF coaxial cables series in the foreseeable future.

If the Group is unable to manufacture or sell its RF coaxial cables series due to regulatory, intellectual property infringement or other issues, or if the quality of the RF coaxial cables series of the Group becomes unacceptable to its major customers due to a change in their specifications, the turnover of the Group would significantly decline, and its business, financial condition and results of operation would be materially and adversely affected.

Production capacity

In anticipation of the growing demand from and geographic diversity of its customers, the Group has expanded and will continue to expand its scale of operations by purchasing additional manufacturing equipment. Increase in production capacity of the Group strengthens its ability to meet the anticipated growth in customer demand, therefore improving its competitiveness. As of the Latest Practicable Date, the Group had 34 production lines for RF coaxial cables series with an annual production capacity of approximately 150,000 km; and 44 production lines for new-type electronic components with an annual production capacity of approximately 11.2 million sets.

The Group intends to expand its production capacity for its RF coaxial cables series from approximately 150,000 km as at the Latest Practicable Date to approximately 180,000 km for the year ending 31 December 2013, depending on the industry condition and customers' demand for its products in the future. Having considered that relatively short period of time required for installation of a new production line for RF coaxial cables and there are sufficient site areas owned by the Group for construction of additional production plants, the Directors believe and will ensure that the Group is able to meet market demand when opportunities arise.

The planned investment in expanding the production capacities of the Group may require significant capital expenditures, which may in turn lead to additional depreciation expenses. Increase in production capacity may have varying impact on the financial condition and results of operations of the Group, such as, increase in capital expenditures and the respective depreciation expenses depending on factors such as utilisation rates, market demand and selling prices of products.

Research, development and production of new products

The Group needs to keep pace with technological changes and introduce new products and models on a timely and cost-effective basis. Success of the Group also depends partially on its ability to continuously upgrade its existing products and develop new products that offer technologies, features and appearances that meet the requirements of its customers, especially the three major PRC telecommunications operators, at a competitive price.

As of the Latest Practicable Date, the Group had successfully developed 43 new varieties of RF coaxial cables, new-type electronic components and other related accessories which offer its customers new transmission solutions for mobile communications. While keeping its focus on RF coaxial cable series and new-type electronic components, the Group also intends to utilise its research and development capabilities to improve product safety and quality as well as develop new versions of existing products such as aluminum cables, leaky cables for 3G, connectors, high frequency connectors, multi-core flexible cables and fire resistant cables.

Cost of materials consumed

Cost of materials consumed comprises cost of raw materials and change in work in progress and finished goods, which is the most important component in the cost of goods sold. The ability to obtain a stable supply of raw materials at favourable prices will affect the profitability and overall operating performance of the Group. Despite the Group has not entered into any long-term contracts with its suppliers, the Directors believe that there are many alternative suppliers in the market that sell similar raw materials and thus there will not be any difficulty in procuring an adequate supply of requisite raw materials.

The most important raw materials to the Group are copper-based materials. The total purchase of copper-based materials accounted for approximately 66.2%, 80.3% and 76.9% of the total purchases of the Group in FY2009, FY2010 and FY2011 respectively. The price of copper, a bulk commodity, is subject to market fluctuations. Generally, the Group tends to pass on most of the increases in copper price to its customers by including terms in its supply agreements with respect to RF coaxial cables series to the effect that the selling price of its products shall be linked to copper price.

However, there is no assurance that the Group can always successfully pass on such risks to its customers or offset the increase in the price of raw materials, mainly copper-based materials, through various cost control measures. Failure to pass on such risks to customers is likely to have a negative impact on the sales and profits of the Group. However, the Directors believe that the long-term relationship of the Group with its major suppliers enhances its bargaining power and ability to obtain better purchase prices.

Finance costs

The Group has historically met its liquidity requirements through a combination of cash flow from operations, internal resources, short-term and long-term bank borrowings and increase in paid-in capital. When internal capital resources could not meet its operating needs, the Group resorted to external financing resources. In addition, in FY2009 and FY2010, Jiangsu Trigiant and Fullway Technology (a former fellow subsidiary of Jiangsu Trigiant and one of the former suppliers of the Group in FY2009 and FY2010) entered into certain trade financing transactions with certain commercial banks in the PRC which were not supported by any underlying transactions and not in compliance with relevant PRC laws and regulations. In FY2010, Jiangsu Trigiant and Bin Fan also entered into certain similar non-compliant trade financing transactions with certain commercial banks in the PRC. The principal reason for such non-compliant trade financing arrangements was to lower the overall finance costs and to increase their respective business. Please refer to the paragraph headed "Non-compliant Trade Financing" under the section headed "Business" in this prospectus for further details. In FY2009, bank bills issued by Jiangsu Trigiant and discounted by Fullway Technology carried interest rates ranging from 1.58% to 2.47% per annum from which Jiangsu Trigiant incurred interest expenses of approximately RMB4.5 million, which were recognised as finance costs. In FY2010, bank bills issued by Jiangsu Trigiant and discounted by Fullway Technology and Bin Fan carried interest rates ranging from 2.24% to 4.35% per annum from which Jiangsu Trigiant incurred interest expenses of approximately RMB5.1 million, which were recognised as finance costs.

In FY2009, FY2010 and FY2011, the finance costs of the Group, being interest on bank loans less interest capitalised, were approximately RMB26.2 million, RMB39.4 million and RMB57.4 million respectively. Interest on bank borrowings increased from FY2009 to FY2011 mainly due to an increase in bank borrowings in such period for the Group's business expansion. As at the end of FY2009, FY2010 and FY2011, the weighted average effective interest rates of the variable rate bank borrowings of the Group were approximately 5.63%, 5.80% and 6.40% respectively. As at the end of FY2009, FY2010 and FY2011, the weighted average effective interest rates of the fixed rate bank borrowings of the Group were approximately 5.40%, 5.19% and 6.17%, respectively. Fluctuations in interest rates and the level of bank borrowings of the Group would have an impact on its finance costs, which would in turn affect its results of operations.

Taxation

The Group has not made any provision for Hong Kong profits tax as it did not carry out any business in Hong Kong during the Track Record Period. Jiangsu Trigiant, being the sole operating subsidiary of the Group in the PRC, is subject to Foreign Enterprise Income Tax on its taxable income as reported in its statutory financial statements adjusted in accordance with the relevant PRC laws and regulations.

Pursuant to the applicable PRC laws, Jiangsu Trigiant, as a wholly foreign-owned enterprise, was entitled to enjoy a preferential taxation treatment, "2-year exemption and 3-year half payment", or the "tax holiday". However, under the EIT Law, a unified EIT rate of 25% will be applied equally to both domestic enterprises and foreign-invested enterprises, but enterprises that are currently entitled to exemptions or reductions from the standard rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

The PRC Legal Adviser advised that Jiangsu Trigiant is entitled to the tax holiday and exempted from income tax for 2008 and 2009 and a reduced EIT rate at 12.5% from 2010 to 2012.

In accordance with Article 28 of the EIT Law, enterprises which are accredited as high and new technology enterprises (高新技術企業) are entitled to tax reduction for such period as prescribed under the current income tax laws. Jiangsu Trigiant has been accredited as a high and new technology enterprise (高新技術企業) jointly by the Science and Technology Department of Jiangsu Province (江蘇省科學技術廳), Finance Department of Jiangsu Province (江蘇省財政廳), Jiangsu State Administration of Taxation (江蘇省國家稅務局) and Jiangsu Local Taxation Bureau (江蘇省地方稅務局) in March 2009. Beginning from 2013, if Jiangsu Trigiant is still deemed as a high and new technology enterprise, it shall be entitled to a reduced income tax of 15% according to the EIT Law. As at the Latest Practicable Date, Jiangsu Trigiant has applied for a review of its high and new technology enterprise status which is due to expire in March 2012. The application has passed the preliminary review of the Yixing City Management Working Committee for High and New Technology Enterprise Recognition, and, according to the notice dated 6 February 2012 issued by the Yixing City Management Working Committee for High and New Technology Enterprise Recognition, a new certificate is expected to be issued in May 2012, subject to completion of the review process.

Upon the expiry of the existing preferential tax treatments, the PRC subsidiaries of the Group will be subject to a higher enterprise income tax rate and the financial performance of the Group will be affected.

CRITICAL ACCOUNTING POLICY AND ESTIMATION

The discussion and analysis of the results of operations and financial condition of the Group are based on its consolidated financial information, which has been prepared in accordance with HKFRSs. The results of operations and financial condition of the Group are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the consolidated financial information of the Group. Estimates and associated assumptions are continuously being evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates are reviewed on an ongoing basis. Actual results may differ from these estimates.

The Group believes the following critical accounting policies are among those that involve the most significant judgements and estimation used in preparing its consolidated financial information.

Property, plant and equipment and depreciation

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account their estimated residual value, using the straight line method. The principal annual rates used for this purpose are as follows:

Buildings	4.5%
Plant and machinery	9%
Furniture, fixtures and equipment	18%
Motor vehicles	18%

Construction in progress includes property, plant and equipment in the course of construction for production or for use by the Group. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

When an item of property, plant and equipment is transferred to investment property carried at fair value, and if the carrying amount is decreased as a result of a revaluation at the date of transfer, any resulting decrease in the carrying amount of the property is recognised in profit or loss. If the carrying amount is increased, to the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. Any remaining part of the increase is credited directly to equity (property revaluation reserve). On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis.

Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue is measured at the fair value of the considerations received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts, value added tax and sales related taxes.

(i) Sales of goods

Revenue from the sales of goods is recognised when the goods are delivered and the title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount on initial recognition.

(iii) Rental income

Rental income from operating lease is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

(iv) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and released to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

DESCRIPTION OF SELECTED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME LINE ITEMS

Turnover

The turnover of the Group during the Track Record Period was mainly derived from the sale of RF coaxial cables series (including RF cables for mobile communications and leaky coaxial cables), new-type electronic components (including connectors, jumpers and antenna lightning arresters), and other related accessories (including flame-retardant flexible cables, couplers and combiners) in the PRC.

Set out below is the segment turnover of the Group during the Track Record Period:

Turnover

	FY2009		FY2010		FY2011	
		% of total		*% of total*		*% of total*
	RMB'000	*turnover*	*RMB'000*	*turnover*	*RMB'000*	*turnover*
Segment						
RF coaxial cables series	620,983	71.8%	1,304,738	92.5%	1,667,077	91.5%
New-type electronic components	169,615	19.6%	73,138	5.2%	87,715	4.8%
Others	74,411	8.6%	32,903	2.3%	67,955	3.7%
Total	865,009	100%	1,410,779	100%	1,822,747	100%

The following table shows the breakdown of the sales volume of RF coaxial cables series and new-type electronic components of the Group during the Track Record Period:

	FY2009	FY2010	FY2011
Total units sold			
RF coaxial cables series (number of km)	47,444	95,863	113,910
New-type electronic components (pieces)	8,528,561	6,538,965	9,912,645

The following table sets out the average unit selling price of RF coaxial cables series and new-type electronic components of the Group sold during the Track Record Period:

	FY2009	FY2010	FY2011
Average unit selling prices(1)			
RF coaxial cables series (RMB per km)	13,089	13,610	14,635
New-type electronic components (RMB per piece)	20	11	9

Note 1: Average unit selling price is calculated by dividing the turnover for the year/period by the total number of units sold for the year/period. While this is the average unit selling price, the price per unit may vary depending on the specific type of RF coaxial cable or new-type electronic component sold.

RF coaxial cables series

RF coaxial cables series are mainly used in the transmission of high-frequency signals between antenna and base station equipment for outdoor wireless signal coverage systems and indoor wireless signal coverage systems. In FY2009, FY2010 and FY2011, sales of RF coaxial cables series contributed approximately 71.8%, 92.5% and 91.5%, respectively, to the total turnover of the Group, making it the largest turnover contributor during the Track Record Period.

The continuous increase in the turnover of the Group was primarily due to an increase in sales volume. The average selling price per km for the RF coaxial cables series increased by approximately RMB521, or approximately 4.0%, from approximately RMB13,089 in FY2009 to approximately RMB13,610 in FY2010, and then further increased by approximately RMB1,025, or approximately 7.5%, from approximately RMB13,610 in FY2010 to approximately RMB14,635 in FY2011. The increase in the average selling price of the RF coaxial cables series of the Group during the Track Record Period was primarily attributable to the increase in the average commodity price of copper during the Track Record Period. The framework agreement of the Group with one of its major customers contains provisions that the selling price of its products shall be linked to copper price, which can effectively hedge against risks brought about by fluctuations in copper price.

Sales volume of the RF coaxial cables series of the Group increased during the Track Record Period due to increased demand for the RF coaxial cables series of the Group, partly as a result of the issue of 3G licences to the three major PRC telecommunications operators by the PRC government in January 2009. Sales volume of RF coaxial cables series grew by approximately 102.1%, from 47,444 km in FY2009 to 95,863 km in FY2010, and increased by approximately 18.8% to 113,910 km in FY2011.

New-type electronic components

RF coaxial connectors, the principal new-type electronic components, are often used to interface two units such as the antenna to a transmission line, a receiver or a transmitter. Turnover for new-type electronic components was approximately RMB169.6 million, RMB73.1 million and RMB87.7 million in FY2009, FY2010 and FY2011 respectively, accounting for approximately 19.6%, 5.2% and 4.8% of the total turnover of the Group respectively. Sales volume of new-type electronic components decreased in FY2010 mainly because the demand for such products decreased as a result of the increase in investment in the construction of outdoor 3G base stations (in which the consumption of these products is usually less than that for indoor infrastructure) by the three major PRC telecommunications operators. Average selling price per unit of new-type electronic components decreased by approximately RMB9, or 45.0%, from RMB20 in FY2009 to RMB11 in FY2010, decreased by approximately RMB2, or approximately 18.2%, from RMB11 in FY2010 to RMB9 in FY2011. The Group lowered the selling price of certain new-type electronic components, being accessories to the RF coaxial cables of the Group, as one of the measures to boost the sales of its RF coaxial cables.

Others

The Group also produced and sold other related accessories, including flame retardant flexible cables, couplers and combiners. In FY2009, FY2010 and FY2011, sales of other related accessories were approximately RMB74.4 million, RMB32.9 million and RMB68.0 million respectively, and contributed approximately 8.6%, 2.3% and 3.7%, respectively, to the total turnover of the Group.

Cost of goods sold

Cost of goods sold as a percentage of the total turnover of the Group was approximately 75.7%, 79.5% and 78.2% in FY2009, FY2010 and FY2011 respectively.

Cost of goods sold of the Group mainly consists of costs of materials consumed, direct labour costs, utilities and production costs.

The table below presents a breakdown of the total cost of goods sold of the Group during the Track Record Period:

	FY2009		**FY2010**		**FY2011**	
	RMB'000	*% of total cost of goods sold*	*RMB'000*	*% of total cost of goods sold*	*RMB'000*	*% of total cost of goods sold*
Cost of materials consumed	622,959	95.1%	1,084,415	96.7%	1,368,235	96.0%
Direct labour costs	9,025	1.4%	7,976	0.7%	13,854	1.0%
Utilities	4,753	0.7%	6,147	0.6%	8,168	0.5%
Other production costs	18,151	2.8%	22,680	2.0%	35,179	2.5%
Total cost of goods sold	654,888	100%	1,121,218	100%	1,425,436	100%

Cost of materials consumed

Raw materials used by the Group mainly consist of copper-based materials, PE and PVC. During the Track Record Period, the Group was able to obtain all requisite raw materials from its suppliers. Costs of raw materials, particularly copper-based materials, however, can be volatile and have fluctuated significantly in recent years. Prices of these raw materials may continue to fluctuate and the Group cannot ensure that it can always pass on the increase in the cost of these raw materials to its customers, in which case its cost of goods sold may increase and its profit margins may decrease.

Direct labour costs

Direct labour costs of the Group mainly consist of wages and benefits to the employees of Jiangsu Trigiant directly engaged in production, despite some fluctuations in the number of employees during the year depending on production requirements. The Group has experienced fluctuations in its direct labour costs during the Track Record Period. Its direct labour costs decreased from approximately RMB9.0 million in FY2009 to approximately RMB8.0 million in FY2010, and then increased to approximately RMB13.9 million in FY2011.

The decrease in its direct labour costs in FY2010 was principally due to an increase in production efficiency through continuous innovation in production technology, use of more automated and sophisticated production equipment and inspection instruments, optimization of production workflow and increased training of production employees in FY2010.

However, the labour costs of the Group may increase due to the stringent requirements of the new PRC Labour Contract Law and its implementation rules.

Utilities

Utilities costs of the Group primarily consist of water and electricity costs. The Group purchases electricity and water from local power grids and the local water supplier respectively. During the Track Record Period, there had been a relatively stable supply of electricity at relatively stable prices.

Nevertheless, utilities costs increased from approximately RMB4.8 million to approximately RMB6.1 million from FY2009 to FY2010, from approximately RMB6.1 million to approximately RMB8.2 million from FY2010 to FY2011. This increase in utilities cost is mainly attributable to the increase in the sales volume as a direct result of the business expansion strategy of the Group.

Other production costs

Production costs of the Group mainly consist of depreciation of equipment used in the production process, maintenance of production lines and equipment, moulding of parts and components and other miscellaneous production-related costs.

Gross profit and gross profit margins

The table below sets forth the gross profit and gross profit margin for each business segment during the Track Record Period:

	FY2009			FY2010			FY2011		
	Gross profit	Gross profit margin	% of total gross profit	Gross profit	Gross profit margin	% of total gross profit	Gross profit	Gross profit margin	% of total gross profit
	RMB'000			*RMB'000*			*RMB'000*		
RF coaxial cables series	116,323	18.7%	55.4%	259,467	19.9%	89.6%	378,089	22.7%	95.2%
New-type electronic components	75,879	44.7%	36.1%	24,446	33.4%	8.4%	17,342	19.8%	4.4%
Others	17,919	24.1%	8.5%	5,648	17.2%	2.0%	1,880	2.8%	0.4%
Total	210,121	24.3%	100.0%	289,561	20.5%	100.0%	397,311	21.8%	100.0%

Gross profit margin of the RF coaxial cables series of the Group increased from 18.7% in FY2009 to approximately 19.9% in FY2010 and then further increased to approximately 22.7% in FY2011. The framework agreement entered into by the Group with one of its major customers contains provisions that the selling price of its products shall be linked to copper price, which can effectively hedge against risks associated with fluctuations in copper prices. In most circumstances, the Group only purchases copper-based materials after its customers have confirmed the specific purchase orders, and the selling price of RF coaxial cables series of the Group is determined with reference to the prevailing market price of copper. Accordingly, even though copper-based materials are the major components of the RF coaxial cable series of the Group, the gross profit margin of RF coaxial cables series did not fluctuate materially during the Track Record Period. On the contrary, the gross profit margin of RF coaxial cables series of the Group increased during the Track Record Period, primarily due to greater economies of scale resulting from the increase in production volume.

Gross profit margin of new-type electronic components and other related accessories of the Group decreased during the Track Record Period, mainly due to the decrease in the average selling price and a change in sales mix respectively.

The overall gross profit margin of the Group decreased from approximately 24.3% in FY2009 to approximately 20.5% in FY2010 and then increased to approximately 21.8% in FY2011. The overall gross profit margin of the Group in FY2009 was approximately 24.3%, which was relatively high as the gross profit margin of new-type electronic components for that year was approximately 44.7% (compared to 33.4% and 19.8% for FY2010 and FY2011 respectively) and the percentage of turnover of new-type electronic components accounted for approximately 19.6% of the total turnover for that year (compared to 5.2% and 4.8% for FY2010 and FY2011 respectively).

Other gains and losses

Other gains and losses mainly consist of interest income, net foreign exchange gain or loss and government grants.

Selling and distribution costs

Selling and distribution costs mainly consist of salary and welfare expenses for sales and marketing staff, transportation costs for delivery of products to customers, and other operating expenses, including travelling expenses, advertising and promotion expenses, and other miscellaneous expenses.

Administrative expenses

Administrative expenses mainly consist of salary and welfare expense for management and administrative personnel, office expense, entertainment expense, depreciation expense for office building and office equipment, other taxes and other administrative expenses.

Other expenses

Other expenses consist of expenses incurred in relation to initial public offering of the Company's shares.

Taxation

Taxation mainly consists of income tax charged on the PRC subsidiary of the Group and related deferred tax expenses. The Group was not subject to Hong Kong profits tax or any tax in the Cayman Islands and the BVI during the Track Record Period.

In accordance with the Foreign Enterprise Income Law (外商投資企業所得稅法), production-type foreign-invested enterprises with an operation period of 10 years or more were exempt from foreign enterprise income tax for the first two years starting from the first profit-making year from the PRC tax perspective, and were subject to 50% of the applicable foreign enterprise income tax rate in the following three years.

According to the Notice of the State Council on the Implementation of the Enterprise Income Tax Transitional Preferential Policy (國務院關於實施企業所得稅過渡優惠政策的通知) issued on 26 December 2007, enterprises that were established before March 2007 are still entitled to the above mentioned tax holidays under the then effective tax law and regulations.

The Group did not generate taxable profits in 2007. Pursuant to the above laws and regulations, the PRC Legal Adviser advised that Jiangsu Trigiant was exempt from income tax for 2008 and 2009, and is entitled to a reduced EIT rate of 12.5% from 2010 to 2012.

RESULTS OF OPERATIONS

The following table sets out the statements of comprehensive income of Jiangsu Trigiant for FY2009 (immediately before the change in control of Jiangsu Trigiant on 29 December 2009) and the consolidated statements of comprehensive income of the Group for FY2010 (after the change in control of Jiangsu Trigiant on 29 December 2009) and FY2011 respectively.

	Jiangsu Trigiant	**The Group**	
	FY2009	**FY2010**	**FY2011**
	RMB'000	*RMB'000*	*RMB'000*
Turnover	865,009	1,410,779	1,822,747
Cost of goods sold	(654,888)	(1,121,218)	(1,425,436)
Gross profit	210,121	289,561	397,311
Other gains and losses	5,709	12,150	14,073
Selling and distribution costs	(72,375)	(37,419)	(47,999)
Administrative expenses	(31,984)	(42,753)	(46,371)
Other expenses	–	(2,605)	(12,867)
Finance costs	(26,217)	(39,448)	(57,440)
Profit before taxation	85,254	179,486	246,707
Taxation	–	(28,225)	(39,922)
Profit for the year/period attributable to owners of the Company	85,254	151,261	206,785
Other comprehensive income			
Revaluation surplus on properties upon transfer to investment properties	–	830	–
Income tax relating to the component of other comprehensive income	–	(208)	–
Total comprehensive income for the year/period	85,254	151,883	206,785

REVIEW OF HISTORICAL OPERATING RESULTS

Results of the Group in FY2011 compared to its results in FY2010

Turnover

The total turnover of the Group increased by approximately RMB411.9 million, or approximately 29.2%, from approximately RMB1,410.8 million in FY2010 to approximately RMB1,822.7 million in FY2011. Such increase was attributable to the increase in turnover from sales of RF coaxial cables series, new-type electronic components and other related accessories by approximately RMB362.3 million, RMB14.6 million and RMB35.0 million respectively. Sales of RF coaxial cables series accounted for approximately 91.5% and 92.5% of the Group's total turnover in FY2011 and in FY2010 respectively.

The increase in sales of RF coaxial cables series, new-type electronic components and other related accessories was primarily due to the increase in overall sales to the three major PRC telecommunications operators. Overall sales to the three major PRC telecommunications operators increased by approximately RMB366.7 million from approximately RMB1,348.7 million in FY2010 to approximately RMB1,715.4 million in FY2011. In particular, demand for the RF coaxial cables series of the Group from China Mobile increased significantly as a result of increased investment in construction of outdoor 3G base stations by China Mobile in FY2011.

Cost of goods sold

Cost of goods sold increased by approximately RMB304.2 million, or approximately 27.1%, from approximately RMB1,121.2 million in FY2010 to approximately RMB1,425.4 million in FY2011. Cost of materials consumed accounted for over 95% of the total cost of goods sold for both periods. The increase in cost of goods sold was primarily due to an increase in the cost of materials consumed by approximately RMB283.8 million, or approximately 26.2% in FY2011 compared to FY2010. Such increase was in line with the increase in the turnover of the Group in FY2011.

Gross profit and gross profit margin

Gross profit increased by approximately RMB107.7 million, or approximately 37.2%, from approximately RMB289.6 million in FY2010 to approximately RMB397.3 million in FY2011. Such increase was mainly attributable to the increase in sales of the RF coaxial cables series of the Group.

Overall gross profit margin increased by approximately 1.3% from 20.5% in FY2010 to approximately 21.8% in FY2011. Such increase was primarily attributable to the increase in gross profit margin of the RF coaxial cables series of the Group resulting mainly from (i) the further increase in economies of scale and (ii) the continuous enhancement of production efficiency in FY2011.

Other gains and losses

Other gains and losses increased by approximately RMB2.0 million, or approximately 15.8%, from approximately RMB12.1 million in FY2010 to approximately RMB14.1 million in FY2011. Such increase was primarily due to the increase in interest income by approximately RMB2.8 million, partly offset by the decrease in exchange gain on revaluation of amounts due to shareholders denominated in US Dollars by approximately RMB0.7 million.

Selling and distribution costs

Selling and distribution costs increased by approximately RMB10.6 million, or approximately 28.3%, from approximately RMB37.4 million in FY2010 to approximately RMB48.0 million in FY2011. Such increase was mainly due to (i) the increase in transportation costs by approximately RMB7.6 million resulting from the increase in the turnover of the Group; and (ii) the increase in entertainment expenses by approximately RMB1.8 million for sales and marketing purposes.

Administrative expenses

Administrative expenses increased by approximately RMB3.6 million, or approximately 8.5%, from approximately RMB42.8 million in FY2010 to approximately RMB46.4 million in FY2011. Such increase was principally attributable to the increase in salaries for management and administration personnel by approximately RMB3.6 million resulting mainly from salary increment and bonus paid for certain staff.

Other expenses

Other expenses increased by approximately RMB10.3 million, or approximately 393.9%, from approximately RMB2.6 million in FY2010 to approximately RMB12.9 million in FY2011. Such increase was attributable to additional expenses incurred in relation to initial public offering of the Company's shares.

Finance costs

Finance costs increased by approximately RMB18.0 million, or approximately 45.6%, from approximately RMB39.4 million in FY2010 to approximately RMB57.4 million in FY2011. Such increase was mainly attributable to the reasons that (i) short-term bank borrowings increased by RMB260.3 million for additional working capital amid the business expansion of the Group and that (ii) PBOC base interest rate raised by more than 10% in FY2011.

Taxation

Taxation charged for both FY2011 and FY2010 mainly represent EIT of Jiangsu Trigiant calculated at 12.5% on its taxable income in accordance with the relevant PRC laws and regulations. The taxation charge of the Group increased in FY2011 as compared to that in FY2010 mainly because taxable income of Jiangsu Trigiant increased.

Profit for the year/period

As a combined result of the foregoing, the profit after tax of the Group increased by approximately RMB55.5 million, or approximately 36.7%, from approximately RMB151.3 million in FY2010 to approximately RMB206.8 million in FY2011.

Results of the Group in FY2010 after the change in control in Jiangsu Trigiant compared to the results of Jiangsu Trigiant in FY2009

Turnover

The total turnover of the Group increased by approximately RMB545.8 million, or approximately 63.1%, from approximately RMB865.0 million in FY2009 to approximately RMB1,410.8 million in FY2010. The increase was mainly attributable to the increase in sales of RF coaxial cables series as a result of the increased purchase orders from three major PRC telecommunications operators, especially China Mobile and its provincial subsidiaries. They increased their respective investment in the construction of outdoor 3G base stations, which in turn led to an increase in their demand for RF coaxial cables.

Turnover from the sales of RF coaxial cables series increased by approximately RMB683.7 million, or approximately 110.1%, from approximately RMB621.0 million in FY2009 to approximately RMB1,304.7 million in FY2010, contributing to approximately 92.5% of the total turnover in FY2010. Sales to China Mobile increased by approximately 900.3% from approximately RMB29.4 million in FY2009 to approximately RMB294.1 million in FY2010.

Cost of goods sold

Cost of goods increased by approximately RMB466.3 million, or approximately 71.2% from approximately RMB654.9 million in FY2009 to approximately RMB1,121.2 million in FY2010, primarily due to a corresponding increase in sales.

Gross profit and gross profit margin

Gross profit of the Group increased by approximately RMB79.5 million, or approximately 37.8% from approximately RMB210.1 million in FY2009 to approximately RMB289.6 million in FY2010, which reflects the rapid increase in turnover.

Overall gross profit margin of the Group decreased by approximately 3.8% from approximately 24.3% in FY2009 to approximately 20.5% in FY2010. The decrease mainly reflected a decrease in the gross profit margin of new-type electronic components from approximately 44.7% in FY2009 to approximately 33.4% in FY2010 due to (i) decrease in the selling price per unit of new-type electronic components, being accessories to RF coaxial cables series; and (ii) decrease in the demand for the new-type electronic components as a result of increased investment in the construction of outdoor 3G base stations by the three major PRC telecommunications operators, in which the consumption of these products is usually less than that for indoor infrastructure. These led to a decrease in the fixed production cost on a proportional basis and their effects were partially offset by a slight increase in the gross profit margin of RF coaxial cables series due to (i) reduction in the consumption of copper-based materials, (ii) transfer of increased purchase cost of copper-based materials to its major customers, including China Unicom, and (iii) greater economies of scale.

Other gains and losses

Other gains and losses increased by approximately RMB6.4 million, or approximately 112.8%, from approximately RMB5.7 million in FY2009 to approximately RMB12.1 million in FY2010. The increase was primarily due to the exchange gain of approximately RMB6.8 million resulting from the revaluation of amounts due to shareholders denominated in US dollars.

Selling and distribution costs

Selling and distribution costs decreased dramatically by approximately by RMB35.0 million or approximately 48.3% from approximately RMB72.4 million in FY2009 to approximately RMB37.4 million in FY2010. This decrease was mainly due to a decrease in salaries for sales and marketing staff and advertising expense by approximately RMB37.2 million.

Administrative expenses

Administrative expenses increased by approximately RMB10.8 million, or approximately 33.7%, from approximately RMB32.0 million in FY2009 to approximately RMB42.8 million in FY2010. The increase was mainly due to an increase in entertainment expenses.

Other expenses

In FY2010, expenses incurred in relation to initial public offering of the Company's shares amounted to approximately RMB2.6 million, whereas no such expenses were incurred in FY2009.

Finance costs

Finance costs increased by approximately RMB13.2 million, or approximately 50.5%, from approximately RMB26.2 million in FY2009 to approximately RMB39.4 million in FY2010. The increase was mainly attributable to a significant increase in bank borrowings from approximately RMB670.2 million at the end of FY2009 to approximately RMB830.0 million at the end of FY2010, to fund the rapid business expansion and working capital of the Group.

Taxation

The income tax rate of Jiangsu Trigiant in FY2010 was 12.5%, which amounted to approximately RMB28.2 million for the year. Jiangsu Trigiant was exempted from EIT for its first two profit-making years of operations and is entitled to a 50% reduction in EIT for the following three years under the relevant PRC tax laws and regulations. The first profit-making year for Jiangsu Trigiant commenced in 2008.

Profit for the period

As a result of the foregoing, the profit after tax of the Group increased by approximately RMB66.0 million, or approximately 77.4%, from approximately RMB85.3 million in FY2009 to approximately RMB151.3 million in FY2010.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Overview

During the Track Record Period, the operation of the Group was generally financed through a combination of shareholder's equity, internally generated cash flows and bank borrowings. The Directors believe that in the long term, the operation of the Group will be funded by internally generated cash flow and, if necessary, additional equity financing and bank borrowing.

The following table summarises the cash flows in FY2009, FY2010 and FY2011:

	Jiangsu Trigiant	**The Group**	
	FY2009	**FY2010**	**FY2011**
	RMB'000	*RMB'000*	*RMB'000*
Net cash (used in)/generated from operating activities	(239,039)	175,854	52,486
Net cash (used in)/generated from investing activities	(240,601)	17,559	(165,603)
Net cash generated from financing activities	559,640	145,503	157,749
Increase in cash and cash equivalents	80,000	338,916	44,632
Cash and cash equivalents at the beginning of the year/period	9,400	–	338,916
Cash and cash equivalents at the end of the year/period	89,400	338,916	383,548

Operating activities

Net cash generated from operating activities in FY2011 amounted to approximately RMB52.5 million, reflecting the profit before taxation of the Group of approximately RMB246.7 million, an increase in approximately RMB12.2 million in cash resulting from adjustments for non-cash items, a decrease of approximately RMB225.2 million in cash resulting from changes in working capital, an increase of approximately RMB51.9 million for non-operating items and a payment of approximately RMB33.1 million for PRC income tax. During this period:

- Non-cash adjustments consisted of (i) depreciation of property, plant and equipment of approximately RMB16.9 million; (ii) operating lease rentals in respect of land use rights of approximately RMB1.8 million; (iii) gain on fair value changes on investment properties of approximately RMB0.4 million; and (iv) exchange gain of approximately RMB6.1 million.

- Changes in working capital consisted of (i) an increase in inventories of approximately RMB51.8 million; (ii) an increase in trade and other receivables of approximately RMB386.6 million; and (iii) an increase in trade and other payables of approximately RMB213.2 million.

- Changes in non-operating items consisted of (i) bank deposit interest income of approximately RMB5.2 million; (ii) finance costs of approximately RMB57.4 million; and (iii) government grants of approximately RMB0.3 million.

Net cash generated from operating activities in FY2010 was approximately RMB175.9 million, reflecting the Group's profit before taxation of approximately RMB179.5 million, an increase of approximately RMB9.5 million in cash resulting from adjustments for non-cash items, a decrease of approximately RMB33.5 million in cash resulting from changes in working capital, an increase of approximately RMB36.7 million for non-operating items and a payment of approximately RMB16.3 million for PRC income tax. During this period:

- Non-cash adjustments consisted of (i) depreciation of property, plant and equipment of approximately RMB14.8 million; (ii) operating lease rentals in respect of land use rights of approximately RMB1.9 million; (iii) gain on fair value changes on investment properties of approximately RMB0.4 million; and (iv) exchange gain of approximately RMB6.8 million.

- Changes in working capital consisted of (i) a decrease in inventories of approximately RMB5.3 million; (ii) an increase in trade and other receivables of approximately RMB107.7 million; and (iii) an increase in trade and other payables of approximately RMB68.9 million.

- Changes in non-operating items consisted of (i) bank deposit interest income of approximately RMB2.4 million; (ii) finance costs of approximately RMB39.4 million; and (iii) government grants of approximately RMB0.3 million.

Net cash used in operating activities in FY2009 was approximately RMB239.0 million, reflecting the Group's profit before taxation of approximately RMB85.3 million, adjustments of approximately RMB10.8 million for non-cash items, a decrease of approximately RMB356.3 million in cash resulting from changes in working capital and an increase of approximately RMB21.2 million for non-operating items. During this period:

- Non-cash adjustments consisted of (i) depreciation of property, plant and equipment of approximately RMB10.0 million; and (ii) operating lease rentals in respect of land use rights of approximately RMB0.8 million.

- Changes in working capital consisted of (i) an increase in trade and other receivables of approximately RMB422.2 million; (ii) an increase in trade and other payables of approximately RMB90.7 million; and (iii) an increase in inventories of approximately RMB24.8 million.

- Changes in non-operating items consisted of (i) bank deposit interest income of approximately RMB4.9 million; (ii) finance costs of approximately RMB26.2 million; and (iii) government grants of approximately RMB0.1 million.

Investing activities

In FY2011, the Group had net cash used in investing activities of approximately RMB165.6 million, which was incurred due to its (i) purchase of property, plant and equipment of approximately RMB8.1 million; (ii) new bank deposits pledged to banks in the amount of approximately RMB363.2 million to secure certain bank facilities; and (iii) payment for the acquisition of land use rights of approximately RMB8.0 million. The effects of the foregoing were offset by cash inflows from (i) interest income of approximately RMB3.3 million; and (ii) the release of pledged bank deposits of approximately RMB210.4 million.

In FY2010, the Group had net cash generated from investing activities of approximately RMB17.6 million, which was due to its (i) purchase of property, plant and equipment of approximately RMB36.0 million in connection with production capacity expansions; (ii) acquisition of a subsidiary of approximately RMB115.5 million; (iii) new bank deposits pledged to banks in the amount of approximately RMB207.1 million to secure certain bank facilities; and (iv) investments in Jiangsu Opto-electrical and Jiangsu Sensing of approximately RMB20.0 million. The effects of the foregoing were offset by cash inflows from (i) repayment from a former fellow subsidiary of approximately RMB66.0 million; (ii) government grants of approximately RMB3.1 million; (iii) interest income of approximately RMB3.3 million; and (iv) the release of pledged bank deposits of approximately RMB323.8 million.

In FY2009, the Group had net cash used in investing activities of approximately RMB240.6 million, which was due to its (i) purchase of property, plant and equipment of approximately RMB63.7 million in connection with production capacity expansions; (ii) purchase for land use rights of approximately RMB20.0 million; (iii) advance to a fellow subsidiary of approximately RMB46.0 million and (iv) increase in pledged deposits with banks in the amount of approximately RMB599.2 million primarily due to an increase in bills payables. The effects of the foregoing were offset by cash inflows from (i) government grants of approximately RMB0.1 million; (ii) repayment by a fellow subsidiary of approximately RMB10.0 million; (iii) interest income of approximately RMB4.1 million; and (iv) the release of pledged bank deposits of approximately RMB474.1 million.

Financing activities

Net cash generated from financing activities in FY2011 was approximately RMB157.7 million, reflecting proceeds from (i) new bank borrowings of the Group in the amount of approximately RMB1,385.7 million; and (ii) advances from a Director of approximately RMB11.8 million. These cash inflows were offset by (i) repayment of bank borrowings in the amount of approximately RMB1,165.4 million; (ii) payment of interest on bank borrowings of approximately RMB56.4 million; and (iii) repayment to investees of approximately RMB18.0 million.

Net cash generated from financing activities in FY2010 was approximately RMB145.5 million, reflecting proceeds from (i) new bank borrowings of the Group in the amount of approximately RMB1,032.7 million; (ii) a loan from shareholders of approximately RMB204.9 million; (iii) bills payable to a former fellow subsidiary and a supplier of approximately RMB270.0 million; (iv) advances from a Director of approximately RMB8.0 million and (v) advances from investees of approximately RMB21.0 million. These cash inflows were offset by (i) repayment of bank borrowings in the amount of approximately RMB872.9 million; (ii) repayment of bills payable to a former fellow subsidiary and a supplier of approximately RMB434.0 million; (iii) repayment of advances by a Director of approximately RMB39.2 million; (iv) payment of interest costs of approximately RMB42.0 million; and (v) repayment to investees of approximately RMB3.0 million.

Net cash generated from financing activities in FY2009 was approximately RMB559.6 million, reflecting proceeds from (i) new bank borrowings of the Group in the amount of approximately RMB829.3 million; (ii) bills payable to a fellow subsidiary of approximately RMB494.0 million; and (iii) an advance from a Director of approximately RMB7.0 million. These cash inflows were offset by (i) repayment of bank borrowings in the amount of approximately RMB333.8 million; (ii) repayment of bills payables to a fellow subsidiary of approximately RMB400.0 million; (iii) payment of withholding tax of approximately RMB3.4 million; and (iv) payment of interest costs of approximately RMB33.5 million.

ANALYSIS OF FINANCIAL POSITION

The following table sets out the statements of financial position of Jiangsu Trigiant as at 28 December 2009 (immediately before the change in control of Jiangsu Trigiant on 29 December 2009) and the consolidated statements of financial position of the Group as at 31 December 2010 and 31 December 2011.

	Jiangsu Trigiant	**The Group**	
	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Investment properties	–	17,900	18,300
Property, plant and equipment	177,144	190,977	181,970
Land use rights	51,223	73,392	71,683
Available-for-sales investments	–	20,000	20,000
	228,367	302,269	291,953
Current assets			
Inventories	65,300	59,980	111,751
Trade and other receivables	673,497	780,308	1,168,881
Advances to a fellow subsidiary	66,000	–	–
Land use rights	1,226	1,891	1,800
Pledged bank deposits	206,295	89,620	242,401
Bank balances and cash	89,400	338,916	383,548
	1,101,718	1,270,715	1,908,381
Current liabilities			
Trade and other payables	209,010	297,414	490,956
Amount due to a director	34,000	2,797	14,680
Amounts due to shareholders	–	198,070	–
Bills payable to a fellow subsidiary	164,000	–	–
Bank borrowings			
– due within one year	600,239	680,000	940,300
Tax payables	–	8,657	10,037
	1,007,249	1,186,938	1,455,973

	Jiangsu Trigiant	The Group	
	At 28 December 2009	At 31 December 2010	At 31 December 2011
	RMB'000	*RMB'000*	*RMB'000*
Net current assets	94,469	83,777	452,408
Total assets less current liabilities	322,836	386,046	744,361
Non-current liabilities			
Government grants	1,895	2,770	2,431
Payable for acquisition of land use rights	13,502	5,502	–
Bank borrowings – due after one year	70,000	150,000	110,000
Deferred taxation	–	12,937	18,399
	85,397	171,209	130,830
Net assets	237,439	214,837	613,531
Capital and reserves			
Paid-in capital/share capital	216,670	7	82
Reserves	20,769	214,830	613,449
Total equity	237,439	214,837	613,531

The Group had net assets of approximately RMB237.4 million as at 28 December 2009, approximately RMB214.8 million as at 31 December 2010 and approximately RMB613.5 million as at 31 December 2011.

Investment properties

The investment properties of the Group are situated in the PRC under medium-term leases. The fair value of the investment properties of the Group as at 31 December 2011 was approximately RMB18.3 million, which was determined by reference to rental income using applicable market yields for similar locations and types of properties.

Property, plant and equipment

The carrying value of property, plant and equipment, mainly comprising buildings, machinery, equipment and fixtures and motor vehicles, amounted to approximately RMB177.1 million, RMB191.0 million and RMB182.0 million as at 28 December 2009, 31 December 2010 and 31 December 2011, respectively. The change in the carrying value of plant, property and equipment during the Track Record Period mainly resulted from capital expenditure incurred in plant and machinery and construction in progress to cope with the business expansion of the Group and depreciation charged during the Track Record Period.

Current ratio

As at 28 December 2009, 31 December 2010 and 31 December 2011, the Group's current ratio was approximately 1.1, 1.1 and 1.3, respectively, which is considered to be healthy. Current ratio is calculated by dividing the current assets of the Group over its current liabilities.

Net current assets

The following table sets out details of the Group's current assets and liabilities at the dates indicated:

	At 28 December 2009	At 31 December 2010	At 31 December 2011	At 31 January 2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current assets				
Inventories	65,300	59,980	111,751	128,908
Trade and other receivables	673,497	780,308	1,168,881	1,165,152
Advances to a fellow subsidiary	66,000	–	–	–
Land use rights	1,226	1,891	1,800	1,800
Pledged bank deposits	206,295	89,620	242,401	252,451
Bank balances and cash	89,400	338,916	383,548	322,748
	1,101,718	1,270,715	1,908,381	1,871,059
Current liabilities				
Trade and other payables	209,010	297,414	490,956	419,452
Amount due to a director	34,000	2,797	14,680	15,426
Amounts due to shareholders	–	198,070	–	–
Bills payable to a fellow subsidiary	164,000	–	–	–
Bank borrowings				
– due within one year	600,239	680,000	940,300	980,300
Tax payables	–	8,657	10,037	2,780
	1,007,249	1,186,938	1,455,973	1,417,958
Net current assets	94,469	83,777	452,408	453,101

As at 28 December 2009, 31 December 2010 and 31 December 2011, the Group had net current assets of approximately RMB94.5 million, RMB83.8 million and RMB452.4 million respectively. From 31 December 2010 to 31 December 2011, the significant increase in net current assets by approximately RMB368.6 million was primarily due to the waiver of amounts due to shareholders which was credited to reserve in FY2011 and the improvement of working capital as a result of the increase in net profit for FY2011 amounting to approximately RMB206.8 million.

As at 31 January 2012, the unaudited net current assets of the Group amounted to approximately RMB453.1 million. The components of current assets of the Group as at 31 January 2012 consisted of inventories of approximately RMB128.9 million, trade and other receivables of approximately RMB1,165.2 million, land use rights of approximately RMB1.8 million, pledged bank deposits of approximately RMB252.5 million and bank balances and cash of approximately RMB322.7 million. The components of current liabilities of the Group as at 31 January 2012 consisted of trade and other payables of approximately RMB419.5 million, amount due to a Director of approximately RMB15.4 million, bank borrowings due within one year of approximately RMB980.3 million and tax payables of RMB2.8 million. Net current assets increased slightly by approximately RMB0.7 million from approximately RMB452.4 million as at 31 December 2010 to approximately RMB453.1 million as at 31 January 2012.

Inventories and inventory turnover days

The following table sets out the summary of the balance of the inventories of the Group as of the dates indicated:

	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	18,224	14,526	36,553
Work in progress	8,609	7,661	15,935
Finished goods	38,467	37,793	59,263
	65,300	59,980	111,751

As at 28 December 2009, 31 December 2010 and 31 December 2011, the inventory of raw materials of the Group were approximately RMB18.2 million, RMB14.5 million and RMB36.5 million, respectively.

As at 28 December 2009, 31 December 2010 and 31 December 2011, the inventory of work in progress of the Group were approximately RMB8.6 million, RMB7.7 million and RMB15.9 million, respectively.

Finished goods of the Group primarily consist of products awaiting delivery to customers. As at 28 December 2009, 31 December 2010 and 31 December 2011, the inventory of finished goods of the Group were approximately RMB38.5 million, RMB37.8 million and RMB59.3 million, respectively.

With respect to the decrease in the amounts of raw materials, work in progress and finished goods as at 31 December 2010 (as compared to the corresponding amounts as at 28 December 2009), the main reason was attributable to the decreased turnover days of inventory as a result of efficient management. Compared to the amounts as at 31 December 2010, raw materials, work in progress and finished goods as at 31 December 2011 increased mainly due to increased demand for RF coaxial cables series from customers' order on hand.

Up to 31 January 2012, subsequent usage of inventories amounted to approximately RMB74.2 million.

The following table sets out the inventory turnover days for the Track Record Period:

	FY2009	**FY2010**	**FY2011**
Inventory turnover days *(note)*	29	20	22

Note: The calculation of inventory turnover days is based on the average inventory balances divided by cost of goods sold and multiplied by 365 days for the year. Average inventory balances are equal to inventory balance at the beginning of the year plus inventory balances at the end of the year and divided by two.

The decrease in inventory turnover days from 29 days in FY2009 to 20 days in FY2010 was mainly attributable to management's effectiveness in managing inventories in order to reduce obsolete inventories. The increase in inventory turnover days from 20 days in FY2010 to 22 days in FY2011 was primarily due to an increase in the amount of finished goods by approximately RMB21.5 million awaiting delivery to customers.

Trade and bills receivables and their turnover days

The Group normally offers its customers a credit period ranging from 180 to 360 days during the Track Record Period. Sales of the Group were principally derived from the three major PRC telecommunications operators, namely China Unicom, China Mobile and China Telecom and their respective provincial branches or subsidiaries.

The table below sets out the aging analysis of trade and bills receivables, based on the invoice date, as at the dates indicated:

	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
Up to 90 days	466,850	626,522	798,185
91 to 180 days	147,775	129,595	260,765
181 to 365 days	53,507	19,445	93,932
Over 365 days	–	–	2,495
	668,132	775,562	1,155,377

Trade and bills receivables of the Group were approximately RMB668.1 million, RMB775.6 million and RMB1,155.4 million as at 28 December 2009, 31 December 2010 and 31 December 2011 respectively. This increase was in line with the increased total turnover.

The Group assesses the creditworthiness of its customers by reviewing the recoverable amounts of trade receivables regularly to ensure that follow-up action is timely taken and assigns a dedicated team to monitor the credit risk that takes into consideration the aging status and estimates the likelihood of collection. Currently, the Group does not have a policy of having a general provision for doubtful debts. Specific provision for doubtful debts is made to the extent that the debts are considered to be doubtful on case-by-case basis if necessary.

The following is an aging analysis of trade receivables which were past due but not impaired:

	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
181 to 365 days	53,507	19,346	83,320

As at 28 December 2009, 31 December 2010 and 31 December 2011, the Group recorded trade receivables of approximately RMB53.5 million, RMB19.3 million and RMB83.3 million, respectively, that were past due but not impaired. Trade receivables that exceeded normal credit terms but were not impaired represented approximately 8.0%, 2.5% and 7.2% of the total trade and bills receivables as at 28 December 2009, 31 December 2010 and 31 December 2011, respectively. The Directors are of the opinion that these overdue amounts as at each balance date within the Track Record Period were under the acceptable level as per past experience. The Directors are of the opinion that no provision on these amounts was necessary as the full amounts as at 28 December 2009 and 31 December 2010 were subsequently mostly or fully settled. Up to 31 January 2012, approximately RMB4.5 million of trade receivables that were past due but not impaired as at 31 December 2011 was subsequently settled. As at 31 December 2011, approximately RMB82.8 million of the trade receivables which were past due but not impaired were due from telecommunications operators in the PRC and the remaining approximately RMB0.5 million were due from others including telecommunications equipment providers.

Up to 31 January 2012, subsequent settlements of trade and bills receivables amounted to approximately RMB89.9 million.

The Directors have confirmed and are of the opinion that no provision for doubtful debts was necessary on the bases that (i) during the Track Record Period, over 90% of the turnover of the Group was derived from sales to the three major PRC telecommunications operators, namely China Unicom, China Mobile and China Telecom, all of which are large and reputable listed companies with sound financial positions and accordingly, there was no recovery problem on the receivables from these major customers which accounted for approximately 90.3%, 93.4% and 96.0% of the total trade and bills receivables as at 28 December 2009, 31 December 2010 and 31 December 2011 respectively; (ii) the Group has had no historical bad debt record since its establishment; and (iii) the Group had received regular settlements from these three major customers during the Track Record Period.

The table below sets out the trade and bills receivables turnover days of the Group for the Track Record Period:

	FY2009	**FY2010**	**FY2011**
Trade and bills receivables turnover days *(note)*	192	187	193

Note: Trade and bills receivables turnover days is equal to the average trade and bills receivables divided by turnover and multiplied by 365 days for the year. Average trade and bills receivables are equal to trade and bills receivables at the beginning of the year plus trade and bills receivables at the end of the year and divided by two.

Trade and bills receivables turnover days decreased from 192 days in FY2009 to 187 days in FY2010. The decrease in turnover days of trade and bills receivables in FY2010 was mainly due to the increased efforts in pursuing payment of balances from customers. Trade and bills receivables turnover days increased from 187 days in FY2010 to 193 days in FY2011. The increase in turnover days of trade and bills receivables was mainly due to the increase in trade receivables which were past due but not impaired by approximately RMB64.0 million.

Trade and bills payables and their turnover days

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The maturity date of the bills payables of the Group is normally 180 days from the date of issue.

The table below sets out the aging analysis of trade and bills payable, based on the invoice date, as at the dates indicated:

	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
Up to 90 days	108,414	104,218	280,253
91 to 180 days	21,095	130,042	169,057
	129,509	234,260	449,310

Trade and bills payable balance of the Group increased from approximately RMB129.5 million as at 28 December 2009, to approximately RMB234.3 million as at 31 December 2010, to approximately RMB449.3 million as at 31 December 2011. This change was mainly due to increased purchases of raw materials in line with increased sales. As at 31 December 2011, trade and bills payables aged from 91 to 180 days increased mainly because more bills payables were not yet due for payment.

Up to 31 January 2012, subsequent settlement of trade and bills payables amounted to approximately RMB96.8 million, representing approximately 21.5% of trade and bills payables as at 31 December 2011.

The following table sets out the trade and bills payables turnover days for the Track Record Period:

	FY2009	FY2010	FY2011
Trade and bills payables turnover days *(note)*	58	59	88

Note: Trade and bills payables turnover days is equal to the average trade and bills payables divided by cost of goods sold and multiplied by 365 days for the year. Average trade and bills payables are equal to trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year and divided by two.

Trade and bills payables turnover days remained relatively constant in FY2009 and FY2010 as the Group mainly utilized its bank borrowings to finance its working capital requirement and paid its suppliers on time in order to ensure smooth delivery of goods in competitive terms. Trade and bills payables turnover days increased from 59 days in FY2010 to 88 days in FY2011 mainly due to increased purchases during the year and the increase in bills payables financing for the settlement of purchases during the year.

Other payables

As at 28 December 2009, bonus and promotional expense payable increased due to the accrual of a special bonus of approximately RMB33.0 million payable to certain sales and marketing staff of the Group and advertising expenses of approximately RMB7.0 million payable to an advertising company. All of these expenses were subsequently settled in FY2010.

Amounts due to shareholders

The then shareholders of Trigiant BVI provided a loan in aggregate of US$30 million to Trigiant BVI. The loan was waived and credited to reserve on 23 August 2011.

CAPITAL EXPENDITURES

The following table sets out the historical capital expenditure during the Track Record Period:

	FY2009	FY2010	FY2011
	RMB'000	*RMB'000*	*RMB'000*
Land use rights	41,502	–	–
Property, plant and equipment (other than construction in progress)	30,154	5,413	2,111
Construction in progress	49,158	26,631	5,831

Capital expenditures of the Group are incurred primarily in connection with purchases of property, plant and equipment, construction in progress and land use rights. For each of FY2009, FY2010 and FY2011, the capital expenditures of the Group were approximately RMB120.8 million, RMB32.0 million and RMB7.9 million, respectively.

The Group budgeted approximately RMB20 million for the year ending 31 December 2012 on capital expenditure. The Group expects to fund its future capital expenditure needs with cash flows generated from internal resources, including cash generated from operations, the net proceeds of the Global Offering and borrowings from banks, if necessary.

INDEBTEDNESS

As at the close of business on 31 January 2012, being the latest practicable date for determining the indebtedness of the Group, the Group had (i) outstanding bank borrowings of approximately RMB1,090.3 million (of which approximately RMB110.0 million was secured by certain buildings, machineries and land use rights owned by the Group); (ii) payables for the acquisition of land use rights of approximately RMB5.5 million; and (iii) amount due to a Director of approximately RMB15.4 million. At 31 January 2012, the Group also had unutilised banking facilities of approximately RMB929.2 million. Up to the latest practicable date for determining the indebtedness of the Group, the Group had no intention to raise material external debt financing for specific purposes other than for general trade financing for funding its operations.

At 31 January 2012, the total banking facilities of the Group is approximately RMB2,094.0 million of which RMB1,274.0 million are secured by personal guarantees given by certain Directors of the Company and independent third parties to the Group and RMB820.0 million are unsecured facilities. The Company has obtained approval-in-principle from the relevant banks that these guarantees given by the Directors and independent third parties be released subject to the Company undertaking to the relevant banks that it will provide corporate guarantee to secure such liabilities upon Listing. As at the Latest Practicable Date, the Company has undertaken to the banks concerned that it will provide the corporate guarantee to such banks upon Listing. There was no material covenant on the bank borrowings of the Group as at the Latest Practicable Date.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at the Latest Practicable Date, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

Bank borrowings and gearing ratio

The following table sets forth the short-term banks loans of the Group at the respective balance sheet dates during the Track Record Period:

	At 28 December 2009	**At 31 December 2010**	**At 31 December 2011**
	RMB'000	*RMB'000*	*RMB'000*
The bank borrowings are repayable as follows:			
Within one year	600,239	680,000	940,300
More than two years, but not more than five years	70,000	150,000	110,000
	670,239	830,000	1,050,300
Less: Amounts due within one year shown under current liabilities	(600,239)	(680,000)	(940,300)
	70,000	150,000	110,000
The bank borrowings comprise:			
Variable rate borrowings	355,000	325,000	575,000
Fixed rate borrowings	315,329	505,000	475,300
	670,329	830,000	1,050,300

The bank loans comprised fixed rate borrowings and variable rate borrowings. At 28 December 2009, 31 December 2010 and 31 December 2011, the fixed rate bank borrowings carried interest ranging from approximately 4.37% to 7.77%, 4.86% to 5.84% and 4.84% to 8.03% per annum, respectively.

As at 28 December 2009, 31 December 2010 and 31 December 2011, the variable rate bank borrowings carried interest rates ranging from PBOC rate to 110% of the PBOC rate, 90% of the PBOC rate to 110% of the PBOC rate and 90% of PBOC rate to 110% of PBOC rate per annum, all of which were denominated in Renminbi.

Short-term bank loans increased from approximately RMB600.2 million as at 28 December 2009 to approximately RMB680.0 million as at 31 December 2010, to approximately RMB940.3 million as at 31 December 2011, primarily due to the increased working capital requirement of the Group in connection with the fast business expansion.

Long-term bank borrowings increased from approximately RMB70.0 million at 28 December 2009 to approximately RMB150.0 million at 31 December 2010 mainly for the purpose of financing the capital expenditure incurred in relation to the construction of production plant and facilities of Jiangsu Trigiant. Long-term bank borrowings decreased from approximately RMB150.0 million as at 31 December 2010 to approximately RMB110.0 million as at 31 December 2011 as the Group repaid approximately RMB40.0 million during FY2011.

Gearing ratio of the Group increased from approximately 157.7% as at 28 December 2009 to approximately 186.9% as at 31 December 2010. Such increase was primarily due to the increase in total bank borrowings net of pledged bank deposits and bank balances and cash by approximately RMB27.0 million from approximately RMB374.5 million as at 28 December 2009 to approximately RMB401.5 million as at 31 December 2010. Gearing ratio of the Group decreased significantly from approximately 186.9% as at 31 December 2010 to approximately 69.2% as at 31 December 2011. Such decrease was primarily due to significant increase in total equity by approximately RMB398.7 million from approximately RMB214.8 million as at 31 December 2010 to approximately RMB613.5 million as at 31 December 2011, even though total bank borrowings net of pledged bank deposits and bank balances and cash increased by approximately RMB22.9 million from approximately RMB401.5 million as at 31 December 2010 to approximately RMB424.4 million as at 31 December 2011. Increase in total equity as at 31 December 2011 was mainly attributable to the increase in profit for FY2011 of approximately RMB206.8 million and the waiver of shareholders' loan of approximately RMB191.9 million credited to reserve during FY2011. Gearing ratio is calculated by dividing total bank borrowings net of pledged bank deposits and bank balances and cash over total equity.

WORKING CAPITAL

Taking into account the financial resources available to the Group including internally generated funds, the available banking facilities and the estimated net proceeds from the issue of Shares under the Global Offering, the Directors are of the opinion that the Group has sufficient working capital for its present requirements and for the next 12 months from the date of this prospectus.

CONTRACTUAL AND CAPITAL COMMITMENTS

The Group had commitments for future minimum lease payables under non-cancellable operating leases falling due as follows:

	At 28 December 2009	At 31 December 2010	At 31 December 2011
	RMB'000	*RMB'000*	*RMB'000*
Within one year	188	160	573
In the second to fifth years inclusive	–	–	100

As at 28 December 2009, 31 December 2010 and 31 December 2011, the Group had the following capital commitments which are not provided for in the Group's consolidated financial statements:

	At 28 December 2009	At 31 December 2010	At 31 December 2011
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure contracted for but not provided in the financial information with respect to the acquisition of property, plant and equipment	8,468	4,160	1,124

PROPERTY INTERESTS AND PROPERTY VALUATION

Savills Valuation and Professional Services Limited, an independent property valuer, has valued the property interests of the Group, which amounted to approximately RMB204.9 million as at 31 December 2011. Details concerning the property interests of the Group are set out in Appendix III to this prospectus. A summary of the values and valuation certificates issued by the independent property valuer are included in Appendix III to this prospectus.

MARKET RISKS

The Group is, in the normal course of business, exposed to market risks primarily relating to credit, the efficiency reserve of cash, the stability of commodity prices and inflation.

Interest rate risk

The Group is exposed to cash flow interest risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest bearing pledged bank deposits, bank balances and bank borrowings at variable interest rates. Bank borrowings at fixed interest rates exposed the Group to fair value interest rate risk. It currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise. The flow interest rate risk of the Group is mainly concentrated on the fluctuation in the interest rates offered by the PBOC on its RMB denominated borrowings.

The sensitivity analysis below has been determined based on the exposure of the Group to interest rates on interest bearing pledged bank deposits, bank balances and variable rate bank borrowings at the end of each reporting period and assumes that the amount of assets and liabilities outstanding at the end of each reporting period was outstanding for the entire year/period.

If interest rates on pledged bank deposits and bank balances had been 5 basis points lower and bank borrowings had been 25 basis points lower and all other variables were held constant, the potential effect on the post-tax profit after capitalisation of borrowing costs for the year/period is as follows:

	FY2009	**FY2010**	**FY2011**
	RMB'000	*RMB'000*	*RMB'000*
Increase in profit for the year/period	555	453	844

Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions are principally denominated in RMB, US Dollar and Euro. In FY2009, FY2010 and FY2011, approximately 0.56%, 0.7% and 1.4%, respectively, of the Group's sales were denominated in currencies other than the functional currency of the Group.

The carrying amounts of the foreign currency denominated monetary assets and liabilities of the Group at the end of each reporting period are as follows:

	At 28 December 2009		**At 31 December 2010**		**At 31 December 2011**	
	Assets	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	–	618	2,797	1,275	16,557
US Dollars	1,716	–	6,867	198,324	1,207	–
Euro	884	–	–	–	–	–

The Group is mainly exposed to currency risk of the US Dollar, Euro and Hong Kong Dollar. The following table details the Group's sensitivity to a 5% increase and decrease in the RMB against the relevant foreign currencies. The Group currently does not have any foreign currencies hedging policy but will consider hedging its foreign currency exposure should the need arise. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their conversion at the end of each reporting period for a 5% change in foreign currency rates. The sensitivity analysis includes bank balances, trade and other receivables, amount(s) due to directors and shareholders and bank borrowings. If the RMB strengthens 5% against the relevant currencies there will be an increase (decrease) on post tax profit for the year/period is as follows:

	FY2009	**FY2010**	**FY2011**
	RMB'000	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	82	573
US Dollars	(86)	7,264	(45)
Euro	(44)	–	–

There would be an equal and opposite impact on the result for the period if the RMB weakens 5% against the relevant currencies.

Credit risk

The maximum exposure to credit risk faced by the Group in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position.

The Group has a concentration of credit risk in relation to trade and bills receivables from its top three customers amounting to approximately RMB603.4 million, RMB724.4 million and RMB1,109.1 million, representing approximately 90%, 93.4% and 96.0% of the total trade and bills receivables as at 28 December 2009, 31 December 2010 and 31 December 2011, respectively. The largest trade receivable from a customer by itself accounted for approximately 76.0%, 61.8% and 61.2% of the total trade and bills receivables as at 28 December 2009, 31 December 2010 and 31 December 2011, respectively. In order to minimise the credit risk, the management has reviewed the recoverable amounts of trade and bills receivables regularly to ensure that follow-up action is timely taken and assigned a dedicated team to monitor the credit risk that takes into consideration the aging status and estimate the likelihood of collection. In this regard, the Directors consider that the credit risk on trade receivables is significantly reduced.

The Group also has a concentration of credit risk in relation to the net advance made to a former fellow subsidiary amounting to approximately RMB42.2 million as at 28 December 2009. The directors considered the credit risk relating to the net advance to the fellow subsidiary was not significant since the amount was subsequently repaid in FY2010.

The credit risk on bank deposits or bills receivables faced by the Group is limited and there is no significant concentration of credit risk because all bank deposits or bills are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of liquidity risk, Jiangsu Trigiant monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

Commodity risk

The Group is exposed to fluctuations in the prices of commodities used as raw materials in the manufacturing process, primarily consisting of copper. While the Group may be able to partially offset these fluctuations with a flexible pricing policy, the Group bears the risks of fluctuations in the costs of these materials. Accordingly, rising prices could adversely affect the cost of goods sold of the Group in the form of higher raw materials prices. There can be no assurance that prices of raw materials will not rise drastically and that such costs can be passed onto customers of the Group.

During the Track Record Period, the Group did not engage in any hedging transactions to protect itself against fluctuations in raw material prices. When evaluating its hedging needs, the Group considers the prevailing economic conditions, its then commodities risk in relation to copper and the historical trend of fluctuations in copper price.

Inflation

Recent inflation and deflation have not materially affected the business of the Group. The Group cannot ensure that the inflation rate in the PRC will increase or decrease in the future. The Group cannot predict the impact a sustained increase in inflation will have on its business, financial condition, results of operations or prospects.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2011. The Group is not involved in any current material legal proceedings, nor is the Group aware of any pending or potential material legal proceedings involving the Group. If the Group was involved in such material legal proceedings, it would record any loss contingencies when, based on information then available, it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, the Group had not entered into any material off-balance sheet transactions.

DIVIDEND POLICY

No dividend was declared by the Company or Jiangsu Trigiant during the Track Record Period. The Directors are of the view that the payment and the amount of any future dividends will depend on the results of the Group's operations, cash flow, financial condition, statutory and regulatory restrictions on the payment of dividends, future prospects and all other factors the Board may deem relevant. Holders of the Shares will be entitled to receive such dividends on a pro rata basis according to the amounts paid up or credited as paid up on the Shares. The declaration, payment and amount of any future dividends will be subject to the discretion of the Directors.

The Directors have no intention to distribute any dividend before Listing. Subject to the above factors, the Directors plan to distribute regular dividends after Listing. The Directors intend to distribute approximately 20% of the profits attributable to owners of the Company of a year as dividends. Such intention does not amount to any guarantee or representation or indication that the Company must or will declare and pay dividends in such manner or declare and pay any dividend at all.

RELATED PARTY TRANSACTIONS

The Group purchased raw materials from Fullway Technology, a former fellow subsidiary, amounting to approximately RMB246.5 million in FY2009.

On 29 December 2009, Trigiant Singapore, the then holding company of Jiangsu Trigiant, disposed of its entire interest in Fullway Technology and Fullway Technology ceased to be a fellow subsidiary of Jiangsu Trigiant. The Group had not made any purchase from Fullway Technology from February 2010 onwards and transactions were discontinued since February 2010.

In addition, the Group rented certain of its buildings to Jiangsu Opto-electrical and Jiangsu Sensing and received rental income of approximately RMB0.4 million and approximately RMB0.2 million, respectively, during FY2010 and approximately RMB0.5 million and approximately RMB0.2 million, respectively during FY2011. In addition, the Group sold goods to Jiangsu Opto-electrical and Jiangsu Sensing amounting to approximately RMB1.8 million and approximately RMB0.3 million, respectively, during FY2010 and sold goods to Jiangsu Opto-electrical amounting to approximately RMB5.3 million during FY2011.

Prior to Listing, the Group has engaged two companies indirectly controlled by Mr. Toe Teow Heng ("Mr. Toe") and his brother (Mr. Toe Teow Teck) namely 北京因特聯企業諮詢有限公司 (Beijing Yin Te Lian Corporate Consultancy Co., Ltd.*) ("Beijing YTL") and ICH Partners Ltd ("ICH Partners"), to provide the Group with the following services in connection with the preparation for the Listing:

1. Introducing the Group and/or its affiliates to potential investors;

2. Reviewing pre-IPO investment term sheets;

3. Assisting the Group and/or its affiliates in providing information to the professionals involved in preparation for the overseas listing ("IPO Professionals");

4. Collating corporate, financial and any other requisite information on the Group;

5. Co-ordinating site visits, meetings and project timetables; and

6. Recommending IPO Professionals and reviewing the mandate terms of the IPO Professionals.

Mr. Toe is the ultimate beneficial owner of Zymmetry Investments Ltd., which as at the Latest Practicable Date is a shareholder of Trigiant Investments.

As at the Latest Practicable Date, the Group paid an aggregate of RMB600,000 to Beijing YTL in connection with the provision of the above services. Pursuant to the Advisory Service Agreement, the Group has agreed to pay to ICH Partners a success fee of 1.5% of the aggregate proceeds from the issue of the New Shares (including the New Shares which may be issued upon the exercise of the Over-allotment Option) within seven working days after the success of the Listing. Assuming an Offer Price of HK$1.30 per Share (being the midpoint of the indicative Offer Price range of HK$1.10 to HK$1.50 per Share), the amount of the success fee is approximately HK$3.9 million. The Directors confirmed that the fees (including the success fee) for the relevant financial services are on normal commercial terms. The provision of the above services will cease upon Listing.

The Directors have confirmed that those related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

For details of these related party transactions, please refer to the accountants' report of the Group as contained in Appendix IA to this prospectus and the accountants' report of Jiangsu Trigiant in Appendix IB to this prospectus.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets of the Group has been prepared based on the audited consolidated net tangible assets of the Group as at 31 December 2011, as shown in the accountants' report of the Group, the text of which is set out in Appendix IA to this prospectus and adjusted as described below.

The unaudited pro forma adjusted net tangible assets has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules, and is set out here to illustrate the effect of the Global Offering on the net tangible assets of the Group as at 31 December 2011 as if it had taken place on 31 December 2011. This unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 31 December 2011 or at any future dates.

	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2011		**Add: Estimated net proceeds from Global Offering**	**Unaudited pro forma adjusted net tangible assets**	**Unaudited pro forma adjusted net tangible assets value per Share**
	RMB'000 *(Note a)*	*HK$'000*	*HK$'000* *(Note b)*	*HK$'000*	*HK$*
Based on an Offer Price of HK$1.10 per Offer Share	613,531	757,446	176,000	933,446	0.933
Based on an Offer Price of HK$1.50 per Offer Share	613,531	757,446	253,000	1,010,446	1.010

Notes:

(a) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2011 is based on the audited consolidated net assets of the Group as of 31 December 2011, extracted from the Accountants' Report of the Group set out in Appendix IA to this prospectus. For the purpose of preparing the unaudited adjusted net tangible assets, the amount of audited consolidated net tangible assets stated in Hong Kong dollars has been converted from Renminbi into Hong Kong dollars at the rate of RMB0.81 to HK$1.00.

(b) The estimated net proceeds from the Global Offering are based on 200,000,000 Shares at the Offer Price of HK$1.10 and HK$1.50 per Share, after deduction of the underwriting fees and other related expenses payable by the Company and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option.

(c) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in note (b) in the preceding paragraph and on the basis that 1,000,000,000 Shares were in issue assuming that the Global Offering has been completed on 31 December 2011 but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option.

(d) As of 31 December 2011, the Group's property interests were valued by Savills Valuation and Professional Services Limited, an independent professional surveyor, and the relevant property valuation report is set out in Appendix III to this prospectus. The net valuation surplus, representing the excess of market value of the properties over their book value at 31 December 2011, is approximately RMB31.8 million. Such revaluation surplus has not been incorporated in the Group's audited consolidated financial information for the year ended 31 December 2011. The above adjustment does not take into account the above revaluation surplus. Had the properties been stated in such valuation, an additional depreciation of approximately RMB1,120,000 per annum would have been charged against the consolidated statements of comprehensive income.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

The Directors have confirmed that, as at the Latest Practicable Date, they were not aware of any circumstances which would have given rise to a disclosure obligation under Rules 13.13 to 13.19 of the Listing Rules.

RECENT DEVELOPMENT

For the month ended 31 January 2012, the average unit selling price of RF coaxial cable series decreased by approximately 24.08% to approximately RMB11,111 per km as compared to that of FY2011, due to the change in product mix within the RF coaxial cable series. However, the Group still maintained its gross profit margin for the month ended 31 January 2012 as compared to FY2011 as the cost plus pricing policy remain unchanged. The Directors have confirmed that there was no material adverse change to the Group's financial position as at the Latest Practicable Date after taking into consideration that the sales volume and average unit selling price of RF coaxial cables series increased from approximately 5,724 km and approximately RMB11,111 per km respectively in January 2012 to approximately 8,391 km and approximately RMB14,725 per km respectively in February 2012.

DIRECTORS CONFIRMATION ON NO MATERIAL ADVERSE CHANGE

The Directors have confirmed that, up to the Latest Practicable Date, there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2011 and there is no event since 31 December 2011 which would materially affect the information shown in the accountants' report of the Group set out in Appendix IA to this prospectus, in each case except as otherwise disclosed therein.

MATERIAL CHANGE IN INDEBTEDNESS, COMMITMENT AND CONTINGENT LIABILITIES

The Directors confirmed that there has been no material change in the indebtedness, commitment and contingent liabilities of the Group since the Latest Practicable Date.

FUTURE PLANS

Details of the future plans of the Group are set out in the paragraph headed "Business – Business strategies and future plans" of this prospectus.

USE OF PROCEEDS

Assuming an Offer Price of HK$1.30 per Share (being the midpoint of the indicative Offer Price range of HK$1.10 to HK$1.50 per Share), the net proceeds of the Global Offering to which the Company is entitled, after deducting the underwriting fees and estimated expenses (including but not limited to the success fee of approximately HK$3.9 million payable to ICH Partners Ltd) which shall be borne by the Company in connection with the Global Offering, are estimated to be approximately HK$200 million. The Company intends to apply the net proceeds as follows:

- 30% of the net proceeds or approximately HK$60 million will be used for expansion of the sales and distribution network of the Group's PRC and overseas operations; particularly for
  - recruitment of over 35 additional sales and marketing staff;
  - allocating more resources to enhancing its logistic services to cover more provincial branches or subsidiaries of the three major PRC telecommunications operators; and
  - allocating more resources to expanding its sales in markets in developing countries such as Russia, Brazil and India, establishing overseas subsidiaries when necessary and participating in tradeshows and organising marketing activities in potential new markets;
- 15% of the net proceeds or approximately HK$30 million will be used for expansion of the production capacity and advancement of production facilities of the Group;
- 15% of the net proceeds or approximately HK$30 million will be used for potential acquisition of or strategic investment in companies, businesses or projects relevant to the business of the Group. As of the Latest Practicable Date, the Group has not identified any specific acquisition or investment target;
- 10% of the net proceeds or approximately HK$20 million will be used for research and development of new products and upgrading existing product functions and related technologies. In particular, the Group expects to complete the development of new types of aluminum cables, leaky cables for 3G networks, connectors, high frequency connectors, flexible cables and fire resistant flexible cables in 2012;

- 20% of the net proceeds or approximately HK$40 million will be used for repayment of certain bank borrowings for funding the Group's operation with maturity of 6 to 12 months and interest rates of more than 4.7% per annum; and

- 10% of the net proceeds or approximately HK$20 million will be used for general working capital purposes.

In the event that the Offer Price is determined at the highest end of the indicative Offer Price at HK$1.50 per Share, the net proceeds from the Global Offering to which the Company is entitled will be approximately HK$238 million. In such case, the net proceeds from the Global Offering will be increased by approximately HK$38 million. The Company presently intends to apply the additional net proceeds to the above purposes in the proportion stated above.

In the event that the Offer Price is determined at the lowest end of the indicative Offer Price at HK$1.10 per Share, the net proceeds from the Global Offering to which the Company is entitled will be approximately HK$162 million. The Company presently intends to adjust the allocation of the net proceeds to the above uses in the proportion stated above.

The estimated net proceeds to be received by the Selling Shareholder from the Global Offering will be approximately HK$62 million (assuming the Offer Price of HK$1.30 per Share, being the midpoint of the indicative Offer Price range), after deducting the underwriting fees and estimated expenses payable by the Selling Shareholder in relation to the Global Offering. The Company will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder.

Should the Over-allotment Option be exercised in full, the Company will receive additional net proceeds of approximately HK$46 million (assuming the Offer Price of HK$1.30 per Share, being the midpoint of the indicative Offer Price range). The Company presently intends to apply the additional proceeds to the above uses in the proportion stated above. The Selling Shareholder will not receive any of the proceeds from the exercise of the Over-allotment Option.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes, it is the present intention of the Directors that such proceeds will be placed on short term deposits with licensed banks and/or authorised financial institutions in Hong Kong and/or the PRC.

HONG KONG UNDERWRITERS

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers
First Shanghai Securities Limited
SinoPac Securities (Asia) Limited

Hong Kong Underwriters
First Shanghai Securities Limited
SinoPac Securities (Asia) Limited
Yue Xiu Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus being granted by the Listing Committee of the Stock Exchange and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to subscribe, or procure subscribers, for the Hong Kong Offer Shares on a several basis.

Grounds for termination

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to the termination by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) by notice in writing given to the Company prior to 8:00 a.m. (Hong Kong time) on the Listing Date if any of the following events shall occur prior to such time:

(a) there shall develop, occur or come into force:

  (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in the PRC or Hong Kong or any other jurisdiction(s) relevant to the Company and its subsidiaries or any other similar event which in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) has or is likely to have material adverse effect on the business or financial conditions of the Group or which may be expected to adversely affect the business or financial condition of the Group in a material way; or

(ii) any material change (whether or not permanent) in financial, military, industrial or economic conditions, stock market, fiscal or political conditions, regulatory or market conditions and matters and/or disasters, whether locally, nationally, regionally or internationally; or

(iii) without prejudice to sub-paragraph (i) or (ii) above, the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange or otherwise; or

(iv) any event, or series of events, beyond the control of the Hong Kong Underwriters (including, without limitation, acts of government, strikes, lockout, fire, explosion, flooding, civil commotion, acts of war or acts of God, accident, terrorism, outbreak of disease or epidemic (including but not limited to severe acute respiratory syndrome, H5N1, avian influenza and such related or mutated forms)) which would or might materially adversely affect any member of the Group or its present shareholders in their capacity as such; or

(v) any change or development occurs involving a prospective change in taxation or in exchange control in Hong Kong, BVI, Cayman Islands, the PRC or any other jurisdiction to which any member of the Group is subject or the implementation of any exchange controls which in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) would or might materially adversely affect any member of the Group or its present shareholders in their capacity as such;

(vi) any litigation or claim of material importance to the business, financial or operations of the Group (as a whole) being threatened or instituted against any member of the Group;

(vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the U.S. or by the European Union (or any member thereof) on the PRC or Hong Kong;

and any such event, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), has or may have a material adverse effect on the Global Offering, or makes it inadvisable or inexpedient to proceed with the Global Offering; or

(b) there comes to the notice of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) any matter or event showing any of the representations and warranties contained in the Hong Kong Underwriting Agreement to be untrue or inaccurate or, if repeated immediately after the occurrence thereof, would be untrue or inaccurate in any respect considered by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their sole and absolute opinion to be material or showing any of the obligations or undertakings expressed to be assumed by or imposed on the Company or the covenantors under the Hong Kong Underwriting Agreement not to have been complied with in any respect considered by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their sole and absolute opinion to be material in the overall context of the Global Offering; or

(c) there comes to the notice of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) any breach on the part of the Company or any of the covenantors to the Hong Kong Underwriting Agreement of any provisions of the Hong Kong Underwriting Agreement in any respect which is considered by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to be material in the overall context of the Global Offering; or

(d) any statement contained in this prospectus, the submissions, documents or information provided to the Sole Sponsor or the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), the Stock Exchange, the SFC, the legal advisers to the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters and any other parties involved in the Global Offering which in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect; or

(e) matters have arisen or have been discovered which would, if this prospectus was to be issued at that time, constitute, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), a material omission of such information; or

(f) there is any material adverse change in the business or in the financial or trading position of the Group which in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) is material in the overall context of the Global Offering; or

(g) there comes to the notice of the Joint Global Coordinators any information, matter or event which in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), would cast any serious doubt on the integrity or reputation of any Director or the reputation of the Group (as a whole).

Undertakings

Each of Trigiant Investments, Mr. Qian, Abraholme, Mr. Jiang Wei, Mr. Jiang Xinhong and Headwell (together, the "Covenantors") jointly and severally undertakes to and covenants with the Company, the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that:

(a) save for the sale of the Sale Shares under the International Placing or pursuant to the Stock Borrowing Agreement, he and it will not, and will procure that none of his or its associates or the companies controlled by him or it will, within the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Six Month Period"), sell, transfer, dispose of or create any right (including without limitation the creation of any option, pledge, charge, or other encumbrance or rights) on any of the Shares or any interests therein owned by him or it or any of their associates or in which he or it or any of their associates is, directly or indirectly interested immediately after the completion of the Global Offering (or any other shares or securities of or interest in the Company arising or deriving therefrom as a result of capitalisation issue or scrip dividend or otherwise), or sell, transfer, dispose of or create any right (including the creation of any option, pledge, charge or other encumbrance or rights) on any shares or interest in any company controlled by him or it or any of their associates which is the beneficial owner (directly or indirectly) of any of such Shares or any interests therein as aforesaid (or any other shares or securities of or interest in the Company arising or deriving therefrom as a result of capitalisation issue or scrip dividend or otherwise); and

(b) within a further six months commencing on the expiry of the First Six Month Period (the "Second Six Month Period"), he and it will not and will procure that none of his or its associates or the companies controlled by him or it or any of their associates will sell, transfer, dispose of or create any rights (including the creation of any option, pledge, charge or other encumbrance or rights) on any Shares or any interests therein referred to in paragraph (a) above or sell, transfer, dispose of or create any rights (including the creation of any option, pledge, charge or other encumbrance or rights) on any shares in any company controlled by him or it or any of their associates which is the beneficial owner (directly or indirectly) of such Shares or any interests therein as aforesaid if, immediately following such disposal or creation of rights, the Covenantors (together with his or its associates), taken together with the others, would, directly or indirectly, cease to be a controlling shareholder (within the meaning of the Listing Rules) of the Company.

The Company undertakes to and covenants with the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that and each of the Covenantors undertakes to and covenants with the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that it will procure the Company that, without the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), save pursuant to the Global Offering, the Capitalisation Issue or the issue of Shares upon exercise of the Over-allotment Option (a) within the First Six Month Period, the Company and its subsidiaries will not, issue or agree to issue (conditionally or unconditionally) any shares or securities of, or grant or agree to grant (conditionally or unconditionally) any options, warrants or other rights carrying the rights to subscribe for, or otherwise convert into, or exchange for any securities of, the Company or any of its subsidiaries; and (b) at any time during the Second Six Month Period, issue or grant (conditionally or unconditionally) any options or right to subscribe for or otherwise convert into or exchange for shares or securities in the Company or any of its subsidiaries so as to result in any of the Covenantors (together with any of their associates) either individually or taken together with the others cease to be a controlling shareholder (within the meaning of the Listing Rules) of the Company.

Each of the Company and the Covenantors undertakes to and covenants with the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that save with the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), no company in the Group will during the First Six Month Period purchase any securities of the Company.

Without prejudice to the above, each of the Covenantors undertakes and covenants with the Company, the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that during the period commencing on the date by reference to which disclosure of the shareholding of the Covenantors is made in this prospectus and ending on the date which is 12 months from the Listing Date, he or it shall:

(a) when any of them pledges or charges any Shares beneficially owned by him/it as security in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

(b) when any of them receives verbal or written indications from the pledgee/chargee that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

The Company shall, as soon as it has been informed of the matters set out in (a) and (b) above by the Covenantors, inform the Stock Exchange and disclose such matters by way of an announcement as soon as possible.

International Placing

International Underwriting Agreement

In connection with the International Placing, it is expected that the Company and, amongst other parties, the International Underwriters will enter into the International Underwriting Agreement. Under the International Underwriting Agreement, the Company will offer the International Placing Shares for placing with certain professional, institutional and private investors and the International Underwriters will agree to, where applicable, severally subscribe for the International Placing Shares.

Commission and expenses

The Hong Kong Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price of all the Hong Kong Offer Shares. It is expected that the International Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price of all the International Placing Shares. Where applicable, the Underwriters will pay any sub-underwriting commissions and selling concessions out of their commission. Each of the Joint Bookrunners will receive a documentation fee. The underwriting commission, financial advisory and documentation fees, listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses attributable to the Company relating to the Global Offering, assuming an Offer Price of HK$1.30 (being the mid-point of Offer Price range between HK$1.10 per Offer Share and HK$1.50 per Offer Share), are estimated to amount to approximately HK$60 million in total (assuming that the Over-allotment Option is not being exercised).

Underwriters' interests in the Group

Save (i) as disclosed in this prospectus, and (ii) for their interests and obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, the Hong Kong Underwriters, are not interested beneficially or non-beneficially in any shares in any member of the Group or does not have any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.

Sole Sponsor's independence

The Sole Sponsor confirms that it satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

DETERMINATION OF THE OFFER PRICE

The Offer Price is expected to be fixed by the Price Determination Agreement to be entered into between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder) on or before the Price Determination Date, when the market demand for the Offer Shares will be ascertained. The Price Determination Date is currently expected to be Friday, 9 March 2012 and in any event not later than Wednesday, 14 March 2012.

Prospective investors should be aware that the Offer Price to be determined on or before the Price Determination Date may be, but not expected to be, lower than indicative Offer Price range as stated in this prospectus. The Offer Price will not be more than HK$1.50 per Offer Share and is expected to be not less than HK$1.10 per Offer Share. The Offer Price will fall within the Offer Price range as stated in this prospectus unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offer.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where it considers appropriate, based on the level of interest expressed by prospective professional, institutional and private investors during a book-building process, and with the consent of the Company (for itself and on behalf of the Selling Shareholder), reduce the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offer, cause there to be published on the Company's website at **www.trigiant.com.hk** and the Stock Exchange's website at **www.hkexnews.hk** notice of reduction in the indicative Offer Price range. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon with the Company (for itself and on behalf of the Selling Shareholder), will be fixed within such revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Global Offering statistics as currently set out in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. **If applications for Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offer, then even if the Offer Price range is so reduced, such applications cannot be subsequently withdrawn**. In the absence of any notice being published on the Company's website at **www.trigiant.com.hk** and the Stock Exchange's website at **www.hkexnews.hk** of a reduction in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Public Offer, the Offer Price, if agreed upon by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If, for any reason, the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder) are unable to enter into the Price Determination Agreement by the Price Determination Date, the Global Offering will not become unconditional and will not proceed.

Announcement of the Offer Price, together with indication of the level of interests in the International Placing and the results of application under the Hong Kong Public Offer and basis of allocation of the Hong Kong Offer Shares is expected to be published on Friday, 16 March 2012.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK$1.50 per Offer Share and is expected to be not less than HK$1.10 per Offer Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Hong Kong Public Offer as set out above. Prospective investors should be aware that the Offer Price as determined on the Price Determination Date may be lower than the indicative Offer Price as stated in this prospectus.

Applicants under the Hong Kong Public Offer should pay, on application, the maximum price of HK$1.50 per Offer Share and 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy. That means a total of HK$3,030.24 is payable for every board lot of 2,000 Shares. The Application Forms have tables showing the exact amount payable for certain multiples of Hong Kong Offer Shares. If the Offer Price, as finally determined in the manner as described above, is lower than the maximum price of HK$1.50 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application money) will be made to applicants, without interest. Further details are set out in the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

CONDITIONS OF THE HONG KONG PUBLIC OFFER

Acceptance of the application for the Offer Shares pursuant to the Hong Kong Public Offer is conditional upon:

1. Listing

The Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the Stock Exchange and such approval not subsequently having been revoked prior to the commencement of dealings in the Shares.

2. Underwriting Agreements

(i) The obligations of the Underwriters under the Underwriting Agreements becoming unconditional, and not being terminated in accordance with the terms thereof; and

(ii) the execution and delivery of the International Underwriting Agreement prior to or on the Price Determination Date.

3. Price determination

The Offer Price having been determined and the execution of the Price Determination Agreement on or around the Price Determination Date.

If any of the conditions is not fulfilled or waived on or before the times specified above, the Global Offering will lapse and the application money will be returned to the applicants, without interest. The terms on which the application money will be returned to the applicants are set out in the paragraph headed "Refund of your monies" in the relevant Application Forms.

In the meantime, the application money will be held in bank accounts with the receiving bankers or other bank(s) in Hong Kong, licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

THE GLOBAL OFFERING

The Global Offering comprises the International Placing and the Hong Kong Public Offer. A total of initially 250,000,000 Offer Shares will be made available under the Global Offering, of which 225,000,000 International Placing Shares (subject to re-allocation and the Over-allotment Option), representing 90% of the Offer Shares, will initially be conditionally placed with selected professional, institutional and private investors under the International Placing in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. The remaining 25,000,000 Hong Kong Offer Shares (subject to re-allocation), representing 10% of the Offer Shares, will initially be offered to the public in Hong Kong under the Hong Kong Public Offer.

The Hong Kong Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. The Hong Kong Underwriters have agreed to underwrite the Hong Kong Offer Shares severally under the terms of the Hong Kong Underwriting Agreement. The International Underwriters will severally underwrite the International Placing Shares pursuant to the terms of the International Underwriting Agreement. Further details of the underwriting are set out in the section headed "Underwriting" in this prospectus.

Investors may apply for the Offers Shares under the Hong Kong Public Offer or indicate an interest for Offer Shares under the International Placing, but may not do both.

The International Placing

The International Placing Shares of initially 225,000,000 International Placing Shares, comprise 175,000,000 New Shares and 50,000,000 Sale Shares (subject to re-allocation and the Over-allotment Option) and will be offered at the Offer Price under the International Placing. The number of International Placing Shares expected to be initially available for application under the International Placing represents 90% of the total number of Offer Shares being initially offered under the Global Offering. The International Placing is expected to be fully underwritten by the International Underwriters subject to agreement on the Offer Price between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder) by entering into the Price Determination Agreement on or before the Price Determination Date.

It is expected that the International Underwriters, or selling agents nominated by them, on behalf of the Company, will conditionally place the International Placing Shares at the Offer Price with selected professional, institutional and private investors anticipated to have a sizeable demand for such Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and with due observance of and within the limits of the applicable selling restrictions. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Private investors applying through banks or other institutions who sought the International Placing Shares in the International Placing may also be allocated the International Placing Shares.

Allocation of the International Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to acquire further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the International Placing Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of the Company and its shareholders as a whole. Investors to whom International Placing Shares are offered will be required to undertake not to apply for Shares under the Hong Kong Public Offer.

The Company, the Directors, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) are required to take reasonable steps to identify and reject applications under the Hong Kong Public Offer from investors who receive Shares under the International Placing, and to identify and reject indications of interest in the International Placing from investors who receive Shares under the Hong Kong Public Offer.

The International Placing is expected to be subject to the conditions as stated in the paragraph headed "Conditions of the Hong Kong Public Offer" of this section.

The Hong Kong Public Offer

The Company is initially offering 25,000,000 Hong Kong Offer Shares for subscription (subject to re-allocation) by the public in Hong Kong under the Hong Kong Public Offer, representing 10% of the total number of Offer Shares offered under the Global Offering. The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriters. Applicants for the Hong Kong Offer Shares are required on application to pay the maximum Offer Price of HK$1.50 per Share plus a 1% brokerage, a 0.005% Stock Exchange trading fee and a 0.003% SFC transaction levy.

The Hong Kong Public Offer is open to all members of the public in Hong Kong. An applicant for Shares under the Hong Kong Public Offer will be required to give an undertaking and confirmation in the Application Form submitted by him/her/it that he/she/it has not applied for nor taken up any Shares under the International Placing nor otherwise participated in the International Placing. Applicants should note that if such undertaking and/or confirmation given by an applicant is breached and/or is untrue (as the case may be), such applicant's application under the Hong Kong Public Offer is liable to be rejected.

Allocation of the Hong Kong Offer Shares to investors under the Hong Kong Public Offer will be based solely on the level of valid applications received under the Hong Kong Public Offer. When there is over-subscription under the Hong Kong Public Offer, allocation of the Hong Kong Offer Shares may involve balloting, which would mean that some applicants may be allotted more Hong Kong Offer Shares than others who have applied for the same number of the Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes, the total number of Shares available for subscription under the Hong Kong Public Offer (after taking into account any reallocation referred to below) is to be divided equally into two pools: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million or less (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable). The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the value of pool B. For the purpose of this paragraph only, "subscription price" for the Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Investors should be aware that applications in pool A and applications in pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the pools are under subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications within either pool or between pools and any application for more than the total number of Shares originally allocated to each pool (i.e., 12,500,000 Shares) are liable to be rejected. Each applicant under the Hong Kong Public Offer will also be required to give an undertaking and confirmation in the application form submitted by him that he/she/it and any person(s) for whose benefit he/she/it is making the application have not received any Shares under the International Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

BASIS OF ALLOCATION OF THE OFFER SHARES

The allocation of the Offer Shares between the International Placing and the Hong Kong Public Offer is subject to reallocation on the following basis:

(a) if the number of Shares validly applied for under the Hong Kong Public Offer represents 15 times or more but less than 50 times the number of Shares initially available for subscription under the Hong Kong Public Offer, then Shares will be allocated to the Hong Kong Public Offer from the International Placing, so that the total number of Shares available for subscription under the Hong Kong Public Offer will be increased to 75,000,000 Shares, representing 30% of the Offer Shares;

(b) if the number of Shares validly applied for under the Hong Kong Public Offer represents 50 times or more but less than 100 times the number of Shares initially available for subscription under the Hong Kong Public Offer, then Shares will be reallocated to the Hong Kong Public Offer from the International Placing, so that the number of Shares available for subscription under the Hong Kong Public Offer will be increased to 100,000,000 Shares, representing 40% of the Offer Shares; and

(c) if the number of Shares validly applied for under the Hong Kong Public Offer represents 100 times or more the number of Shares initially available for subscription under the Hong Kong Public Offer, then Shares will be reallocated to the Hong Kong Public Offer from the International Placing, so that the number of Shares available for subscription under the Hong Kong Public Offer will be increased to 125,000,000 Shares, representing 50% of the Offer Shares.

In each case, the number of Offer Shares allocated to the International Placing will be correspondingly reduced.

If the Hong Kong Public Offer is not fully subscribed, the Joint Global Coordinators have the authority to reallocate all or any of the unsubscribed Hong Kong Offer Shares originally included in the Hong Kong Public Offer to the International Placing in such proportion as it deems appropriate.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant to SinoPac (for itself and on behalf of the International Underwriters) the Over-allotment Option within 30 days from the date of the last day of lodging application under the Hong Kong Public Offer. Pursuant to the Over-allotment Option, the Company may be required by SinoPac (for itself and on behalf of the International Underwriters) to allot and issue up to and not more than 37,500,000 additional new Shares (representing 15% of the total number of the Offer Shares initially available under the Global Offering) at the Offer Price to cover over-allocations in the International Placing. SinoPac (for itself and on behalf of the International Placing Underwriters) may also cover such over-allocations by, among other means, purchasing Shares in the secondary market or through stock borrowing arrangements with Trigiant Investments or by a combination of these means or otherwise as may be permitted under the applicable laws and regulatory requirements. Any such secondary market purchases will be made in compliance with all applicable laws, rules and regulations. If the Over-allotment Option is exercised in full, the additional 37,500,000 new Shares will represent approximately 3.6% of the Company's enlarged issued share capital immediately after completion of the Global Offering, the Capitalisation Issue and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised or expires, a press announcement will be made.

STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price.

In connection with the Global Offering, SinoPac (or its affiliates or any person acting for it), as the stabilising manager, for itself and on behalf of the Underwriters, may over-allocate or effect transactions which stabilise or maintain the market price of the Shares at levels above those which might otherwise prevail for a limited period after the Listing Date. The number of Shares that may be over-allocated will be up to, but not more than, an aggregate of 37,500,000 additional Shares, being the number of the Shares that may be issued under the Over-allotment Option. Such stabilising actions may include over-allocating International Placing Shares and covering such over allocations by exercising the Over-allotment Option or by making purchases in the secondary market or through stock borrowing arrangement with Trigiant Investments or through a combination of these means or otherwise. However, there is no obligation on SinoPac to do this. Such stabilisation action, if commenced, may be discontinued at any time, and is required to be brought to an end after a limited period. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements.

Subject to and under the Securities and Futures (Price Stabilising) Rules of the SFO, SinoPac, as the stabilising manager (or its affiliates or any person acting for it) may take all or any of the following actions ("primary stabilising action") with respect to any Shares during the stabilisation period, which should end on 8 April 2012:

(1) purchase, or agree to purchase, any of the Shares;

(2) offer or attempt to do anything as described in paragraph (1), for the sole purpose of preventing or minimising any reduction in the market price of the Shares. SinoPac, as the stabilising manager (or its affiliates or any person acting for it) may also, in connection with any primary stabilising action, take all or any of the following actions:

(a) for the purpose of preventing or minimising any reduction in the market price of the Shares:

(i) allocate a greater number of Shares than the number that is initially offered under the Global Offering; or

(ii) sell or agree to sell Shares so as to establish a short position in them;

(b) pursuant to an option or other right to purchase or subscribe for Shares, purchase or subscribe for or agree to purchase or subscribe for Shares in order to close out any position established under paragraph (a);

(c) sell or agree to sell any Shares acquired by it in the course of the primary stabilising action in order to liquidate any position that has been established by such action; and/or

(d) offer or attempt to do anything as described in paragraphs (a)(ii), (b) or (c).

Investors should be aware:

- that SinoPac, as the stabilising manager (or its affiliates or any person acting for it) may, in connection with the stabilising action, maintain a long position in the Shares;
- that there is no certainty regarding the extent to which and the time period for which SinoPac will maintain such a long position;
- of possible impact in the case of liquidation of such a long position by SinoPac;

- that stabilising action cannot be taken to support the price of the Shares for longer than the stabilising period which begins on the Listing Date and ends on the earlier of the 30th day after the last day for the lodging of applications under the Hong Kong Public Offer or the commencement of trading of the Shares on the Stock Exchange, that the stabilising period is expected to expire on 8 April 2012, and that after this date, when no further stabilising action may be taken, demand for the Shares, and therefore its price could fall;

- that the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilising action; and that stabilising bids may be made or transactions effected in the course of the stabilising action at any price at or below the Offer Price, which means that stabilising bids may be made or transactions effected at a price below the price the investor has paid for the Shares.

STOCK BORROWING ARRANGEMENT

In connection with the Global Offering, SinoPac, as the stabilising manager, may over-allocate up to and not more than an aggregate of 37,500,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means. In particular, for the purpose of covering such over-allocations, SinoPac, as the stabilising manager, may borrow up to 37,500,000 Shares from Trigiant Investments, equivalent to the maximum number of Shares to be issued on a full exercise of the Over-allotment Option, under the Stock Borrowing Agreement. **Stock borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set forth in Rule 10.07(3) of the Listing Rules are complied with. The principal terms of the Stock Borrowing Agreement are:**

- the stock borrowing arrangement will only be effected by the borrower for settlement of over-allocations in connection with the International Placing;

- the maximum number of Shares borrowed from Trigiant Investments will be limited to the maximum number of Shares which may be issued upon exercise of the Over-allotment Option;

- the same number of Shares so borrowed must be returned to Trigiant Investments or its nominees on no later than three business days following the earlier of (i) the last day for exercising the Over-allotment Option; and (ii) the day on which the Over-allotment Option is exercised in full; or (iii) such earlier time as may be agreed in writing between Trigiant Investments and the Sole Sponsor;

- the stock borrowing arrangement will be effected in compliance with all applicable laws and regulatory requirements; and

- no payments will be made to Trigiant Investments in relation to the stock borrowing arrangement.

1. CHANNELS TO APPLY FOR THE HONG KONG OFFER SHARES

You may apply for the Hong Kong Offer Shares by using one of the following channels:

- using a **WHITE** or **YELLOW** Application Form;
- giving **electronic application instruction** to HKSCC to cause HKSCC Nominees to apply for the Hong Kong Offer Shares on your behalf; or
- by means of **HK eIPO White Form** by submitting applications online through the designated website at **www.hkeipo.hk**. Use **HK eIPO White Form** if you want the Shares issued in your own name.

You or you and your joint applicant(s) may only make one application (whether individually or jointly) by applying on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the designated **HK eIPO White Form** Service Provider.

2. WHO CAN APPLY FOR THE HONG KONG OFFER SHARES

You can apply for the Hong Kong Offer Shares if you, or any person(s) for whose benefit you are applying, are an individual, and:

- are 18 years of age or older;
- have a Hong Kong address;
- are not inside the United States and will be acquiring the Hong Kong Offer Shares in offshore transactions (within the meaning of Regulation S); and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

If you wish to apply for the Hong Kong Offer Shares online through the designated website at **www.hkeipo.hk** under the **HK eIPO White Form** service, in addition to the above you must also:

- have a valid Hong Kong identity card number; and
- be willing to provide a valid e-mail address and a contact telephone number.

You may only apply by means of the **HK eIPO White Form** service if you are an individual applicant. Corporations or joint applicants may not apply by means of the **HK eIPO White Form** service.

If the applicant is a firm, the application must be in the names of the individual members, not the firm's name. If the applicant is a body corporate, the application form must be signed by a duly authorised officer, who must state his or her representative capacity.

If an application is made by a person duly authorised under a valid power of attorney, the Joint Global Coordinators (or its agents or nominees) may accept it at their discretion, and subject to any conditions they think fit, including production of evidence of the authority of the attorney.

The number of joint applicants may not exceed four.

The Company, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) or their respective agents or nominees have full discretion to reject or accept any application, or to accept only part of any application. No reasons have to be given for any rejection or acceptance.

The Hong Kong Offer Shares are not available to existing beneficial owners of Shares, the Directors, or chief executive or their respective associates or any other connected persons (as defined in the Listing Rules) of the Company or persons who will become connected persons of the Company immediately upon Completion of the Global Offering.

You should also note that you may apply for Shares under the Hong Kong Public Offer or indicate an interest for Shares under the International Placing, but may not do both.

3. WHICH APPLICATION CHANNEL YOU SHOULD USE

(a) **WHITE** Application Forms

Use a **WHITE** Application Form if you want the Hong Kong Offer Shares to be registered in your own name.

(b) **Apply through the designed HK eIPO White Form** service

Instead of using a **WHITE** Application Form, you may apply for the Hong Kong Offer Shares by means of **HK eIPO White Form** by submitting applications online through the designated website at **www.hkeipo.hk**. Use **HK eIPO White Form** if you want the Hong Kong Offer Shares to be registered in your own name.

(c) **YELLOW** Application Forms

Use a **YELLOW** Application Form if you want the Hong Kong Offer Shares to be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant.

(d) Instruct HKSCC to make an electronic application on your behalf

Instead of using a **WHITE** or **YELLOW** Application Form or **HK eIPO White Form** service, you may give **electronic application instruction** to HKSCC to cause HKSCC Nominees to apply for the Hong Kong Offer Shares on your behalf via CCASS. Any Hong Kong Offer Shares allocated to you will be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or your designated CCASS Participant's stock account.

Note: Except in the circumstances permitted under the Listing Rules, the Hong Kong Offer Shares are not available to existing beneficial owners of any of the Shares, the Directors or chief executive of the Company or any of its subsidiaries or associates or any other connected persons of the Company (as defined in the Listing Rules), or persons who do not have a Hong Kong address, person who is a U.S. person, persons in the United States, or persons who have been allocated or have applied for International Placing Shares under the International Placing.

4. WHERE TO COLLECT THE APPLICATION FORMS

(a) You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 6 March 2012 until 12:00 noon on Friday, 9 March 2012 from:

the Hong Kong Underwriters:

SinoPac Securities (Asia) Limited
21/F, One Peking
1 Peking Road
Tsim Sha Tsui
Kowloon
Hong Kong

First Shanghai Securities Limited
19/F Wing On House
71 Des Voeux Road
Central
Hong Kong

Yue Xiu Securities Company Limited
24/F Siu On Center
188 Lockhart Road
Wanchai
Hong Kong

or any of the following branches of Standard Chartered Bank (Hong Kong) Limited and Bank of Communications Co., Ltd. Hong Kong Branch:

Standard Chartered Bank (Hong Kong) Limited

	Name of Branch	Address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A, Des Voeux Road Central, Central
	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
	Yun Ping Road Branch	G/F to 2/F, Fortune Centre, 4-48 Yun Ping Road, Causeway Bay
	Aberdeen Branch	Shop 4A, G/F, Aberdeen Centre Site 5, No. 6 Nam Ning Street, Aberdeen
Kowloon	Kwun Tong Hoi Yuen Road	G/F, Fook Cheong Building, No. 63 Hoi Yuen Road, Kwun Tong
	Tsimshatsui Branch	G/F, 10 Greenville Road, Tsimshatsui
	Lok Fu Shopping Centre Branch	Shop G101, G/F., Lok Fu Shopping Centre
	Mei Foo Stage I Branch	G/F, 1C Broadway, Mei Foo Sun Chuen Stage I, Lai Chi Kok
New Territories	Metroplaza Branch	Shop No. 175-176, Level 1, Metroplaza, 223 Hing Fong Road, Kwai Chung
	Yuen Long Branch	140 Yuen Long Main Road, Yuen Long
	Tai Po Branch	23 & 25 Kwong Fuk Road, Tai Po Market, Tai Po

Bank of Communications Co., Ltd. Hong Kong Branch

	Name of Branch	**Address**
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
	North Point Sub-Branch	442-444 King's Road
	Wanchai Sub-Branch	G/F., 32-34 Johnston Road
Kowloon	Kowloon Sub-Branch	G/F., 563 Nathan Road
	Kwun Tong Sub-Branch	Shop A, G/F., Hong Ning Court, 55 Hong Ning Road
	Hunghom Sub-Branch	Flat/Rm A6, G/F., Wing Kwai Building, 1-3 Tak Man Street
New Territories	Tseung Kwan O Sub-Branch	Shop 253-255, Metro City Shopping Arcade, Phase I
	Tuen Mun Sub-Branch	Shop 7-8, G/F, Castle Peak Lin Won Building, 2-4 Yan Ching Street
	Sheung Shui Sub-Branch	Shops 10-14, G/F., Sheung Shui Centre Shopping Arcade

(b) You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 6 March 2012 until 12:00 noon on Friday, 9 March 2012 from the Depository Counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong; or your broker may have **YELLOW** Application Forms and this prospectus available.

5. WHEN TO APPLY FOR THE HONG KONG OFFER SHARES

(a) WHITE or YELLOW Application Forms

Your completed **WHITE** or **YELLOW** Application Form, with a cheque or banker's cashier order attached, must be lodged by 12:00 noon on Friday, 9 March 2012, or, if the application lists are not open on that day, by the time and date stated in the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" below.

Your completed **WHITE** or **YELLOW** Application Form, with payment attached, should be deposited in the special collection boxes provided at any of the branches of the receiving bankers listed under the paragraph headed "Where to collect the Application Forms" in this section at the following times:

Tuesday, 6 March 2012	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, 7 March 2012	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, 8 March 2012	**–**	**9:00 a.m. to 5:00 p.m.**
Friday, 9 March 2012	**–**	**9:00 a.m. to 12:00 noon**

(b) Electronic application instructions to HKSCC

CCASS Clearing Participants or CCASS Custodian Participants should input **electronic application instructions** at the following times:

Tuesday, 6 March 2012	**–**	**9:00 a.m. to 8:30 p.m.**[(1)]
Wednesday, 7 March 2012	**–**	**8:00 a.m. to 8:30 p.m.**[(1)]
Thursday, 8 March 2012	**–**	**8:00 a.m. to 8:30 p.m.**[(1)]
Friday, 9 March 2012	**–**	**8:00 a.m.**[(1)] **to 12:00 noon**

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing Participants or CCASS Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 6 March 2012 until 12:00 noon on Friday, 9 March 2012 (24 hours daily, except on the last application date).

The latest time for inputting your **electronic application instructions** via CCASS (if you are a CCASS Participant) is 12:00 noon on Friday, 9 March 2012 or if the application lists are not open on that day, by the time and date stated in the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" below.

(c) HK eIPO White Form

You may submit your application to the designated **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk** from 9:00 a.m. on Tuesday, 6 March 2012 until 11:30 a.m. on Friday, 9 March 2012 or such later time as described under the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" below (24 hours daily, except on the last application day). The latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, 9 March 2012, the last application day, or, if the application lists are not open on that day, then by the time and date stated in the subparagraph headed "Effect of bad weather conditions on the opening of the application lists" below.

You will not be permitted to submit your application to the designated **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(d) Application lists

The application lists will be opened from 11:45 a.m. to 12:00 noon on Friday, 9 March 2012, except as provided in the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" below.

No proceedings will be taken on applications for the Hong Kong Offer Shares and no allocation of any such Shares will be made until after the closing of the application lists.

(e) Effect of bad weather conditions on the opening of the application lists

The application lists will be opened between 11:45 a.m. and 12:00 noon on Friday, 9 March 2012, subject to weather conditions. The application lists will not be open in relation to the Hong Kong Public Offer if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning signal,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 9 March 2012. Instead, the application lists will be open between 11:45 a.m. and 12:00 noon on the next business day (excluding Saturday) which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon in Hong Kong.

6. HOW TO APPLY USING A WHITE OR YELLOW APPLICATION FORM

(a) Obtain a **WHITE** or **YELLOW** Application Form.

(b) You should read the instructions in this prospectus and the relevant Application Form carefully. If you do not follow the instructions, your application is liable to be rejected and returned by ordinary post together with the accompanying cheque or banker's cashier order to you (or the first-named applicant in case of joint applications) at your own risk to the address stated on your Application Form.

(c) Decide how many Hong Kong Offer Shares you want to purchase. Calculate the amount you must pay in accordance with the table of numbers and payments set out in the Application Forms on the basis of the maximum Offer Price of HK$1.50 per Offer Share, plus brokerage of 1%, the SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%.

(d) Complete the Application Form and sign it. Only written signatures will be accepted. Applications made by corporations, whether on their own behalf, or on behalf of other persons, must be stamped with the company chop (bearing the company name) and signed by a duly authorised officer, whose representative capacity must be stated. If you are applying for the benefit of someone else, you, rather than that person, must sign on the Application Form. If it is a joint application, all applicants must sign on the Application Form. If your application is made through a duly authorised attorney, the Company, the Sole Sponsor and the Joint Global Coordinators (or their agents or nominees) may accept or reject the application at their discretion, and subject to any conditions as they think fit, including production of evidence of the authority of your attorney. The Joint Global Coordinators in the capacity as agent of the Company have full discretion to accept or reject any application, in full or in part, without assigning any reasons therefor.

(e) Each Application Form must be accompanied by either one cheque or one banker's cashier order, which must be stapled to the top left-hand corner of the Application Form. If you pay by cheque, the cheque must:

- be in Hong Kong dollars;
- not be post-dated;
- be drawn on your Hong Kong dollar bank account in Hong Kong;
- show your account name, which must either be pre-printed on the cheque, or be endorsed on the reverse of the cheque by an authorised signatory of the bank. This account name must correspond with the name of the applicant on the Application Form (or, in the case of joint applicants, the name of the first-named applicant). If the cheque is drawn on a joint account, one of the joint account names must be the same as the name of the first-named applicant;
- be made payable to "Horsford Nominees Limited – Trigiant Group Public Offer"; and
- be crossed "Account Payee Only".

Your application may be rejected if your cheque does not meet all these requirements or is dishonoured on the first presentation.

If you pay by banker's cashier order, the banker's cashier order must:

- be issued by a licensed bank in Hong Kong and have your name certified on the reverse of the banker's cashier order by an authorised signatory of the bank on which it is drawn. The name on the reverse of the banker's cashier order and the name on the Application Form must be the same. If it is a joint application, the name on the reverse of the banker's cashier order must be the same as the name of the first-named joint applicant;
- not be post-dated;
- be in Hong Kong dollars;
- be made payable to "Horsford Nominees Limited – Trigiant Group Public Offer"; and
- be crossed "Account Payee Only".

Your application may be rejected if your banker's cashier order does not meet all these requirements.

(f) Lodge your **WHITE** or **YELLOW** Application Forms in one of the collection boxes by the time and at one of the locations, as respectively referred to in subparagraph 4(a) above.

(g) The right is reserved to present all or any remittance for payment. However, your cheque or banker's cashier order will not be presented for payment before 12:00 noon on Friday, 9 March 2012. The Company will not give you a receipt for your payment. The Company will keep any interest accrued on your application monies (up until, in the case of monies to be refunded, the date of despatch of e-Auto Refund payment instructions/refund cheques). The right is also reserved to retain any Share certificate(s) and/or any surplus application monies or refunds pending clearance of your cheque or banker's cashier order.

(h) Multiple or suspected multiple applications are liable to be rejected. Please see the paragraph headed "How many applications you can make" in this section.

(i) In order for the **YELLOW** Application Forms to be valid:

You, as the applicant(s), must complete the form and sign on the first page of the application form. Only written signatures will be accepted.

- If the application is made through a designated CCASS Participant (other than a CCASS Investor Participant):
  - the designated CCASS Participant must endorse the form with its company chop (bearing its company name) and insert its CCASS Participant I.D. in the appropriate box on the **YELLOW** Application Form.

- If the application is made by an individual CCASS Investor Participant:
  - the **YELLOW** Application Form must contain your full name and your Hong Kong Identity Card number; and
  - the CCASS Investor Participant should insert its CCASS Participant I.D. in the appropriate box on the **YELLOW** Application Form.
- If the application is made by a joint individual CCASS Investor Participant:
  - the **YELLOW** Application Form must contain all joint CCASS Investor Participants' names and the Hong Kong Identity Card numbers of all joint CCASS Investor Participants; and
  - the CCASS Participant I.D. must be inserted in the appropriate box on the **YELLOW** Application Form.
- If you are applying as a corporate CCASS Investor Participant:
  - the **YELLOW** Application Form must contain the CCASS Investor Participant's company name and Hong Kong business registration number; and
  - the CCASS Participant I.D. and company chop (bearing the CCASS Investor Participant's company name) must be inserted in the appropriate box on the **YELLOW** Application Form.
- Incorrect or incomplete details of the CCASS Participant or the omission or inadequacy of CCASS Participant I.D. or other similar matters may render the application invalid.

(j) Nominees who wish to submit separate applications in their names on behalf of different beneficial owners are required to designate on each Application Form in the box marked "For nominees" account numbers or other identification codes for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner.

7. HOW TO APPLY THROUGH THE HK eIPO WHITE FORM SERVICE

(a) You may apply through **HK eIPO White Form** by submitting an application through the designated website at **www.hkeipo.hk**. If you apply through **HK eIPO White Form**, the Shares will be issued in your own name. For the purposes of allocating Hong Kong Offer Shares, each applicant giving **electronic application instructions** through the **HK eIPO White Form** service to the **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk** will be treated as an applicant.

(b) Detailed instructions for application through the **HK eIPO White Form** service are set out on the designated website at **www.hkeipo.hk**. You should read these instructions carefully. If you do not follow the instructions, your application may be rejected by the designated **HK eIPO White Form** Service Provider and may not be submitted to the Company.

(c) The designated **HK eIPO White Form** Service Provider may impose additional terms and conditions upon you for the use of the **HK eIPO White Form** service. Such terms and conditions are set out on the designated website at **www.hkeipo.hk**. You will be required to read, understand and agree to such terms and conditions in full prior to making any application.

(d) By submitting an application to the designated **HK eIPO White Form** Service Provider through the **HK eIPO White Form** service, you are deemed to have authorised the designated **HK eIPO White Form** Service Provider to transfer the details of your application to the Company and the Hong Kong Share Registrar.

(e) You may submit an application through the **HK eIPO White Form** service in respect of a minimum of 2,000 Hong Kong Offer Shares. Each **electronic application instruction** in respect of more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms, or as otherwise specified on the designated website at **www.hkeipo.hk**.

(f) You should give **electronic application instructions** through **HK eIPO White Form** at the times set out in paragraph (c) of the paragraph headed "When to apply for the Hong Kong Offer Shares" of this section.

(g) You should make payment for your application made by **HK eIPO White Form** service in accordance with the methods and instructions set out in the designated website at **www.hkeipo.hk**. If you do not make complete payment of the application monies (including any related fees) on or before 12:00 noon on Friday, 9 March 2012, or such later time as described under the paragraph headed "Effect of bad weather conditions on the opening of the application lists" in the section headed "When to apply for the Hong Kong Offer Shares" above, the designated **HK eIPO White Form** Service Provider will reject your application and your application monies will be returned to you in the manner described in the designated website at **www.hkeipo.hk**.

(h) **Warning: The application for Hong Kong Offer Shares through the HK eIPO White Form service is only a facility provided by the designated HK eIPO White Form Service Provider to public investors. The Company, the Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Underwriters, the HK eIPO White Form Service Provider and other parties involved in the Global Offering take no responsibility for such applications, and provide no assurance that applications through the HK eIPO White Form service will be submitted to the Company or that you will be allotted any Hong Kong Offer Shares.**

Environmental Protection

The obvious advantage of **HK eIPO White Form** is to save the use of paper via the self-serviced and electronic application process.

Please note that Internet services may have capacity limitations and/or be subject to service interruptions from time to time. To ensure that you can submit your applications through the **HK eIPO White Form** service, you are advised not to wait until the last day for submitting applications in the Hong Kong Public Offer to submit your **electronic application instructions**. In the event that you have problems connecting to the designated website for the **HK eIPO White Form** service, you should submit a **WHITE** Application Form. However, once you have submitted **electronic application instructions** and completed payment in full using the application reference number provided to you on the designated website, you will be deemed to have made an actual application and should not submit a **WHITE** or **YELLOW** Application Form or give **electronic application instructions** to HKSCC via CCASS. See "How many applications you can make" below.

8. HOW TO APPLY BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC

(a) CCASS Participants may give **electronic application instructions** via CCASS to HKSCC to apply for the Hong Kong Offer Shares and to arrange for payment of the money due on application and payment of refunds. This will be in accordance with their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

(b) If you are a CCASS Investor Participant, you may give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979 7888 or CCASS Internet System at https://ip.ccass.com (according to the procedures contained in "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
2/F Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

and complete an input request form.

Prospectuses are available for collection from the above address.

(c) If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

(d) You are deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application whether submitted by you or through your designated CCASS Clearing Participant or CCASS Custodian Participant to the Company and the Hong Kong Share Registrar.

(e) You may give **electronic application instructions** in respect of a minimum of 2,000 Hong Kong Offer Shares. Each **electronic application instruction** in respect of more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table on the Application Form.

(f) Where a **WHITE** Application Form is signed by HKSCC Nominees on behalf of persons who have given **electronic application instructions** to apply for the Hong Kong Offer Shares:

(i) HKSCC Nominees is only acting as nominee for those persons and shall not be liable for any breach of the terms and conditions of the **WHITE** Application Form and/or this prospectus; and

(ii) HKSCC Nominees does all the things on behalf of each of such persons as stated in the paragraph headed "Effect of making any application" below.

(g) If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares in respect of which you have given such instructions and/or in respect of which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

(h) For the purpose of allocating the Hong Kong Offer Shares, HKSCC Nominees shall not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit each such instruction is given shall be treated as an applicant.

(i) The paragraph headed "Personal data" below applies to any personal data held by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Company and the Hong Kong Share Registrar about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

(j) For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives, or causes to give, **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies Ordinance.

Warning

Application for the Hong Kong Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. The Company, the Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Underwriters and all other parties involved in the Global Offering take no responsibility for the application and provide no assurance that any CCASS Participant will be allocated any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions to HKSCC through the CCASS Phone System or CCASS Internet System, CCASS Investor Participants are advised not to wait until the last minute to input instructions. If CCASS Investor Participants have problems in connecting to the CCASS Phone System or CCASS Internet System to submit electronic application instructions, they should either:

(a) submit the WHITE or YELLOW Application Form (as appropriate); or

(b) go to HKSCC's Customer Service Centre to complete an application instruction input request form before 12:00 noon on Friday, 9 March 2012 or such later time as described under the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" above.

9. RESULTS OF ALLOCATIONS

The Company expects to publish the announcement on the Offer Price, the level of applications in the Hong Kong Public Offer, the level of indications of interest in the International Placing and the basis of allotment of the Hong Kong Offer Shares in The Standard (in English) and the Hong Kong Economic Times (in Chinese) and on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.trigiant.com.hk** on Friday, 16 March 2012. Results of allocations in the Hong Kong Public Offer, including the Hong Kong Identity Card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of Hong Kong Offer Shares successfully applied for under **WHITE** Application Forms, or **YELLOW** Application Forms or the designated **HK eIPO White Form** Service Provider through the designated **HK eIPO White Form** website or by giving **electronic application instructions** to HKSCC via CCASS will be made available at the times and dates and in the manner specified below:

- Results of allocations for the Hong Kong Public Offer will be available from the results of allocations website at **www.tricor.com.hk/ipo/result** on a 24-hour basis from 8:00 a.m. on Friday, 16 March 2012 to 12:00 midnight on Friday, 23 March 2012. A "Search by ID" function will be available on the results of allocations website at **www.tricor.com.hk/ipo/result**. The user will be required to key in the Hong Kong identity card/passport/Hong Kong business registration number provided in his/her/its application to search for his/her/its own allocation result;

- Results of allocations will be available from the Hong Kong Public Offer allocation results telephone enquiry line. Applicants may find out whether or not their applications have been successful and the number of Hong Kong Offer Shares allocated to them, if any, by calling 3691 8488 between 9:00 a.m. and 5:00 p.m. from Friday, 16 March 2012 to Wednesday, 21 March 2012 (excluding Saturday and Sunday);

- Special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual receiving bank branches and sub-branches from Friday, 16 March 2012 to Tuesday, 20 March 2012 at all the receiving bank branches and subbranches at the addresses set out in the section headed "Where to collect the Application Forms" above.

- Results of allocations for the Hong Kong Public Offer can be found in the announcement to be published on the Company's website at **www.trigiant.com.hk** and the website of the Stock Exchange at **www.hkexnews.hk** on Friday, 16 March 2012.

10. HOW MANY APPLICATIONS YOU CAN MAKE

(a) You may make more than one application for the Hong Kong Offer Shares only if:

- You are a nominee, in which case you may make an application as a nominee by: (i) giving **electronic application instructions** to HKSCC via CCASS (if you are a CCASS Participant); or (ii) using a **WHITE** or **YELLOW** Application Form and lodging more than one application in your own name on behalf of different beneficial owners. In the box on the **WHITE** or **YELLOW** Application Form marked "For nominees" you must include:

  – an account number; or

  – some other identification code for each beneficial owner (or, in the case of joint beneficial owners, for each such joint beneficial owner). If you do not include this information, the application will be treated as being made for your own benefit.

- Multiple or suspected multiple applications are liable to be rejected.

(b) Save as referred to (a) above, all of your applications for the Hong Kong Offer Shares (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**) will be rejected as multiple applications if you, or you and your joint applicant(s) together or any of your joint applicants:

- make more than one application (whether individually or jointly with others) on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS (if you are a CCASS Investor

Participant or applying through a CCASS Clearing or Custodian Participant) or to the designated **HK eIPO White Form** Service Provider; or

- both apply (whether individually or jointly with others) on one (or more) **WHITE** Application Form and one (or more) **YELLOW** Application Form or on one (or more) **WHITE** Application Form or one (or more) **YELLOW** Application Form and give **electronic application instructions** to HKSCC via CCASS or to the designated **HK eIPO White Form** Service Provider; or

- apply (whether individually or jointly with others) on one (or more) **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS (if you are a CCASS Investor Participant or applying through a CCASS Clearing or Custodian Participant) or to the designated **HK eIPO White Form** Service Provider for more than 50% of the Hong Kong Offer Shares being initially available to the public as referred to under the section headed "Structure of the Global Offering" in this prospectus; or

- have applied for or taken up, or indicated an interest in applying for or taking up or have been or will be placed (including conditionally and/or provisionally) any International Placing Shares under the International Placing.

(c) All of your applications for the Hong Kong Offer Shares are liable to be rejected as multiple applications if more than one application is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

(i) the principal business of that company is dealing in securities; and

(ii) you exercise statutory control over that company, then the application will be deemed to be made for your benefit.

Unlisted company means a company with no equity securities listed on the Stock Exchange.

Statutory control in relation to a company means you:

(i) control the composition of the board of directors of that company; or

(ii) control more than half of the voting power of that company; or

(iii) hold more than half of the issued share capital of that company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

(d) If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit to the designated **HK eIPO White Form** Service Provider to make an application for the Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service by giving **electronic application instructions** through the designated website at **www.hkeipo.hk** and completing payment in respect of such **electronic application instructions**, or of submitting one application through the **HK eIPO White Form** service and one or more applications by any other means, all of your applications are liable to be rejected.

11. EFFECT OF MAKING ANY APPLICATION

(a) By making any application, you (and if you are joint applicants, each of you jointly and severally) for yourself or as agent or nominee and on behalf of each person for whom you act as agent or nominee:

- instruct and authorise the Company and/or the Joint Global Coordinators (or their agents or nominees) to execute any transfer forms, contract notes or other documents on your behalf and to do on your behalf all other things necessary to effect the registration of any Hong Kong Offer Shares allocated to you in your name(s) or HKSCC Nominees, as the case may be, as required by the Articles and otherwise to give effect to the arrangements described in this prospectus and the relevant Application Form;

- undertake to sign all documents and to do all things necessary to enable you or HKSCC Nominees, as the case may be, to be registered as the holder of the Hong Kong Offer Shares allocated to you, and as required by the Articles;

- represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act and you are not, and none of the other person(s) for whose benefit you are applying is, within the United States when completing and submitting the Application Form or you are a person described in paragraph (h)(3) of Rule 902 of Regulation S under the U.S. Securities Act, and will be acquiring the Hong Kong Offer Shares in offshore transactions (within the meaning of Regulation S); and (ii) you will not resell the Hong Kong Offer Shares except in accordance with the provisions of Regulation S, or pursuant to an available exemption from the registration requirements of the U.S. Securities Act, and agree not to engage in hedging transactions with regard to such shares unless in compliance with the U.S. Securities Act;

- confirm that you have received and/or read a copy of this prospectus and have only relied on the information and representations contained in this prospectus (save as set out in any supplement to this prospectus) in making your application, and not on any other information or representation concerning the Company and you agree that neither the Company, the Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters nor any of their respective directors, officers, employees, partners, agents, advisers or any other parties involved in the Global Offering will have any liability for any such other information or representations;

- agree (without prejudice to any other rights which you may have) that once your application has been accepted, you may not revoke or rescind it because of an innocent misrepresentation;

- (if the application is made by an agent on your behalf) warrant that you have validly and irrevocably conferred on your agent all necessary power and authority to make the application;

- (if the application is made for your own benefit) warrant that the application is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the designated **HK eIPO White Form** Service Provider via **HK eIPO White Form** service;

- (if you are an agent for another person) warrant that reasonable enquiries have been made of that other person that the application is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC, or to the designated **HK eIPO White Form** Service Provider via **HK eIPO White Form** service, and that you are duly authorised to sign the Application Form or to give **electronic application instruction** as that other person's agent;

- agree that once your application is accepted, your application will be evidenced by the results of the Hong Kong Public Offer made available by the Company;

- undertake and confirm that you (if the application is made for your benefit) or the person(s) for whose benefit you have made the application have not applied for or taken up or indicated an interest in or received or been placed or allocated (including conditionally and/or provisionally) and will not apply for or take up or indicate any interest in any International Placing Shares in the International Placing, nor otherwise participate in the International Placing;

- warrant the truth and accuracy of the information contained in your application;

- agree to disclose to the Company, the Hong Kong Share Registrar, receiving bankers, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, and the Underwriters and any of their respective officers, advisers and agents any personal data and information which they require about you or the person(s) for whose benefit you have made the application;

- agree that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

- undertake and agree to accept the Hong Kong Offer Shares applied for, or any less number allocated to you under the application;

- authorise the Company to place your name(s) or the name of HKSCC Nominees, as the case may be, on the register of members of the Company as the holder(s) of any Hong Kong Offer Shares allocated to you, and the Company and/or its agents to send any share certificate(s) (where applicable) and/or any refund cheque(s) (where applicable) to you or (in case of joint applicants) the first-named applicant in the application by ordinary post at your own risk to the address stated in your application (unless you have applied for 1,000,000 Hong Kong Offer Shares or more and have indicated in your application that you wish to collect your share certificate(s) (where applicable) and/or refund cheque(s) (where applicable) in person then you can collect them from Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong between 9:00 a.m. and 1:00 p.m. on Friday, 16 March 2012;

- authorise the Company to despatch e-Auto Refund payment instructions to your application payment bank account if you have completed payment of the **HK eIPO White Form** application monies from a single bank account; or authorise the Company to issue and despatch refund cheque(s) to the address given on the **HK eIPO White Form** application if you have completed payment of the application monies from multi-bank accounts;

- if the laws of any place outside Hong Kong are applicable to your application, you agree and warrant that you have complied with all such laws and none of the Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters nor any of their respective officers or advisers will infringe any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any actions arising from your rights and obligations under the terms and conditions set out in the Application Form and in this prospectus;

- agree that the Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters and any of their respective directors, officers, employees, agents or advisors and any other parties involved in the Global Offering are liable only for and that you have only relied upon, the information and representations contained in this prospectus and any supplement to the prospectus;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and the Application Form and agree to be bound by them;

- agree with the Company and each Shareholder that Shares are freely transferable by the holders thereof;

- confirm that you are aware of the restrictions on the Hong Kong Offer Shares described in this prospectus;

- understand that these declarations and representations will be relied upon by the Company, the Sole Sponsor, the Joint Global Coordinators and the Joint Bookrunners in deciding whether or not to allocate any Hong Kong Offer Shares in response to your application and that you may be prosecuted for making a false declaration; and

- agree that the processing of your application, may be done by any of the Company's receiving banks and is not restricted to the bank at which your application was lodged.

(b) If you apply for the Hong Kong Offer Shares using a **YELLOW** Application Form, in addition to the confirmations and agreements referred to in (a) above you agree that:

- any Hong Kong Offer Shares allocated to you shall be registered in the name of HKSCC Nominees and deposited directly into CCASS operated by HKSCC for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant, in accordance with your election on the Application Form;

- each of HKSCC and HKSCC Nominees reserves the right (1) not to accept any or part of such allocated Hong Kong Offer Shares issued in the name of HKSCC Nominees or not to accept such allocated Hong Kong Offer Shares for deposit into CCASS; (2) to cause such allocated Hong Kong Offer Shares to be withdrawn from CCASS and transferred into your name at your own risk and costs; and (3) to cause such allocated Hong Kong Offer Shares to be issued in your name (or, if you are a joint applicant, to the first-named applicant) and in such a case, to post the share certificates for such allocated Hong Kong Offer Shares at your own risk to the address stated on your Application Form by ordinary post or to make available the same for your collection;

- each of HKSCC and HKSCC Nominees may adjust the number of allocated Hong Kong Offer Shares issued in the name of HKSCC Nominees;

- neither HKSCC nor HKSCC Nominees shall have any liability for the information and representations not so contained in this prospectus and the Application Forms; and

- neither HKSCC nor HKSCC Nominees shall be liable to you in any way.

(c) In addition, by giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and if you are joint applicants, each of you jointly and severally) are deemed to do the following additional things and neither HKSCC nor HKSCC Nominees will be liable to the Company nor any other person in respect of such things:

- instruct and authorise HKSCC to cause HKSCC Nominees (acting as nominee for the CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instruct and authorise HKSCC to arrange payment of the maximum Offer Price, brokerage fee, the SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of wholly or partly unsuccessful applications and/or if the final Offer Price is less than the maximum Offer Price of HK$1.50 per Offer Share, refund the appropriate portion of the application money by crediting your designated bank account;

- instruct and authorise HKSCC to cause HKSCC Nominees to do on your behalf all the things which it is stated to do on your behalf in the **WHITE** Application Form;

- (in addition to the confirmations and agreements set out in paragraph (a) above) instruct and authorise HKSCC to cause HKSCC Nominees to do on your behalf the following:

  – agree that the Hong Kong Offer Shares to be allocated shall be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or the stock account of the CCASS Participant who has inputted **electronic application instructions** on your behalf;

  – undertake and agree to accept the Hong Kong Offer Shares in respect of which you have given **electronic application instructions** or any lesser number;

  – undertake and confirm that you have not applied for or taken up or indicated an interest in or received or been placed or allocated (including conditionally and/or provisionally) and will not apply for or take up or indicate any interest in any International Placing Shares in the International Placing, nor otherwise participate in the International Placing;

  – (if the **electronic application instructions** are given for your own benefit) declare that only one set of **electronic application instructions** has been given for your benefit;

– (if you are an agent for another person) declare that you have given only one set of **electronic application instructions** for the benefit of that other person, and that you are duly authorised to give those instructions as that other person's agent;

– understand that the above declaration will be relied upon by the Company, the Sole Sponsor, the Joint Global Coordinators and the Joint Bookrunners in deciding whether or not to make any allocation of the Hong Kong Offer Shares in respect of the **electronic application instructions** given by you and that you may be prosecuted if you make a false declaration;

– authorise the Company to place the name of HKSCC Nominees on the register of members of the Company as the holder of the Hong Kong Offer Shares allocated in respect of your **electronic application instructions** and to send Share certificates and/or refund monies in accordance with the arrangements separately agreed between the Company and HKSCC;

– confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

– confirm that you have only relied on the information and representations in this prospectus in giving your **electronic application instructions** or instructing your CCASS Clearing Participant or CCASS Custodian Participant to give **electronic application instructions** on your behalf;

– agree that the Company, the Sole Sponsor, the Joint Global Coordinators and the Joint Bookrunners, the Underwriters and any of their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering are liable only for, and that you have only relied upon, the information and representations contained in this prospectus and any supplement to this prospectus;

– agree (without prejudice to any other rights which you may have) that once the application of HKSCC Nominees has been accepted, the application cannot be rescinded for innocent misrepresentation;

– agree to disclose to the Company, the Hong Kong Share Registrar, the receiving bankers, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters and any of their respective officers, advisers and agents personal data and any information which they require about you or the person(s) for whose benefit you have made the application;

- agree that any application made by HKSCC Nominees on behalf of that person pursuant to **electronic application instructions** given by that person is irrevocable before the fifth day after the closing of the application lists under the Hong Kong Public Offer such agreement to take effect as a collateral contract with the Company and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that the Company will not offer any Hong Kong Offer Shares to any person before the fifth day after the closing of the application lists except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the closing of the application lists (excluding for this purpose any day which is not a business day) if a person responsible for this prospectus under section 40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus;

- agree that once the application of HKSCC Nominees is accepted, neither that application nor your **electronic application instructions** can be revoked and that acceptance of that application will be evidenced by the results of the Hong Kong Public Offer made available by the Company; and

- agree to the arrangements, undertakings and warranties specified in the participant agreement between you and HKSCC and read with the General Rules of CCASS and the CCASS Operational Procedures, in respect of the giving of **electronic application instructions** relating to the Hong Kong Offer Shares.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

Full details of the circumstances in which you will not be allocated Hong Kong Offer Shares are set out in the notes attached to the Application Forms, and you should read them carefully. You should note in particular the following situations in which Hong Kong Offer Shares will not be allocated to you or your application is liable to be rejected:

(a) If your application is revoked:

By completing and submitting an Application Form or submitting **electronic application instructions** to HKSCC or the **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked before the expiration of the fifth day after the closing of the application lists under the Hong Kong Public Offer. This agreement will take effect as a collateral contract with the Company, and will become binding when you lodge your application form or submit your **electronic application instructions** to

HKSCC or to the designated **HK eIPO White Form** Service Provider. This collateral contract will be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the expiration of the fifth day after the closing of the application lists except by means of one of the procedures referred to in this prospectus.

However, your application or the application made by HKSCC Nominees on your behalf may only be revoked before the fifth day after the closing of the application lists under the Hong Kong Public Offer (excluding for this purpose any day which is not a business day) if a person responsible for this prospectus under section 40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus.

If any supplement to this prospectus is issued, applicant(s) who have already submitted an application may or may not (depending on the information contained in the supplement) be notified that they can withdraw their applications. If applicant(s) have not been so notified, or if applicant(s) have been notified but have not withdrawn their applications in accordance with the procedure to be notified, all applications that have been submitted remain valid and may be accepted. Subject to the above, an application once made is irrevocable and applicants shall be deemed to have applied on the basis of this prospectus as supplemented.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in English in The Standard and in Chinese in the Hong Kong Economic Times of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(b) If the allocation of the Hong Kong Offer Shares is void:

Your allocation of the Hong Kong Offer Shares (and the allocation to HKSCC Nominees, as the case may be) will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the applications lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing of the application lists.

(c) If you make applications under the Hong Kong Public Offer as well as the International Placing:

By filling in any of the Application Forms or giving **electronic application instructions** to HKSCC via CCASS or to the designated **HK eIPO White Form** Service Provider, you agree not to apply for International Placing Shares under the International Placing. Reasonable steps will be taken to identify and reject applications under the Hong Kong Public Offer from investors who have received International Placing Shares in the International Placing, and to identify and reject indications of interest in the International Placing from investors who have received Hong Kong Offer Shares in the Hong Kong Public Offer.

(d) If the Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners or the HK eIPO White Form Service Provider or their respective agents or nominees exercise their discretion to reject your application:

The Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners (for themselves and on behalf of the Underwriters) or the **HK eIPO White Form** Service Provider (where applicable) or their respective agents or nominees have full discretion to reject or accept any application, or to accept only part of any application. No reasons have to be given for any rejection or acceptance.

(e) If:

- your application is a multiple or a suspected multiple application;
- your Application Form is not completed in accordance with the instructions as stated therein (if you apply by an Application Form);
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions set out in the designated website at **www.hkeipo.hk**;
- your payment is not made correctly or you pay by cheque or banker's cashier order and the cheque or banker's cashier order is dishonoured on its first presentation;
- you or the person for whose benefit you are applying have applied for or taken up or indicated an interest for or have received or have been or will be placed or allocated (including conditionally and/or provisionally) the International Placing Shares under the International Placing;
- your application is for more than 50% of the 25,000,000 Hong Kong Offer Shares being initially comprised under the Hong Kong Public Offer as referred to under the section headed "Structure of the Global Offering" in this prospectus;

- any of the Underwriting Agreements does not become unconditional or it is terminated in accordance with the terms thereof or otherwise; or

- the Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners (for themselves and on behalf of the Underwriters) and the **HK eIPO White Form** Service Provider or their respective agents believe that by accepting your application would violate the applicable securities or other laws, rules or regulations of the jurisdiction in which your application is completed and/or signed.

13. HOW MUCH ARE THE HONG KONG OFFER SHARES

The maximum Offer Price of the Hong Kong Offer Shares is HK$1.50 each. You must also pay a brokerage of 1%, a Stock Exchange trading fee of 0.005% and a SFC transaction levy of 0.003%. The proposed board lot for trading in the Shares is 2,000 Shares. This means that for every 2,000 Hong Kong Offer Shares, you will pay HK$3,030.24. The Application Forms have tables showing the exact amount payable for numbers of Hong Kong Offer Shares.

You must pay the maximum Offer Price, brokerage of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.003% in full when you apply for the Hong Kong Offer Shares.

If your application is successful, the brokerage is paid to participants of the Stock Exchange, the Stock Exchange trading fee is paid to the Stock Exchange and the SFC transaction levy is paid to the SFC.

If the Offer Price as finally determined is less than HK$1.50 per Share, appropriate refund payments (including brokerage of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.003% attributable to the surplus application monies) will be made to successful applicants, without interest. Details of the procedures for refund are set out in the paragraph headed "Refund of your money – additional information" below.

14. IF YOUR APPLICATION FOR THE HONG KONG OFFER SHARES IS SUCCESSFUL (IN WHOLE OR IN PART)

(a) If you are applying using a **WHITE** Application Form:

- Refund cheque(s) and Share certificate(s) for these applicants who apply for less than 1,000,000 Hong Kong Offer Shares or apply for 1,000,000 or more Hong Kong Offer Shares and have not indicated on your Application Forms that you will collect Share certificate(s) and/or refund cheque(s) (where applicable) in person are expected to be despatched on Friday, 16 March 2012 to the same address as that for Share certificate(s), being the address specified in the relevant Application Form.

- Applicants who have applied on **WHITE** Application Forms for 1,000,000 Hong Kong Offer Shares or more and have indicated on their Application Forms that they wish to collect Share certificate(s) and/or refund cheque(s) (where applicable) in person from the Hong Kong Share Registrar may collect share certificate(s) and/or refund cheque(s) (where applicable) in person from the Hong Kong Share Registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 16 March 2012.

- Applicants being individuals who are applying for 1,000,000 Hong Kong Offer Shares or more and opt for personal collection cannot authorise any other person to make collection on their behalf. Corporate applicants who are applying for 1,000,000 Hong Kong Offer Shares or more and opt for personal collection must attend by their authorised representatives bearing letters of authorisation from the corporation stamped with the corporation's respective chops. Both individuals and authorised representatives (where applicable) must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

- Uncollected Share certificate(s) and refund cheque(s) (where applicable) will be despatched by ordinary post at the applicants' own risk to the addresses specified on the relevant Application Forms.

(b) If: (i) you are applying on a **YELLOW** Application Form; or (ii) you are giving **electronic application instructions** to HKSCC, and in each case you elect to have allocated Hong Kong Offer Shares deposited directly into CCASS:

If your application is wholly or partly successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant as instructed by you (on the Application Form or electronically, as the case may be), on Friday, 16 March 2012 or, under certain contingent situations, on any other date as shall be determined by HKSCC or HKSCC Nominees.

- **If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant) on a YELLOW Application Form:**

  For Hong Kong Offer Shares credited to the stock account of your designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allocated to you with that CCASS Participant.

- **If you are applying as a CCASS Investor Participant on a YELLOW Application Form:**

  The Company is expected to make available the results of the Hong Kong Public Offer, including the results of CCASS Investor Participants' applications, in the manner described above in the paragraph headed "Results of allocations" on Friday, 16 March 2012. You should check the results made available by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 16 March 2012 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System or CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your stock account.

- **If you have given electronic application instructions to HKSCC:**

  The Company is expected to make available the application results of the Hong Kong Public Offer, including the results of CCASS Participants' applications (and in the case of CCASS Clearing Participants and CCASS Custodian Participants, the Company shall include information relating to the beneficial owner), your Hong Kong Identity Card number or passport number or Hong Kong business registration number or other identification code (as appropriate) in the manner described above in the paragraph headed "Results of allocations" on Friday, 16 March 2012. You should check the results made available by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 16 March 2012 or any other date HKSCC or HKSCC Nominees chooses.

- **If you are instructing your CCASS Clearing Participant or CCASS Custodian Participant to give electronic application instructions to HKSCC on your behalf:**

  You can also check the number of the Hong Kong Offer Shares allocated to you and the amount of refund (where applicable) payable to you with that CCASS Clearing Participant or CCASS Custodian Participant.

- **If you are applying as a CCASS Investor Participant by giving electronic application instruction to HKSCC:**

  You can also check the number of the Hong Kong Offer Shares allocated to you and the amount of refund (where applicable) payable to you via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Friday, 16 March 2012. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of the refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of the Hong Kong Offer Shares credited to your stock account and the amount of refund credited to your designated bank account (where applicable).

(c) If you are applying through **HK eIPO White Form**:

If you apply for 1,000,000 Hong Kong Offer Shares or more through the **HK eIPO White Form** service by submitting an electronic application to the designated **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk** and your application is wholly or partially successful, you may collect your Share certificate(s) in person from the Hong Kong Share Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 16 March 2012, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions to the designated **HK eIPO White Form** Service Provider promptly thereafter by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) will be sent to the address specified in your application instructions to the designated **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk** on Friday, 16 March 2012 by ordinary post and at your own risk.

If you paid the application monies from a single bank account and your application is wholly or partially unsuccessful and/or the final Offer Price is different from the Offer Price initially paid on your application, e-Auto Refund payment instructions (if any) will be despatched to your application payment bank account on or around Friday, 16 March 2012.

If you used multi-bank accounts to pay the application monies and your application is wholly or partially unsuccessful and/or the final Offer Price is different from the Offer Price initially paid on your application, refund cheque(s) will be sent to the address specified in your application instructions to the designated **HK eIPO White Form** Provider on or around Friday, 16 March 2012, by ordinary post and at your own risk.

Please also note the additional information relating to refund of application monies overpaid, application money underpaid or applications rejected by the designated **HK eIPO White Form** Service Provider set out below in "Refund of your money – additional information."

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

15. REFUND OF YOUR MONEY – ADDITIONAL INFORMATION

(a) You will be entitled to a refund (any interest accrued on refund money prior to the date of despatch of e-Auto Refund payment instructions/refund cheques will be retained for the benefit of the Company) if:

- your application is not successful, in which case the Company will refund your application money together with the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee to you, without interest;

- your application is accepted only in part, in which case the Company will refund the appropriate portion of your application money, the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee, without interest;

- the Offer Price (as finally determined) is less than the price per Offer Share initially paid by you on application, in which case the Company will refund the surplus application money together with the appropriate portion of the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee, without interest; and

- the conditions of the Hong Kong Public Offer are not fulfilled in accordance with the paragraph headed "Conditions of the Hong Kong Public Offer" under the section headed "Structure of the Global Offering" in this prospectus.

(b) If you apply on a **YELLOW** Application Form for 1,000,000 Hong Kong Offer Shares or more and have indicated on your Application Form that you wish to collect your refund cheque in person, you may collect your refund cheque (where applicable) in person from the Hong Kong Share Registrar on Friday, 16 March 2012. The procedure for collection of refund cheques for **YELLOW** Application Form applicants is the same as that for **WHITE** Application Form applicants set out in sub-paragraph (a) of the paragraph headed "If your application for the Hong Kong Offer Shares is successful (in whole or in part)" in this section.

If you have applied for 1,000,000 Hong Kong Offer Shares or above and have not indicated on your Application Form that you will collect your refund cheque (if any) in person, or if you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque (if any) will be sent to the address on your Application Form on the date of despatch, which is expected to be on Friday, 16 March 2012, by ordinary post and at your own risk.

(c) If you are applying by giving **electronic application instructions** to HKSCC to apply on your behalf, all refunds are expected to be credited to your designated bank account (if you are applying as a CCASS Investor Participant) or the designated bank account of your broker or custodian (if you are applying through a CCASS Clearing Participant or CCASS Custodian Participant) on Friday, 16 March 2012.

(d) If your payment of application monies is insufficient, or in excess of the required amount, having regard to the number of Hong Kong Offer Shares for which you have applied, or if your application is otherwise rejected by the designated **HK eIPO White Form** Service Provider, the designated **HK eIPO White Form** Service Provider may adopt alternative arrangements for the refund of monies to you. Please refer to the additional information provided by the designated **HK eIPO White Form** Service Provider on the designated website at **www.hkeipo.hk**.

Otherwise, any monies payable to you due to a refund for any of the reasons set out above in this section shall be made pursuant to the arrangements described above in "If your application for the Hong Kong Offer Shares is successful (in whole or in part) – If you are applying through **HK eIPO White Form**."

(e) Refund cheque will be crossed "Account Payee Only", and made out to you, or if you are a joint applicant, to the first-named applicant on your Application Form. Part of your Hong Kong Identity Card number or passport number, or, if you are joint applicants, part of the Hong Kong Identity Card number or passport number of the first-named applicant, provided by you may be printed on your refund cheque, where applicable. Such data may also be transferred to a third party for refund purpose. Your banker may require verification of your Hong Kong Identity Card number or passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong Identity Card number or passport number may lead to delay in encashment of or may invalidate your refund cheque.

(f) e-Auto Refund payment instructions/refund cheques are expected to be despatched on or around Friday, 16 March 2012. The Company intends to make special efforts to avoid undue delays in refunding money.

16. PERSONAL DATA

The main provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "Ordinance") came into effect in Hong Kong on 20 December 1996. This Personal Information Collection Statement informs the applicant for and holder of the Hong Kong Offer Shares of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Ordinance.

(a) Reasons for the collection of your personal data

From time to time it is necessary for applicants for securities or registered holders of securities to supply their latest correct personal data to the Company and the Hong

Kong Share Registrar when applying for securities or transferring securities into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data may result in your application for securities being rejected or in delay or inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfer of the Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s), and/or the despatch of e-Auto Refund payment instructions/refund cheque(s) to which you are entitled.

It is important that holders of securities inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

(b) Purposes

The personal data of the applicants and the holders of securities may be used, held and/or stored (by whatever means) for the following purposes:

- processing of your application and e-Auto Refund payment instructions/refund cheque, where applicable and verification of compliance with the terms and application procedures set out in the Application Forms and this prospectus and announcing results of allocations of the Hong Kong Offer Shares;
- enabling compliance with all applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the name of holders of securities including, where applicable, in the name of HKSCC Nominees;
- maintaining or updating the registers of holders of securities of the Company;
- conducting or assisting to conduct signature verifications, any other verification or exchange of information;
- establishing benefit entitlements of holders of securities of the Company, such as dividends, rights issues and bonus issues;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and shareholder profiles;
- making disclosures as required by any laws, rules or regulations;
- disclosing identities of successful applications by way of press announcement(s) or otherwise;

- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to holders of securities and/or regulators and/or other purpose to which the holders of securities may from time to time agree.

(c) Transfer of personal data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants and the holders of securities will be kept confidential but the Company and the Hong Kong Share Registrar, to the extent necessary for achieving the above purposes or any of them, make such enquiries as the Company and the Hong Kong Share Registrar consider necessary to confirm the accuracy of the personal data and in particular, they may disclose, obtain or provide (whether within or outside Hong Kong) the personal data of the applicants and the holders of securities to or from any and all of the following persons and entities:

- the Company's appointed agents such as financial advisers, receiving bankers and its principal share registrar and the Hong Kong Share Registrar;
- HKSCC and HKSCC Nominees, who will use the personal data for the purposes of operating CCASS (in cases where the applicants have requested for the Hong Kong Offer Shares to be deposited into CCASS);
- any agents, contractors or third party service providers who offer administrative, telecommunications, computer, payment or other services to the Company and/or the Hong Kong Share Registrar in connection with the operation of their businesses;
- the Stock Exchange, the SFC and any other statutory, regulatory or governmental bodies; and
- any other persons or institutions with which the holders of securities have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers.

By signing an Application Form or by giving **electronic application instructions** to HKSCC or by applying through **HK eIPO White Form**, you agree to all of the above.

(d) Access and correction of personal data

The Ordinance provides the applicants and the holders of securities with rights to ascertain whether the Company and/or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Ordinance, the Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices or the kinds of data held should be addressed to the Company for the attention of the company secretary or (as the case may be) the Hong Kong Share registrar for the attention of the Privacy Compliance Officer (for the purposes of the Ordinance).

17. MISCELLANEOUS

(a) Commencement of dealings in the Shares

- Dealings in the Shares on the Main Board of the Stock Exchange are expected to commence on Monday, 19 March 2012.

- The Shares will be traded in board lots of 2,000 Shares.

- The stock code of the Shares is 1300.

- Any Share certificates in respect of Hong Kong Offer Shares collected or received by successful applicants will not be valid if the Global Offering is terminated in accordance with the terms of the Underwriting Agreements.

(b) Shares will be eligible for admission into CCASS

- If the Stock Exchange grants the listing of and permission to deal in the Shares and the stock admission requirements of HKSCC are complied with, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

- All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

- Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

- All necessary arrangements have been made for the Shares to be admitted into CCASS.

The following is the text of a report received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

6 March 2012

The Directors
Trigiant Group Limited
SinoPac Securities (Asia) Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") relating to Trigiant Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the period from 29 December 2009 (the date of change in controlling shareholders, which is described in accountants' report of the financial information of Jiangsu Trigiant Technology Co., Ltd. for Predecessor Track Record Period (as defined therein)) to 31 December 2009 and each of the two years ended 31 December 2011 (the "Relevant Periods"), for the inclusion in the prospectus of the Company dated 6 March 2012 (the "Prospectus") in connection with the initial listing of the shares of the Company on The Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing").

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 December 2010 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Through a group reorganisation as explained in the paragraph headed "Reorganisation" in Appendix V to the Prospectus (the "Group Reorganisation"), the Company has since 23 August 2011 become the holding company of the Group.

At the end of the respective reporting period and the date of this report, the Company has interests in the following subsidiaries:

Name of company	Place and date of incorporation/ establishment	Issue and fully paid share capital/registered capital	Attributable equity interest of the Group At 31 December 2009	2010	2011	At the date of this report	Principal activities
Trigiant Holdings Limited ("Trigiant BVI")#	British Virgin Island ("BVI") 12 May 2004	US$1,000	100%	100%	100%	100%	Investment holding

Name of company	Place and date of incorporation/ establishment	Issue and fully paid share capital/registered capital	Attributable equity interest of the Group At 31 December 2009	2010	2011	At the date of this report	Principal activities
Trigiant (HK) Limited ("Trigiant Hong Kong")##	Hong Kong 8 December 2009	HK$1	100%	100%	100%	100%	Investment holding
江蘇俊知技術有限公司 Jiangsu Trigiant Technology Co., Ltd.### ("Jiangsu Trigiant")	The People's Republic of China (the "PRC") For a term of 50 years commencing 15 March 2007	US$30,000,000	100%	100%	100%	100%	Manufacture and sale of Radio Frequency ("RF") cable series and related products for mobile telecommunications

\# Directly held by the Company.

\## Directly held by Trigiant BVI.

\### Directly held by Trigiant Hong Kong as a wholly foreign owned enterprise since 29 December 2009.

The Company and all of the above subsidiaries are limited liability companies and have adopted 31 December as their financial year end date.

No audited financial statements have been prepared for the Company and Trigiant BVI since their respective date of incorporation as there is no such statutory requirement. We have, however, reviewed all relevant transactions of the Company and Trigiant BVI since their respective date of incorporation and carried out such procedures as we considered necessary for inclusion in the Financial Information relating to the Group.

The statutory financial statements of Trigiant Hong Kong for the period from its date of incorporation to 31 December 2010 and the year ended 31 December 2011 were audited by Deloitte Touche Tohmatsu.

The statutory financial statements of Jiangsu Trigiant for each of the years ended 31 December 2009, 2010 and 2011 were prepared in accordance with the relevant accounting principles and financial regulation applicable to enterprises registered in the PRC and were audited by 無錫宜信會計師事務所有限公司 (Wuxi Yixin Certified Public Accountants Co., Ltd.), certified public accountants registered in the PRC. No audited financial statements have been prepared for the period from 29 December 2009 to 31 December 2009 as there is no such statutory requirement.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). We have audited the Underlying Financial Statements in accordance with the Hong Kong Standards on Auditing issued by the HKICPA.

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements on the basis set out in note 1 of Section E below. No adjustment was considered necessary to the Underlying Financial Statements in preparing our report for inclusion in the Prospectus.

The Underlying Financial Statements are the responsibility of the directors of the Company who approve their issue. The directors of the Company are responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, on the basis of preparation set out in note 1 of Section E, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Group as at 31 December 2009, 31 December 2010 and 31 December 2011 and of the Company as at 31 December 2010 and 31 December 2011 and of the consolidated results and consolidated cash flows of the Group for the Relevant Periods.

A. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Section E Notes	For the period from 29 December 2009 to 31 December 2009 RMB'000	For the year ended 31 December 2010 RMB'000	For the year ended 31 December 2011 RMB'000
Turnover	7	5,740	1,405,039	1,822,747
Cost of goods sold		(4,868)	(1,116,350)	(1,425,436)
Gross profit		872	288,689	397,311
Other gains and losses	8	41	12,109	14,073
Selling and distribution costs		(330)	(37,089)	(47,999)
Administrative expenses		(372)	(42,381)	(46,371)
Other expenses		–	(2,605)	(12,867)
Finance costs	9	(62)	(39,386)	(57,440)
Profit before taxation		149	179,337	246,707
Taxation	12	–	(28,225)	(39,922)
Profit for the period/year attributable to owners of the Company	10	149	151,112	206,785
Other comprehensive income				
Revaluation surplus on properties upon transfer to investment properties		–	830	–
Income tax relating to the component of other comprehensive income		–	(208)	–
Total comprehensive income for the period/year attributable to owners of the Company		149	151,734	206,785
Earnings per share – Basic	14	0.02 cents	18.89 cents	25.85 cents

B. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		THE GROUP			THE COMPANY	
		At 31 December			At 31 December	
	Section E Notes	**2009** *RMB'000*	**2010** *RMB'000*	**2011** *RMB'000*	**2010** *RMB'000*	**2011** *RMB'000*
Non-current assets						
Investment properties	*15*	–	17,900	18,300	–	–
Property, plant and equipment	*16*	186,603	190,977	181,970	–	–
Land use rights	*17*	79,103	73,392	71,683	–	–
Available-for-sale investments	*18*	–	20,000	20,000	–	–
Investment in a subsidiary	*19*	–	–	–	–	191,892
		265,706	302,269	291,953	–	191,892
Current assets						
Inventories	*20*	63,322	59,980	111,751	–	–
Trade and other receivables	*21*	670,167	780,308	1,168,881	–	37
Advances to a former fellow subsidiary	*22*	66,000	–	–	–	–
Land use rights	*17*	1,891	1,891	1,800	–	–
Pledged bank deposits	*23*	201,365	89,620	242,401	–	–
Bank balances and cash	*23*	111,032	338,916	383,548	–	–
		1,113,777	1,270,715	1,908,381	–	37
Current liabilities						
Trade and other payables	*24*	212,227	297,414	490,956	–	274
Bills payables to a former fellow subsidiary	*25*	164,000	–	–	–	–
Amount due to a director	*26*	42,000	2,797	14,680	–	–
Amounts due to shareholders	*27*	–	198,070	–	–	–
Amount due to a subsidiary	*19*	–	–	–	–	632
Payable for acquisition of a subsidiary	*34*	204,906	–	–	–	–
Bank borrowings – due within one year	*28*	600,239	680,000	940,300	–	–
Tax payables		–	8,657	10,037	–	–
		1,223,372	1,186,938	1,455,973	–	906
Net current (liabilities) assets		(109,595)	83,777	452,408	–	(869)
Total assets less current liabilities		156,111	386,046	744,361	–	191,023
Non-current liabilities						
Government grants	*29*	–	2,770	2,431	–	–
Payable for acquisition of land use rights	*30*	13,502	5,502	–	–	–
Bank borrowings – due after one year	*28*	70,000	150,000	110,000	–	–
Deferred taxation	*31*	9,506	12,937	18,399	–	–
		93,008	171,209	130,830	–	–
Net assets		63,103	214,837	613,531	–	191,023
Capital and reserves						
Share capital	*32*	7	7	82	–	82
Reserves	*33*	63,096	214,830	613,449	–	190,941
Total equity		63,103	214,837	613,531	–	191,023

C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital *RMB'000*	Share premium *RMB'000*	Statutory surplus reserve fund *RMB'000* *(Note a)*	Special reserve *RMB'000* *(Note b)*	Other reserve *RMB'000*	Property revaluation reserve *RMB'000*	Accumulated profits *RMB'000*	Total *RMB'000*
At 29 December 2009	7	–	–	–	–	–	–	7
Profit and total comprehensive income for the period	–	–	–	–	–	–	149	149
Deemed contribution arising from the Acquisition (note 34 to Section E)	–	–	–	62,947	–	–	–	62,947
At 31 December 2009	7	–	–	62,947	–	–	149	63,103
Other comprehensive income for the year	–	–	–	–	–	622	–	622
Profit for the year	–	–	–	–	–	–	151,112	151,112
Total comprehensive income for the year	–	–	–	–	–	622	151,112	151,734
Transfers	–	–	38,718	–	–	–	(38,718)	–
At 31 December 2010	7	–	38,718	62,947	–	622	112,543	214,837
Profit and total comprehensive income for the year	–	–	–	–	–	–	206,785	206,785
Waiver of shareholders' loan (note 27 to Section E)	–	–	–	–	191,909	–	–	191,909
Issue of shares by the Company on group reorganisation (note 32 to Section E)	82	191,810	–	–	–	–	–	191,892
Elimination on group reorganisation (note 32 to Section E)	(7)	–	–	–	(191,885)	–	–	(191,892)
Transfers	–	–	33,264	–	–	–	(33,264)	–
At 31 December 2011	82	191,810	71,982	62,947	24	622	286,064	613,531

Notes:

(a) As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the PRC subsidiary of the Company is required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiary while the amount and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied for conversion into capital by means of capitalisation issue.

(b) The special reserve represents the difference between the aggregate consideration of US$30,000,000 (equivalent to RMB204,906,000) and the net fair value of assets and liabilities of Jiangsu Trigiant as a result of the Acquisition (as more fully explained in note 1 to Section E).

D. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Section E Note	For the period from 29 December 2009 to 31 December 2009 RMB'000	For the year ended 31 December 2010 RMB'000	For the year ended 31 December 2011 RMB'000
Operating activities				
Profit before taxation		149	179,337	246,707
Adjustments for:				
Interest income		(40)	(2,394)	(5,231)
Government grants		–	(339)	(339)
Gain on fair value changes on investment properties		–	(400)	(400)
Exchange gain		–	(6,829)	(6,161)
Finance costs		62	39,386	57,440
Depreciation of property, plant and equipment		15	14,820	16,949
Operating lease rentals in respect of land use rights		6	1,891	1,800
Operating cash flows before movements in working capital		192	225,472	310,765
Decrease (increase) in inventories		1,978	3,342	(51,771)
Decrease (increase) in trade and other receivables		3,337	(111,055)	(386,643)
Increase in trade and other payables		3,217	65,716	213,215
Cash from operations		8,724	183,475	85,566
PRC income tax paid		–	(16,345)	(33,080)
Net cash from operating activities		8,724	167,130	52,486

	Section E Note	For the period from 29 December 2009 to 31 December 2009 RMB'000	For the year ended 31 December 2010 RMB'000	2011 RMB'000
Investing activities				
Interest received		40	3,301	3,301
Acquisition of a subsidiary	34	89,400	(204,906)	–
Available-for-sale investments		–	(20,000)	–
Government grants received		–	3,109	–
Purchase of property, plant and equipment		–	(36,060)	(8,123)
Payment for acquisition of land use rights		–	–	(8,000)
Repayment from a former fellow subsidiary		–	66,000	–
New pledged bank deposits raised		(1,070)	(206,076)	(363,156)
Release of pledged bank deposits		6,000	317,821	210,375
Net cash from (used in) investing activities		94,370	(76,811)	(165,603)
Financing activities				
Interest paid		(62)	(41,899)	(56,434)
Loans from shareholders		–	204,906	–
Bills payable to former fellow subsidiary and a supplier raised		–	270,000	–
Repayment of bills payable to a former fellow subsidiary and a supplier		–	(434,000)	–
Advances from investees		–	21,000	–
Repayment to investees		–	(3,000)	(18,000)
New bank borrowings raised		–	1,032,700	1,385,700
Repayment of bank borrowings		–	(872,939)	(1,165,400)
Advances from a director		8,000	–	11,883
Repayment to a director		–	(39,203)	–
Net cash from financing activities		7,938	137,565	157,749
Net increase in cash and cash equivalents		111,032	227,884	44,632
Cash and cash equivalent at beginning of the period/year, represented by bank balances and cash		–	111,032	338,916
Cash and cash equivalent at end of the period/year, represented by bank balances and cash		111,032	338,916	383,548

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 December 2010 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The addresses of the registered office and the principle place of business of the Company are set out in the section headed "Corporate Information" to the Prospectus. The Group is mainly engaged in the manufacture and sales of RF cable series and related products for mobile telecommunications.

Trigiant BVI was incorporated in the British Virgin Islands on 12 May 2004 (formerly known as "New Bright Assets Management Limited" at incorporation and subsequently changed to "Cenarion Investments Ltd." on 17 May 2007, until it was changed to its present name on 30 December 2009). At incorporation, Trigiant BVI allotted and issued 100 shares at U$1 each to two independent third parties (the "Third Parties") and remained inactive until the Third Parties transferred all their shares to Abraholme International Limited ("Abraholme") on 23 December 2009 and on the same date, Trigiant BVI allotted and issued 455 shares to Abraholme and 445 shares to other corporations who then became the shareholders of Trigiant BVI (together with Abraholme collectively referred to as the "Shareholders"). On 23 December 2009, the Shareholders have agreed to provide a loan in aggregate of US$30,000,000 to Trigiant BVI to finance the acquisition of Jiangsu Trigiant (as explained below). The current controlling shareholder of Abraholme is Mr. Qian Lirong ("Mr. Qian"), which is also the director of the Company.

On 28 December 2009, Trigiant BVI acquired the one founder member share, representing the entire issued share capital of Trigiant Hong Kong (formerly known as "Chinese Team Limited") at par. Trigiant Hong Kong was inactive before it was acquired by Trigiant BVI.

Jiangsu Trigiant is a limited liability company established in the PRC by Trigiant Group Pte. Ltd. ("Trigiant Group Pte") as a wholly foreign owned enterprise on 15 March 2007. Pursuant to an equity transfer agreement on 28 December 2009, Trigiant Group Pte transferred the entire equity interest in Jiangsu Trigiant to Trigiant Hong Kong for cash consideration of US$30,000,000 (the "Acquisition") and Jiangsu Trigiant became a subsidiary of Trigiant Hong Kong from 29 December 2009. The details are explained further in note 34.

Trigiant Group Pte was formerly owned as to 38.5% by Abraholme and 39% by other certain Shareholders, therefore, no single party has control over Trigiant Group Pte. As a result of the Acquisition, Abraholme (which owning 55.5% interest in Trigiant BVI) has obtained control over Jiangsu Trigiant on 29 December 2009 and the Acquisition is recognised by using the acquisition method of accounting with the excess of the net fair value of Jiangsu Trigiant over the cost of the Acquisition recognised as deemed contribution from shareholders directly in reserve.

Pursuant to the Group Reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Stock Exchange, the Company became the holding company of the Group on 23 August 2011 by interspersing the Company and Trigiant Investments Limited ("Trigiant Investments") (a company wholly-owned by the Shareholders) between Trigiant BVI and the Shareholders.

The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the period from 29 December 2009 to 31 December 2009 and the years ended 31 December 2010 and 2011 have been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout those periods.

The consolidated statements of financial position of the Group as at 31 December 2009 and 31 December 2010 have been prepared to present the assets and liabilities of the companies now comprising the Group as at the end of those reporting periods as if the current group structure had been in existence at those dates.

The Financial Information is presented in Renminbi ("RMB") which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Group has consistently applied the Hong Kong Accounting Standards ("HKASs"), HKFRSs, Amendments and Interpretations (hereinafter collectively referred to as the "new HKFRSs") which are effective for the accounting period beginning on 1 January 2011 throughout the Relevant Periods.

At the date of this report, the following new and revised standards, amendments and interpretations have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

* IFRIC represents the International Financial Reporting Interpretation Committee.

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2015
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 July 2012
6 Effective for annual periods beginning on or after 1 January 2014

The Group has not early adopted these new and revised standards, amendments or interpretations in the preparation of the Financial Information.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The directors of the Company anticipate that the application of the new Standard may have a significant impact on amounts reported in respect of the Group's available-for-sale investments which are currently stated at cost less impairment and will be measured at fair value upon adoption. In addition, HKFRS 9 Financial Instruments (as revised in November 2010) also adds requirements for financial liabilities and for derecognition.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope. HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the Group's consolidated financial statements.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared on the historical cost basis except for investment properties that are measured at fair values, in accordance with the accounting policies set out below which conform with HKFRSs. These policies have been consistently applied throughout the Relevant Periods.

In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Financial Information incorporates the financial information of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investment in a subsidiary

Investment in a subsidiary is stated at cost less any identified impairment loss on the statements of financial position of the Company.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangement of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for good sold in the normal course of business, net of discounts, value added tax and sales related taxes.

Revenue from the sale of goods is recognised when goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measure reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses if any.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account their estimated residual value, using the straight line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purpose. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When an item of property, plant and equipment is transferred to investment property carried at fair value, if the carrying amount is decreased as a result of a revaluation at the date of transfer, any resulting decrease in the carrying amount of the property is recognised in profit or loss. If the carrying amount is increased, to the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. Any remaining part of the increase is credited directly to equity (property revaluation reserve). On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Land use rights

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land that is accounted for as operating leases is presented separately and amortised over the lease term on a straight line basis, except for those that are classified and accounted for as investment properties under the fair value model.

The up-front payments to acquire leasehold interest in land are accounted for as operating leases and are stated at cost and released over the lease term on a straight line basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The resultant asset is amortised on a straight line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Impairment losses

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statements of financial position when the entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are mainly classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, advances to a former fellow subsidiary, pledged bank deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period granted, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities, including trade and other payables, payable for acquisition of land use rights, amount(s) due to a director/shareholders/a subsidiary, payable for acquisition of a subsidiary, bills payables to a former fellow subsidiary and bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from profit for the period/year as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period/year in which they arise.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Renal income from operating lease is recognised in profit or loss on a straight line basis over the term of the relevant lease.

The Group as lessee

Rentals payable under operating leases are recognised in the profit or loss on a straight line basis over relevant leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statements of financial position and released to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes/the Mandatory Provident Fund Scheme are recognised as expenses when employees have rendered service entitling them to the contributions.

4. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The overall strategy remains unchanged during the Relevant Periods.

The capital structure of the Group consists of bank borrowings, net of cash and cash equivalents, amounts due to shareholders and equity attributable to the owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure periodically. As part of the review, the Group considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through the payment of dividends, issue of new shares of the Company as well as the issue of new debts or the redemption of existing debts.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of inventories

The Group records inventories at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories, less all the estimated costs of completion and costs necessary to make the sales. Operational procedures have been in place to monitor this risk as a significant proportion of the Group's working capital is devoted to inventories. The management reviews the inventory aging listing on a periodical basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the Financial Information for any obsolete and slow moving items. Although the Group carried periodic review on the net realisable value of inventory, the actual realisable value of inventory is not known until the sale was concluded.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2009, 31 December 2010 and 31 December 2011, the carrying amounts of trade receivables are approximately RMB664,668,000, RMB759,937,000 and RMB1,154,096,000, respectively (net of nil allowance for doubtful debts as at 31 December 2009, 31 December 2010 and 31 December 2011).

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE GROUP			THE COMPANY	
	At 31 December			At 31 December	
	2009	**2010**	**2011**	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets					
Loans and receivables (including cash and cash equivalents)	1,045,509	1,207,759	1,791,534	–	–
Available-for-sale investments	–	20,000	20,000	–	–
Financial liabilities					
Amortised cost	1,299,020	1,326,753	1,550,677	–	906

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, advances to a former fellow subsidiary, available-for-sale investments, pledged bank deposits, bank balances and cash, trade and other payables, payable for acquisition of a subsidiary, amount(s) due to a director and shareholders, bills payables to a former fellow subsidiary, payable for acquisition of land use rights and bank borrowings. The Company's major financial instruments include other payables and amount due to a subsidiary. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest bearing pledged bank deposits, bank balances and bank borrowings at variable interest rates. Bank borrowings at fixed interest rates expose the Group to fair value interest rate risk. The Group currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rates offered by the People's Bank of China ("PBOC") from its RMB denominated borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing pledged bank deposits, bank balances and variable rate bank borrowings at the end of each reporting period and assumed that the amount of assets and liabilities outstanding at the end of each reporting period was outstanding for the whole period/year.

If interest rates on pledged bank deposits and bank balances had been 5 basis points lower and bank borrowings had been 25 basis points lower and all other variables were held constant, the Group's post tax profit after capitalisation of borrowing costs for the period from 29 December 2009 to 31 December 2009, the years ended 31 December 2010 and 2011, would be increased by RMB4,000, RMB449,000 and RMB844,000, respectively.

There would be an equal and opposite impact on the post tax profit for the period/year where there had been 5 basis points higher for pledged bank deposits and bank balances and 25 basis points higher for bank borrowings. In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposures at the end of each reporting period do not reflect the exposure during the Relevant Periods.

Currency risk

The Group have foreign currency sales during the Relevant Periods which exposed to foreign currency risk. During the period from 29 December 2009 to 31 December 2009 and the years ended 31 December 2010 and 2011, approximately nil, 0.7% and 1.4% of the Group's sales, respectively, are denominated in currency other than the functional currency of the group entity which it relates.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

	THE GROUP						THE COMPANY			
	At 31 December						At 31 December			
	2009		2010		2011		2010		2011	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	–	618	2,797	1,275	16,557	–	–	–	906
United States Dollars	1,716	204,906	6,867	198,324	1,207	–	–	–	–	–
Euro	884	–	–	–	–	–	–	–	–	–

The Group and the Company are mainly exposed to currency risk of United States Dollars and Hong Kong Dollars. The following table details the Group's and the Company's sensitivity to a 5% increase and decrease in the RMB against the relevant foreign currencies. The Group currently does not have any foreign currency hedging policy and will consider hedging its foreign currency exposure should the need arise. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. The sensitivity analysis includes bank balances, trade and other receivables, trade and other payables, payable for acquisition of a subsidiary, amount due to a director and shareholders and amount due to a subsidiary. If the RMB strengthens 5% against the relevant currencies, the post tax profit for the period/year will be increased (decreased) as follows:

	THE GROUP			THE COMPANY	
	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December 2010	For the year ended 31 December 2011	For the period from 23 December 2010 to 31 December 2010	For the year ended 31 December 2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	82	573	–	34
United States Dollars	84	7,180	(45)	–	–

There would be an equal and opposite impact on the result of the period/year if RMB weakens 5% against the relevant currencies. In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposures at the end of each reporting period do not reflect the exposure during the Relevant Periods.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statements of financial position.

The Group has concentration of credit risk in relation to trade and bills receivables from top three customers amounting to RMB595,706,000, RMB724,387,000 and RMB1,109,099,000 representing approximately 89.6%, 93.4% and 96.0% of the total trade and bills receivables at 31 December 2009, 31 December 2010 and 31 December 2011, respectively. The largest trade receivable from a customer by itself accounted for approximately 83.0%, 61.8% and 61.2% of the total trade and bills receivables at 31 December 2009, 31 December 2010 and 31 December 2011, respectively. In order to minimise the credit risk, the management has reviewed the recoverable amounts of trade and bills receivables regularly to ensure that follow-up action is taken timely and assigned a dedicated team to monitor the credit risk that takes into consideration the ageing status and estimate the likelihood of collection. In this regard, the directors of the Company consider that the credit risk on trade receivables is significantly reduced.

The Group also has concentration of credit risk in relation to net advances to a former fellow subsidiary amounting to RMB42,176,000, nil and nil at 31 December 2009, 31 December 2010 and 31 December 2011, respectively. In order to minimise the credit risk, the management has reviewed the recoverable amount of the advances to a fellow subsidiary and its financial ability regularly to ensure that follow-up action is taken timely. The amounts were settled in 2010. In this regard, the directors of Company consider that the credit risk on advances to a fellow subsidiary is significantly reduced.

The Group's credit risk on bank balances and deposits or bills receivables is limited and there is no significant concentration of credit risk because all bank deposits or bills are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from current interest rate at the end of the reporting period.

THE GROUP

	Weighted average effective interest rate	Repayable on demand or less than 6 months	6 months to 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2009							
Trade and other payables	–	196,373	–	–	–	196,373	196,373
Payable for acquisition of land use rights	–	8,000	–	8,000	5,502	21,502	21,502
Amount due to a director	–	42,000	–	–	–	42,000	42,000
Payable for acquisition of a subsidiary	–	204,906	–	–	–	204,906	204,906
Bills payables to a former fellow subsidiary	–	164,000	–	–	–	164,000	164,000
Bank borrowings							
– variable rate	5.63	182,379	113,482	4,013	74,868	374,742	355,000
– fixed rate	5.40	221,266	101,365	–	–	322,631	315,239
		1,018,924	214,847	12,013	80,370	1,326,154	1,299,020

	Weighted average effective interest rate	Repayable on demand or less than 6 months	6 months to 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2010							
Trade and other payables	–	274,384	–	–	–	274,384	274,384
Payable for acquisition of land use rights	–	16,000	–	5,502	–	21,502	21,502
Amount due to a director	–	2,797	–	–	–	2,797	2,797
Amounts due to shareholders	–	198,070	–	–	–	198,070	198,070
Bank borrowings							
– variable rate	5.80	77,179	110,125	8,978	162,494	358,776	325,000
– fixed rate	5.19	215,721	306,792	–	–	522,513	505,000
		784,151	416,917	14,480	162,494	1,378,042	1,326,753

	Weighted average effective interest rate	Repayable on demand or less than 6 months	6 months to 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2011							
Trade and other payables	–	472,195	–	–	–	472,195	472,195
Payable for acquisition of land use rights	–	8,000	5,502	–	–	13,502	13,502
Amount due to a director	–	14,680	–	–	–	14,680	14,680
Bank borrowings							
– variable rate	6.40	245,015	241,872	25,838	95,722	608,447	575,000
– fixed rate	6.17	462,864	20,057	–	–	482,921	475,300
		1,202,754	267,431	25,838	95,722	1,591,745	1,550,677

THE COMPANY

	Weighted average effective interest rate	Repayable on demand or less than 6 months	6 months to 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2011							
Other payables	–	274	–	–	–	274	274
Amount due to a subsidiary	–	632	–	–	–	632	632
		906	–	–	–	906	906

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Financial Information approximate their fair values at the end of each reporting period.

7. TURNOVER AND SEGMENT INFORMATION

The Group's chief operating decision maker has been identified as the executive directors of the Company who reviews the business with the following reportable and operating segments by products:

- RF coaxial cable series
- New-type electronic components
- Others (mainly represented by other accessories)

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the executive directors of the Company when making decisions about allocating resources and assessing performance of the Group.

Turnover represents the fair value of the consideration received and receivable for goods sold during the Relevant Periods.

The segment results represent the gross profits earned by each segment (segment revenue less segment cost of goods sold). Other gains and losses, selling and distribution costs, administrative expenses, other expenses, finance costs and taxation are not allocated to each reportable segment. This is the measure reported to the executive directors for the purpose of resource allocation and assessment of segment performance.

The information of segment results are as follows:

For the period from 29 December 2009 to 31 December 2009

	RF coaxial cable series	**New-type electronic components**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	5,740	–	–	5,740
Cost of goods sold	(4,868)	–	–	(4,868)
Segment result	872	–	–	872

For the year ended 31 December 2010

	RF coaxial cable series	**New-type electronic components**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	1,298,998	73,138	32,903	1,405,039
Cost of goods sold	(1,040,403)	(48,692)	(27,255)	(1,116,350)
Segment result	258,595	24,446	5,648	288,689

For the year ended 31 December 2011

	RF coaxial cable series	**New-type electronic components**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	1,667,077	87,715	67,955	1,822,747
Cost of goods sold	(1,288,988)	(70,373)	(66,075)	(1,425,436)
Segment result	378,089	17,342	1,880	397,311

The reportable segment results are reconciled to profit after taxation of the Group as follows:

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December	
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Reportable segment results	872	288,689	397,311
Unallocated income and expenses			
– Other gains and losses	41	12,109	14,073
– Selling and distribution costs	(330)	(37,089)	(47,999)
– Administrative expenses	(372)	(42,381)	(46,371)
– Other expenses	–	(2,605)	(12,867)
– Finance costs	(62)	(39,386)	(57,440)
Profit before taxation	149	179,337	246,707
Taxation	–	(28,225)	(39,922)
Profit for the period/year	149	151,112	206,785

As no discrete information in respect of segment assets and liabilities and other information is for the assessment of performance and allocation of resources for different reportable segment and thus, other than reportable segment revenue and results as disclosed above, no analysis of segment assets and liabilities is presented.

Substantially all of the Group's turnover is derived from the PRC and its non-current assets are also substantially located in the PRC (the place of domicile).

Information about major customers

For the period from 29 December 2009 to 31 December 2009, there was one customer which contributed revenue of RMB5,421,000 which individually accounted for more than 10% of the total turnover of the Group.

For the year ended 31 December 2010, there were two customers which contributed revenues of RMB1,010,588,000 and RMB294,068,000, respectively, which individually accounted for more than 10% of the total turnover of the Group.

For the year ended 31 December 2011, there were two customers which contributed revenues of RMB1,120,382,000 and RMB563,274,000, respectively, which individually accounted for more than 10% of the total turnover of the Group.

8. OTHER GAINS AND LOSSES

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December 2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Gain on fair value changes on investment properties	–	400	400
Government grants *(Note)*	–	1,640	1,194
Exchange gain	–	6,829	6,161
Interest income	40	2,394	5,231
Rental income	–	604	725
Others	1	242	362
	41	12,109	14,073

Note: Included in government grants during the years ended 31 December 2010 and 2011 were amounts of RMB1,301,000 and RMB855,000, respectively, which represented the incentive provided by the PRC local authorities to the Group for encouragement of business development in the Yixing region. There were no specific conditions attached to the grants, the Group recognised the grants upon receipts. In respect of the remaining RMB339,000 and RMB339,000, respectively, they represented government subsidies received for the acquisition of property, plant and equipment as disclosed in note 29.

9. FINANCE COSTS

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December 2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank borrowings wholly repayable within five years	62	37,706	57,440
Less: Amount capitalised	–	(3,422)	–
	62	34,284	57,440
Interest on financing arrangement *(Note 25)*	–	5,102	–
	62	39,386	57,440

Borrowing costs capitalised during the Relevant Periods were related to specific borrowings on qualifying assets.

10. PROFIT FOR THE PERIOD/YEAR

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December 2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Profit for the period/year has been arrived at after charging:			
Directors' remuneration *(Note 11)*	3	674	885
Other staff costs:			
Salaries and other benefits	454	22,637	34,386
Retirement benefit scheme contributions	17	2,431	3,872
Total staff costs	474	25,742	39,143
Less: Staff costs included in research and development costs	(2)	(673)	(720)
	472	25,069	38,423
Cost of inventories recognised as expenses	4,868	1,116,350	1,425,436
Depreciation of property, plant and equipment	15	14,820	16,949
Operating lease payment in respect of property	4	530	802
Operating lease rentals in respect of land use rights	6	1,891	1,800
Research and development costs (include in administrative expenses)	4	867	1,075
Expenses in relation to initial public offering of the Company's shares (included in other expenses)	–	2,605	12,867
and after crediting:			
Gross rental income from investment properties (net of nil direct operating expenses)	–	604	725

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company for the Relevant Periods are as follows:

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December 2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Directors' fees	–	–	163
Other emoluments to executive directors			
– basic salaries and allowances	–	244	300
– performance related incentive payments	3	421	393
– retirement benefits scheme contributions	–	9	29
	3	674	885

Details of emoluments paid or payable by the Group to the directors of the Company are as follows:

For the period from 29 December 2009 to 31 December 2009

	Mr. Qian Lirong *RMB'000*	Mr. Jiang Wei *RMB'000*	Mr. Xia Jie *RMB'000*	Total *RMB'000*
– directors' fee	–	–	–	–
– basic salaries and allowances	–	–	–	–
– performance related incentive payments *(Note a)*	1	1	1	3
– retirement benefits scheme contribution	–	–	–	–
	1	1	1	3

For the year ended 31 December 2010

	Mr. Qian Lirong *RMB'000*	Mr. Jiang Wei *RMB'000*	Mr. Xia Jie *RMB'000*	Total *RMB'000*
– directors' fee	–	–	–	–
– basic salaries and allowances	79	82	83	244
– performance related incentive payments *(Note a)*	157	144	120	421
– retirement benefits scheme contribution	3	3	3	9
	239	229	206	674

For the year ended 31 December 2011

	Mr. Qian Lirong *RMB'000*	Mr. Jiang Wei *RMB'000*	Mr. Xia Jie *RMB'000* *(Note b)*	Professor Jin Xiao Feng *RMB'000* *(Note c)*	Mr. Poon Yick Pang, Philip *RMB'000* *(Note c)*	Mr. Ng Wai Hung *RMB'000* *(Note c)*	Ms. Jia Nina *RMB'000* *(Note c)*	Total *RMB'000*
– directors' fee	–	–	–	21	69	52	21	163
– basic salaries and allowances	137	117	46	–	–	–	–	300
– performance related incentive payments *(Note a)*	224	169	–	–	–	–	–	393
– retirement benefits scheme contribution	12	12	5	–	–	–	–	29
	373	298	51	21	69	52	21	885

Notes:

(a) The performance related incentive payments were determined with reference to the operating results, individual performance and comparable market remuneration packages during the Relevant Periods.

(b) Mr. Xia Jie resigned as director of the Company on 27 May 2011.

(c) Being independent non-executive directors appointed by the Company on 23 August 2011.

Of the five highest paid individuals of the Group for the period from 29 December 2009 to 31 December 2009, the years ended 31 December 2010 and 2011, nil, 3 and 2 were the directors of the Company, respectively, details of whose emoluments are set out above. The emoluments of the 5 and remaining 2 and 3 individuals during the period from 29 December 2009 to 31 December 2009, years ended 31 December 2010 and 2011, respectively, were as follows:

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December	
		2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Basic salaries and allowances	4	167	938
Performance related incentive payments	106	252	301
Retirement benefits scheme contributions	–	6	34
	110	425	1,273

The emoluments of each of the five highest paid individuals (including the directors) during the Relevant Periods were within HK$1,000,000.

During the Relevant Periods, no emoluments were paid by the Group to the directors of the Company and any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any emoluments during the Relevant Periods.

12. TAXATION

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December	
		2010	2011
	RMB'000	*RMB'000*	*RMB'000*
The charge comprises:			
PRC Enterprise Income Tax ("EIT")	–	25,002	34,460
Deferred taxation *(Note 31)*	–	3,223	5,462
Taxation charge for the period/year	–	28,225	39,922

PRC Enterprise Income Tax represents the income tax in the PRC which is calculated at the prevailing tax rate on the taxable income of Jiangsu Trigiant in accordance with the relevant laws and regulations in the PRC.

Pursuant to the relevant laws and regulations, Jiangsu Trigiant was entitled to exemption from Foreign Enterprise Income Tax ("FEIT") for the first two years commencing from its first profit-making year in 2008, followed by a 50% reduction on the FEIT for the following three years ("Tax Holiday").

On 16 March 2007, the Enterprise Income Tax Law (the "New EIT Law") was passed at the Fifth session of the Tenth National People's Congress of the PRC, the income tax rate for both domestic and foreign-investment enterprise would be unified at 25% effective from 1 January 2008 (Order of the President [2007] No. 63). Jiangsu Trigiant which was entitled to Tax Holiday would continue to enjoy such treatment until the exemption and reduction period expired, at the end of 2012.

No provision for Hong Kong Profits Tax has been made in the Financial Information as the Group did not have assessable profits in Hong Kong during the Relevant Periods.

The taxation for the period/year can be reconciled to the profit before taxation as follows:

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December	
		2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	149	179,337	246,707
Tax at the applicable income tax rate of 25%	37	44,834	61,677
Tax effect on income not taxable for tax purpose	–	(1,708)	(1,934)
Tax effect on expenses not deductible for tax purpose	–	4,034	6,299
Tax effect of tax concession	(37)	(22,294)	(31,680)
Withholding tax on undistributed earnings	–	3,359	5,560
Taxation for the period/year	–	28,225	39,922

13. DIVIDENDS

No dividend declared by the Company since its incorporation nor was distributed by Trigiant BVI to its then shareholders during the Relevant Periods.

14. EARNINGS PER SHARE

The calculation of the basic earnings per share for the Relevant Periods is based on the following data and on the assumption that the Group Reorganisation has been effective on 29 December 2009 and the capitalisation issue as disclosed in "Statutory and General Information" in Appendix V to the Prospectus has been retrospectively adjusted:

	For the period from 29 December 2009 to 31 December 2009	For the year ended 31 December	
		2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Earnings			
Profit for the period/year attributable to the owners of the Company for the purpose of basic earnings per share	149	151,112	206,785
	'000	*'000*	*'000*
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	800,000	800,000	800,000

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares during the Relevant Periods.

15. INVESTMENT PROPERTIES

	RMB'000
THE GROUP	
AT FAIR VALUE	
At 29 December 2009 and 31 December 2009	–
Reclassification from land use rights and property, plant and equipment	17,500
Changes in fair value recognised in profit or loss	400
At 31 December 2010	17,900
Changes in fair value recognised in profit or loss	400
At 31 December 2011	18,300

The Group's investment properties were situated in the PRC under medium-term leases.

During the year ended 31 December 2010, the Group changed the use of certain of its properties (previously classified as property, plant and equipment and land use rights) and rented out for rental income. Upon the transfer to investment properties, the respective buildings and land use rights were revalued at fair value with a gain on revaluation of approximately RMB830,000, which have been credited to property revaluation reserve.

The fair value of the Group's investment properties at date of reclassification, 31 December 2010 and 31 December 2011 have been arrived at on the basis of a valuation carried out at those dates by Savills Valuation and Professional Services Limited, independent qualified professional valuer not connected to the Group. Savills Valuation and Professional Services Limited are members of the Hong Kong Institute of Valuers whose address is 23/F, Two Exchange Square, Central, Hong Kong. The valuation was arrived at by reference to rental income using applicable market yields for similar locations and types of properties.

All of the Group's property interest held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
THE GROUP						
COST						
At 29 December 2009	–	–	–	–	–	–
Acquired on acquisition of a subsidiary *(Note 34)*	56,078	90,278	2,174	2,837	35,251	186,618
At 31 December 2009	56,078	90,278	2,174	2,837	35,251	186,618
Additions	2,282	542	1,036	1,553	26,631	32,044
Reclassification to investment properties *(Note 15)*	(12,962)	–	–	–	–	(12,962)
Transfer	42,194	19,097	–	–	(61,291)	–
At 31 December 2010	87,592	109,917	3,210	4,390	591	205,700
Additions	881	411	819	–	5,831	7,942
Transfer	310	112	–	–	(422)	–
At 31 December 2011	88,783	110,440	4,029	4,390	6,000	213,642
DEPRECIATION						
At 29 December 2009	–	–	–	–	–	–
Provided for the period	3	10	–	2	–	15
At 31 December 2009	3	10	–	2	–	15
Provided for the year	3,312	9,887	554	1,067	–	14,820
Reclassification to investment properties *(Note 15)*	(112)	–	–	–	–	(112)
At 31 December 2010	3,203	9,897	554	1,069	–	14,723
Provided for the year	4,278	10,769	806	1,096	–	16,949
At 31 December 2011	7,481	20,666	1,360	2,165	–	31,672
CARRYING VALUES						
At 31 December 2011	81,302	89,774	2,669	2,225	6,000	181,970
At 31 December 2010	84,389	100,020	2,656	3,321	591	190,977
At 31 December 2009	56,075	90,268	2,174	2,835	35,251	186,603

The above items property, plant and equipment, other than construction in progress, are depreciated after taking into account their estimated residual value, using straight line method, at the following rates per annum:

Buildings	4.5%
Plant and machinery	9%
Furniture, fixtures and equipment	18%
Motor vehicles	18%

The buildings are located on land in the PRC under a lease term of 50 years.

At 31 December 2009, 31 December 2010 and 31 December 2011, the Group pledged certain of its buildings with aggregate carrying value of RMB53,544,000, RMB42,231,000 and RMB40,270,000, respectively, to certain banks to secure the credit facilities granted to the Group.

At 31 December 2009, 31 December 2010 and 31 December 2011, the Group pledged certain of its machinery with aggregate carrying value of RMB31,285,000, RMB27,064,000 and RMB23,878,000, respectively, to certain banks to secure the credit facilities granted to the Group.

During the period from 29 December 2009 to 31 December 2009, the years ended 31 December 2010 and 2011, interest expenses of nil, RMB3,422,000 and nil, respectively, have been capitalised in construction in progress.

17. LAND USE RIGHTS

	THE GROUP		
	At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount			
At beginning of the period/year	–	80,994	75,283
Acquired on acquisition of a subsidiary *(Note 34)*	81,000	–	–
Transferred to investment properties *(Note 15)*	–	(3,820)	–
Charge to profit or loss for the period/year	(6)	(1,891)	(1,800)
At the end of the period/year	80,994	75,283	73,483
Analysed for reporting purposes as:			
Current portion	1,891	1,891	1,800
Non-current portion	79,103	73,392	71,683
	80,994	75,283	73,483

The amounts represent prepayment of rentals for land use rights under medium-term lease situated in the PRC for a period of 50 years.

As at 31 December 2009, 31 December 2010 and 31 December 2011, the Group has pledged its land use rights with carrying value of approximately RMB18,406,000, RMB36,254,000 and RMB35,387,000, respectively, to secure general banking facilities granted to the Group.

18. AVAILABLE-FOR-SALE INVESTMENTS

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Unlisted equity investment, at cost			
Name of investee			
江蘇俊知光電通信有限公司 (Jiangsu Trigiant Opto-electrical Telecommunication Co., Ltd.) ("Jiangsu Opto-electrical")	–	14,000	14,000
江蘇俊知傳感技術有限公司 (Jiangsu Trigiant Sensing Technology Co., Ltd.) ("Jiangsu Sensing")	–	6,000	6,000
	–	20,000	20,000

The above unlisted equity investments represent 12.5% equity interest in each of the above private entities established in the PRC during the year ended 31 December 2010. Jiangsu Opto-electrical is principally engaged in the manufacture and sales of optical fibre, cables series, electronic components and equipment for communication uses. Jiangsu Sensing is principally engaged in the research, development, manufacture and sales of RF identification system, new electronic components, optoelectronic integrated components, optoelectronic integrated subsystems, microelectronic devices, sensor and micro smart label products. They are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

19. INVESTMENT IN A SUBSIDIARY/AMOUNT DUE TO A SUBSIDIARY

	THE COMPANY At 31 December	
	2010	2011
	RMB'000	*RMB'000*
Unlisted shares, at cost	–	191,892

Investment cost represents the deemed investment in Trigiant BVI representing the carrying amount of the total equity of Trigiant BVI on the date of which the Company issued new shares to Trigiant Investments as directed by the Shareholders pursuant to the Group Reorganisation on 23 August 2011 (see note 32 for details).

The amount due to a subsidiary is unsecured, non-interest bearing and repayable on demand. The amount was denominated in Hong Kong Dollars.

20. INVENTORIES

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	18,224	14,526	36,553
Work in progress	8,609	7,661	15,935
Finished goods	36,489	37,793	59,263
	63,322	59,980	111,751

21. TRADE AND OTHER RECEIVABLES

	THE GROUP		
	At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
– Jiangsu Opto-electrical	–	–	2,087
– Others	664,668	759,937	1,152,009
Bills receivables	37	15,625	1,281
	664,705	775,562	1,155,377
Prepaid expenses	3,055	1,085	3,296
Interest receivables	996	89	2,019
Staff advances	–	1,952	6,951
Other receivables	1,411	1,620	1,238
	670,167	780,308	1,168,881

The Group normally allows a credit period ranging from 180 to 360 days to its customers.

At 31 December 2011, the amount of RMB37,000 in the statement of financial position of the Company represent prepaid secretarial fee and other professional fees.

The following is an aged analysis of the trade and bill receivables presented based on the invoice date at the end of each reporting period:

	THE GROUP		
	At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Age			
0 – 90 days	472,589	626,522	798,185
91 – 180 days	147,775	129,595	260,765
181 – 365 days	44,341	19,445	93,932
Over 365 days	–	–	2,495
	664,705	775,562	1,155,377

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB43,497,000, RMB19,346,000 and RMB83,320,000 at 31 December 2009, 31 December 2010 and 31 December 2011, respectively, which are past due at end of each reporting period for which the Group has not provided for impairment loss. Based on the historical experiences, trade receivables that are past due but not impaired are generally recoverable. The Group does not hold any collateral over these balances.

The following is an aging analysis of trade receivables which are past due but not impaired:

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Age			
181 – 365 days	43,497	19,346	83,320

Included in trade and other receivables are following amounts denominated in currencies other than functional currency of the entity which it relates:

	THE GROUP At 31 December			THE COMPANY At 31 December	
	2009	2010	2011	2010	2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
United States Dollars	1,705	6,462	827	–	–

22. ADVANCES TO A FORMER FELLOW SUBSIDIARY

The amount represented advances to a former fellow subsidiary of Jiangsu Trigiant, 富威科技(吳江)有限公司 (Fullway Technology Co., Ltd.) ("Fullway Technology") for the purpose of providing working capital to Fullway Technology for daily operations.

The amount was unsecured, non-interest bearing and repayable within one year. The amount was fully settled in 2010.

23. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less and carry interest at prevailing market rate ranging from 0.05% to 0.36%, 0.36% to 2.25% and 0.36% to 2.25% per annum at 31 December 2009, 31 December 2010 and 31 December 2011, respectively.

The pledged bank deposits carry interest at the prevailing market rate ranging from approximately 1.71% to 3.24%, 1.98% to 2.50% and 2.5% to 3.3% per annum at 31 December 2009, 31 December 2010 and 31 December 2011, respectively.

At 31 December 2009 and 31 December 2010, the entire pledged bank deposits represent deposits pledged to banks to secure bills payables and letters of credit issued by the Group. At 31 December 2011, the entire pledged bank deposits represent deposits pledged to banks to secure bank borrowings, bills payables and letters of credit issued by the Group.

Included in bank balance and cash and pledged bank deposits are the following amounts denominated in currencies other than functional currency of the entity which it relates:

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	618	1,275
United States Dollars	11	405	380
Euro	884	–	–

24. TRADE AND OTHER PAYABLES

	THE GROUP At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– former fellow subsidiary	23,824	–	–
– Jiangsu Opto-electrical	–	–	5,765
– Jiangsu Sensing	–	–	36
– others	76,000	54,260	120,958
Bills payables	32,575	180,000	322,551
	132,399	234,260	449,310
Payroll and welfare payables	7,324	6,654	7,557
Bonus and promotional expenses payables	40,000	–	–
Other tax payables	2,656	4,781	3,187
Deposits from suppliers	3,730	6,830	7,903
Amounts due to Jiangsu Opto-electrical and Jiangsu Sensing	–	18,000	–
Payables for acquisition of property, plant and equipment	9,151	1,713	1,532
Payable for acquisition of land use rights *(Note 30)*	8,000	16,000	13,502
Accrued expenses	5,198	2,249	2,072
Other payables	3,769	6,927	5,893
	212,227	297,414	490,956

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is an aged analysis of trade and bill payables presented based on the invoice date at the end of each reporting period:

	THE GROUP At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Age			
0 – 90 days	111,304	104,218	280,253
91 – 180 days	21,095	130,042	169,057
	132,399	234,260	449,310

At 31 December 2010, the amounts due to Jiangsu Opto-electrical and Jiangsu Sensing of RMB13,000,000 and RMB5,000,000, respectively, represent advances from these companies for daily operations of the Group. The amounts are unsecured, non-interest bearing and repayable on demand. The amounts were fully settled during the year ended 31 December 2011.

At 31 December 2011, the amount of RMB274,000 in the statement of financial position of the Company represents payroll and welfare payables.

Included in trade and other payables are the following amounts denominated in currencies other than the functional currency of the group entity that it relates:

	THE GROUP At 31 December			THE COMPANY At 31 December	
	2009	**2010**	**2011**	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	–	1,877	–	274
United States Dollars	–	254	–	–	–

25. BILLS PAYABLES TO A FORMER FELLOW SUBSIDIARY

During the periods up to April 2010, the Group and its supplier, Wujiang Shi Bin Fan International Trading Limited ("Bin Fan") and a former fellow subsidiary of Jiangsu Trigiant, Fullway Technology, entered into financing arrangements with certain PRC commercial banks. Under these arrangements, the Group issued bank bills to Bin Fan and Fullway Technology at certain face amounts with pledged bank deposits ranged from 30% to 100% of the face amount of bank bills. These bank bills were used by Bin Fan and Fullway Technology to present to other PRC commercial banks for discounting and then remitted back the proceeds from bills discounting to the Group. During the period from 29 December 2009 to 31 December 2009 and the year ended 31 December 2010, bills amount in aggregate of nil and RMB270,000,000, respectively, were issued by the Group to Bin Fan and Fullway Technology under these financing arrangements. At 31 December 2009 and 31 December 2010, there were bank deposits of RMB159,000,000 and nil, respectively, that were pledged to these PRC commercial banks for these financing arrangements.

During the year ended 31 December 2010, the bank bills issued by the Group and discounted by Bin Fan and Fullway Technology carry interest rates ranging from 2.24% to 4.35% per annum. These related interest expenses were incurred and recognised as finance costs of approximately RMB5,102,000 by the Group for the year ended 31 December 2010.

The Group has ceased to enter into these financing arrangements after April 2010 and all the related bills were settled before the end of October 2010.

26. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, non-interest bearing and repayable on demand. The amount will be settled upon Listing.

Included in the amount due to a director is the following amount denominated in currencies other than the functional currency of the group entity that it relates to:

	THE GROUP At 31 December			THE COMPANY At 31 December	
	2009	**2010**	**2011**	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Hong Kong Dollars	–	2,797	14,680	–	–

27. AMOUNTS DUE TO SHAREHOLDERS

The amounts are unsecured, non-interest bearing and repayable on demand. The amounts were denominated in United States Dollars. The amounts were waived and credited to reserve on 23 August 2011.

28. BANK BORROWINGS

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Secured *(Note a)*	40,000	40,000	20,000
Secured and guaranteed by a director of the Company and an independent third party *(Note b)*	–	100,000	90,000
Unsecured and guaranteed by:			
– a former fellow subsidiary of Jiangsu Trigiant *(Note c)*	15,000	15,000	–
– a former fellow subsidiary of Jiangsu Trigiant and an independent third party *(note d)*	20,000	–	–
– independent third parties *(note e)*	550,000	385,000	365,000
Unsecured	45,239	290,000	575,300
	670,239	830,000	1,050,300

The bank borrowings are payable as follows:

Within one year	600,239	680,000	940,300
More than two years, but not more than five years	70,000	150,000	110,000
	670,239	830,000	1,050,300
Less: Amounts due within one year shown under current liabilities	(600,239)	(680,000)	(940,300)
	70,000	150,000	110,000

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
The bank borrowings comprise:			
Variable rate borrowings	355,000	325,000	575,000
Fixed rate borrowings	315,239	505,000	475,300

Notes:

(a) The bank borrowings were secured by certain buildings and machinery and land use rights owned by the Group as set out in Notes 16 and 17, respectively.

(b) The bank borrowings were secured by land use rights owned by the Group as set out in Note 17. The guarantees by director of the Company and the independent third party will be released upon Listing.

(c) The guarantee was released when the bank borrowing was fully repaid in 2011.

(d) The guarantee was released when the bank borrowing was fully repaid in 2010.

(e) The guarantees will be released upon Listing.

At 31 December 2009, 31 December 2010 and 31 December 2011, the fixed rate bank borrowings carried interests ranging from 4.37% to 7.77%, 4.86% to 5.84% and 4.84% to 8.03% per annum, respectively.

At 31 December 2009, 31 December 2010 and 31 December 2011, the variable-rate bank borrowings which carried interests ranging from PBOC rate to 110% of PBOC rate, 90% of PBOC rate to 110% of PBOC rate and 90% of PBOC rate to 110% PBOC rate per annum, respectively. All bank borrowings at 31 December 2009, 31 December 2010 and 31 December 2011 were denominated in RMB.

29. GOVERNMENT GRANTS

	THE GROUP		
	At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the period/year	–	–	2,770
Additions during the period/year	–	3,109	–
Release to profit or loss for the period/year	–	(339)	(339)
At the end of the period/year	–	2,770	2,431

During the year ended 31 December 2010, the Group received government subsidies of RMB3,109,000 in relation to the acquisition of property, plant and equipment. The amounts have been treated as deferred income and were transferred to income over the useful lives of the relevant assets.

30. PAYABLE FOR ACQUISITION OF LAND USE RIGHTS

	THE GROUP		
	At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Payable for acquisition of land use rights	21,502	21,502	13,502

The amount represents payable for acquisition of land use rights located in PRC by Jiangsu Trigiant in 2009.

The Group is required to repay the above amount:

	THE GROUP		
	At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Within one year *(Note 24)*	8,000	16,000	13,502
More than one year, but not more than two years	8,000	5,502	–
More than two years, but not more than five years	5,502	–	–
	21,502	21,502	13,502

31. DEFERRED TAXATION

The following is the deferred tax liabilities recognised by the Group and movements thereon during the Relevant Periods:

	Fair value adjustment on Acquisition *RMB'000*	**Tax on undistributed earnings** *RMB'000*	**Revaluation of properties** *RMB'000*	**Total** *RMB'000*
THE GROUP				
At 29 December 2009	–	–	–	–
Addition relating to the Acquisition *(Note 34)*	9,506	–	–	9,506
At 31 December 2009	9,506	–	–	9,506
Charged to other comprehensive income	–	–	208	208
(Credited) charged to profit or loss for the year	(236)	3,359	100	3,223
At 31 December 2010	9,270	3,359	308	12,937
(Credited) charged to profit or loss for the year	(198)	5,560	100	5,462
At 31 December 2011	9,072	8,919	408	18,399

Under the New EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by a PRC subsidiary from 1 January 2008 onwards. Deferred tax liability on the undistributed profits earned have been accrued at the tax rate of 10% on the expected dividend stream of 20% which is determined by the directors of the Company.

32. SHARE CAPITAL

The share capital at 31 December 2009 represented the fully paid share capital of Trigiant BVI. The share capital at 31 December 2010 represented the combined issued and fully paid share capital of the Company and Trigiant BVI. The share capital at 31 December 2011 represented the share capital of the Company.

	Number of shares	Amount in HK$	Shown in the Financial Information as RMB'000
Ordinary shares at HK$0.01 each			
Authorised:			
On 23 December 2010 (date of incorporation) and 31 December 2010	10,000,000	100,000	
Increase pursuant to the Group Reorganisation	9,990,000,000	99,900,000	
At 31 December 2011	10,000,000,000	100,000,000	
Ordinary shares at HK$0.01 each issued and fully paid:			
Issue of share on 23 December 2010 (date of incorporation) and 31 December 2010	1	–	–
Issue of shares pursuant to the Group Reorganisation	9,999,999	100,000	82
At 31 December 2011	10,000,000	100,000	82

The movements in the Company's authorised and issued share capital during the period from 23 December 2010 (date of incorporation) to 31 December 2011 are as follows:

(a) The Company was incorporated in the Cayman Islands on 23 December 2010 with an authorised share capital of HK$100,000 divided into 10,000,000 shares of HK$0.01 each and on the same date, one subscriber share of HK$0.01 each was issued at nil paid to the subscriber and then transferred to Abraholme who then transferred such nil paid share to Trigiant Investments on 23 August 2011.

(b) On 23 August 2011, pursuant to the Group Reorganisation, the Company (i) allotted and issued, credited as fully paid, 9,999,999 ordinary shares at HK$0.01 each to Trigiant Investments (as directed by the Shareholders) and (ii) credited as fully paid the nil paid share of HK$0.01 held by Trigiant Investments that was transferred from Abraholme, as the consideration for the transfer of the entire issued share capital of Trigiant BVI from the Shareholders to the Company.

(c) On 7 September 2011, the increase in authorised share capital of the Company and the capitalisation issue was approved, pursuant to the resolutions in writing of the sole shareholder of the Company, Trigiant Investments and on the same date, the authorised share capital of the Company increased to HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each. The capitalisation issue will be conditional upon Listing.

All ordinary shares of the Company issued since its date of incorporation to 31 December 2011 rank pari passu with the then existing ordinary shares in all respects.

33. RESERVES OF THE COMPANY

	Share Premium *RMB'000*	Accumulated loss *RMB'000*	Total *RMB'000*
At 23 December 2010 (date of incorporation) and 31 December 2010	–	–	–
Loss and total comprehensive expenses for the year	–	(869)	(869)
Arising from issue of shares pursuant to the Group Reorganisation *(Note)*	191,810	–	191,810
At 31 December 2011	191,810	(869)	190,941

Note: The share premium represents the difference between nominal value of the shares issued by the Company and the carrying amount of the total equity of Trigiant BVI pursuant to the Group Reorganisation on 23 August 2011.

34. ACQUISITION OF A SUBSIDIARY

On 28 December 2009, Trigiant Hong Kong entered into an equity transfer agreement with Trigiant Group Pte, whereby Trigiant Group Pte transferred the entire equity interest in Jiangsu Trigiant to Trigiant Hong Kong for a total cash consideration of US$30,000,000 (equivalent to RMB204,906,000). The directors of the Company considered that the Acquisition was completed on 29 December 2009 when the Acquisition was approved by the respective board of directors of Trigiant Hong Kong and Trigiant Group Pte and obtained approval from the relevant PRC government authority on the same date. The cash consideration was fully settled on 30 January 2010.

The net assets acquired in the Acquisition were as follows:

	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	177,144	9,474	186,618
Land use rights	52,449	28,551	81,000
Inventories	65,300	–	65,300
Trade and other receivables	673,497	–	673,497
Advances to a former fellow subsidiary	66,000	–	66,000
Pledged bank deposits	206,295	–	206,295
Bank balances and cash	89,400	–	89,400
Trade and other payables	(209,010)	–	(209,010)
Amount due to a director of Jiangsu Trigiant	(34,000)	–	(34,000)
Bills payables under financing arrangement	(164,000)	–	(164,000)
Government grants	(1,895)	1,895	–
Bank borrowings	(670,239)	–	(670,239)
Payable for acquisition of land use rights – non-current	(13,502)	–	(13,502)
Deferred tax liabilities	–	(9,506)	(9,506)
	237,439	30,414	267,853
Deemed contribution from Shareholders			(62,947)
Consideration			204,906
Satisfied by:			
Consideration included in payable for acquisition of a subsidiary as at 31 December 2009			204,906
Cash flow arising on the Acquisition:			
Cash consideration paid in 2010			(204,906)
Bank balances and cash acquired in 2009			89,400

35. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	THE GROUP At 31 December		
	2009	2010	2011
	RMB'000	*RMB'000*	*RMB'000*
Within one year	188	160	573
In the second to fifth years inclusive	–	–	100
	188	160	673

The leases are negotiated for a lease term of 1 to 2 years at fixed monthly rental.

The Group as lessor

Property rental income earned during the years ended 31 December 2010 and 2011 were RMB604,000 and RMB725,000 respectively. The Group's properties are expected to generate rental yield of 4.0% on an ongoing basis. At 31 December 2010 and 31 December 2011, all of the properties held have committed tenants, Jiangsu Opto-electrical and Jiangsu Sensing, for the next three years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		THE GROUP **At 31 December**	
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	–	725	725
In the second to fifth years inclusive	–	846	121
	–	1,571	846

36. RELATED PARTY TRANSACTIONS

Other than the transactions and balances with related parties disclosed in the respective notes, the Group had the following transactions with Jiangsu Opto-electrical and Jiangsu Sensing during the Relevant Periods.

	For the period from 29 December 2009 to 31 December	**For the year ended 31 December**	
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
THE GROUP			
Rented buildings to and received rental income from:			
– Jiangsu Opto-electrical	–	403	484
– Jiangsu Sensing	–	201	241
	–	604	725
Sale of goods to:			
– Jiangsu Opto-electrical	–	1,834	5,327
– Jiangsu Sensing	–	300	–
	–	2,134	5,327
Purchase of goods from:			
– Jiangsu Opto-electrical	–	–	11,899
– Jiangsu Sensing	–	–	36
	–	–	11,935

During the year ended 31 December 2010, the Group has engaged two companies controlled by Mr. Toe Teow Heng ("Mr. Toe") and his brother (Mr. Toe Teow Teck) namely 北京因特聯企業諮詢有限公司 (Beijing Yin Te Lian Corporate Consultancy Co., Ltd.) ("Beijing YTL") and ICH Partners Ltd ("ICH Partners"), to provide the Group with the following services in connection with the preparation for the Listing:

1. Introducing the Group and/or its affiliates to potential investors;
2. Reviewing pre-IPO investment term sheets;
3. Assisting the Group and/or its affiliates to provide information to the professionals involved in preparation for the overseas listing ("IPO Professionals");
4. Collating corporate, financial and any other requisite information on the Group;
5. Co-ordinating site visits, meetings and project timetable; and
6. Recommending IPO Professionals and reviewing the mandate terms of the IPO Professionals.

Mr. Toe is the ultimate beneficial owner of Zymmetry Investments Ltd, which is a shareholder of Trigiant BVI during the Relevant Periods prior to the Group Reorganisation and is currently a shareholder of Trigiant Investments.

During the years ended 31 December 2010 and 2011, the Group has paid an aggregate of RMB300,000 and RMB300,000 respectively to Beijing YTL in connection with the provision of the above services. Pursuant to the financial advisor agreement dated 16 July 2010, the Group has agreed to pay to ICH Partners a success fee of 1.5% of the aggregate proceeds from the initial public offering of shares of the Company (including the new shares fall to be issued upon the exercise of the over-allotment option) within seven working days after the success of the Listing. The provision of the above services will cease upon the Listing.

In the opinion of the directors of the Company, the above transaction were conducted on mutually agreed price and terms between the Group and the related parties and in the Group's ordinary and usual course of business.

The details of remuneration of key management personnel, represents emoluments of directors of the Company paid during the Relevant Periods, are set out in Note 11.

37. RETIREMENT BENEFITS SCHEMES

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

38. CAPITAL COMMITMENTS

	THE GROUP		
	At 31 December		
	2009	**2010**	**2011**
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure contracted for but not provided in the Financial Information in respect of the acquisition of property, plant and equipment	8,468	4,160	1,124

F. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Trigiant Investments and ultimate holding company is Abraholme, a company which is incorporated in the British Virgin Islands.

G. DIRECTORS' REMUNERATION

Save as disclosed in the Financial Information, no other remuneration has been paid or payable by the Group to the directors of the Company in respect of the Relevant Periods.

H. EVENTS AFTER THE REPORTING PERIOD

No significant events took place subsequent to 31 December 2011.

I. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies of the Group in respect of any period subsequent to 31 December 2011.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The following is the text of a report received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte.
德勤

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6 March 2012

The Directors
Trigiant Group Limited
SinoPac Securities (Asia) Limited

Dear Sirs,

We set out below our report on the financial information (the "Jiangsu Trigiant Financial Information") relating to 江蘇俊知技術有限公司 Jiangsu Trigiant Technology Co., Ltd. ("Jiangsu Trigiant") for the period from 1 January 2009 to 28 December 2009 (the date prior to change in controlling shareholders) (the "Predecessor Track Record Period"), for the inclusion in the prospectus of Trigiant Group Limited (the "Company") dated 6 March 2012 (the "Prospectus") in connection with the initial listing of the shares of the Company on The Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing").

Jiangsu Trigiant was established in Jiangsu, the People's Republic of China (the "PRC") by Trigiant Group Pte Ltd. ("Trigiant Group Pte") as a wholly foreign owned enterprise on 15 March 2007. Pursuant to an equity transfer agreement dated 28 December 2009, Trigiant Group Pte transferred the entire equity interest in Jiangsu Trigiant to Trigiant (HK) Limited ("Trigiant Hong Kong") and Jiangsu Trigiant became a subsidiary of Trigiant Hong Kong from 29 December 2009. The principal activity of Jiangsu Trigiant is manufacture and sales of Radio Frequency ("RF") cable series and related products for mobile telecommunications.

The Jiangsu Trigiant Financial Information is prepared to present the historical financial information of Jiangsu Trigiant during the Predecessor Track Record Period.

Jiangsu Trigiant adopted 31 December as its financial year end date.

No statutory financial statements have been prepared for Jiangsu Trigiant for the period from 1 January 2009 to 28 December 2009 as there is no such statutory requirement.

For the purpose of this report, the directors of Jiangsu Trigiant have prepared the financial statements of Jiangsu Trigiant for the Predecessor Track Record Period (the "Jiangsu Trigiant Underlying Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). We have audited the Jiangsu Trigiant Underlying Financial Statements in accordance with the Hong Kong Standards on Auditing issued by the HKICPA.

For the purpose of this report, we have examined the Jiangsu Trigiant Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Jiangsu Trigiant Financial Information for the Predecessor Track Record Period set out in this report has been prepared from the Jiangsu Trigiant Underlying Financial Statements. No adjustments were considered necessary to the Jiangsu Trigiant Underlying Financial Statements in preparing our report for inclusion in the Prospectus.

The Jiangsu Trigiant Underlying Financial Statements are the responsibility of the directors of Jiangsu Trigiant who approve their issue. The directors of the Company are responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Jiangsu Trigiant Financial Information set out in this report from the Jiangsu Trigiant Underlying Financial Statements, to form an independent opinion on the Jiangsu Trigiant Financial Information and to report our opinion to you.

In our opinion, the Jiangsu Trigiant Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of Jiangsu Trigiant as at 28 December 2009 and of the results and cash flows of Jiangsu Trigiant for the Predecessor Track Record Period.

A. STATEMENT OF COMPREHENSIVE INCOME

	Section E Notes	**For the period from 1 January 2009 to 28 December 2009** *RMB'000*
Turnover	*7*	865,009
Cost of goods sold		(654,888)
Gross profit		210,121
Other gains and losses	*8*	5,709
Selling and distribution costs		(72,375)
Administrative expenses		(31,984)
Finance costs	*9*	(26,217)
Profit for the period and total comprehensive income attributable to the owner of Jiangsu Trigiant	*10*	85,254

B. STATEMENT OF FINANCIAL POSITION

	Section E Notes	At 28 December 2009 RMB'000
Non-current assets		
Property, plant and equipment	14	177,144
Land use rights	15	51,223
		228,367
Current assets		
Inventories	16	65,300
Trade and other receivables	17	673,497
Advances to a fellow subsidiary	18	66,000
Land use rights	15	1,226
Pledged bank deposits	19	206,295
Bank balances and cash	19	89,400
		1,101,718
Current liabilities		
Trade and other payables	20	209,010
Amount due to a director	21	34,000
Bills payable to a fellow subsidiary	22	164,000
Bank borrowings – due within one year	23	600,239
		1,007,249
Net current assets		94,469
Total assets less current liabilities		322,836
Non-current liabilities		
Government grants	24	1,895
Payable for acquisition of land use rights	25	13,502
Bank borrowings – due after one year	23	70,000
		85,397
Net assets		237,439
Capital and reserves		
Paid-in capital	26	216,670
Reserves		20,769
Total equity		237,439

C. STATEMENT OF CHANGES IN EQUITY

	Paid-in capital *RMB'000*	Statutory surplus reserve fund *RMB'000* *(Note a)*	Accumulated profits *RMB'000*	Total *RMB'000*
At 1 January 2009	148,339	1,516	5,746	155,601
Profit and total comprehensive income for the period	–	–	85,254	85,254
Capitalisation of accumulated profits *(Note b)*	68,331	–	(71,747)	(3,416)
At 28 December 2009	216,670	1,516	19,253	237,439

Notes:

(a) As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, Jiangsu Trigiant is required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of Jiangsu Trigiant while the amount and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied for conversion into capital by means of capitalisation issue.

(b) Pursuant to a resolution passed at the shareholder's meeting of Jiangsu Trigiant dated 25 June 2009, accumulated profits of RMB68,331,000 (net of withholding tax paid of RMB3,416,000) was capitalised as the paid-in capital of Jiangsu Trigiant. As a result, the registered capital of Jiangsu Trigiant was increased from US$20,000,000 to US$30,000,000 and was approved by the relevant PRC authority.

D. STATEMENT OF CASH FLOWS

	For the period from 1 January 2009 to 28 December 2009 *RMB'000*
Operating activities	
Profit before taxation	85,254
Adjustments for:	
Interest income	(4,872)
Government grants	(105)
Finance costs	26,217
Depreciation of property, plant and equipment	9,996
Operating lease rentals in respect of land use rights	811
Operating cash flows before movements in working capital	117,301
Increase in inventories	(24,817)
Increase in trade and other receivables	(422,231)
Increase in trade and other payables	90,708
Net cash used in operating activities	(239,039)
Investing activities	
Interest received	4,132
Government grants received	100
Purchase of property, plant and equipment	(63,737)
Purchase of land use rights	(20,000)
Advances to a fellow subsidiary	(46,000)
Repayment from a fellow subsidiary	10,000
New pledged bank deposits placed	(599,214)
Release of pledged bank deposits	474,118
Net cash used in investing activities	(240,601)
Financing activities	
Withholding tax paid on capitalisation of accumulated profits	(3,416)
Interest paid	(33,487)
Bills payable to a fellow subsidiary raised	494,000
Repayment of bills payable to a fellow subsidiary	(400,000)
New bank borrowings raised	829,300
Repayment of bank borrowings	(333,757)
Advance from a director	7,000
Net cash from financing activities	559,640
Net increase in cash and cash equivalents	80,000
Cash and cash equivalent at beginning of the period	9,400
Cash and cash equivalent at end of the period, represented by bank balances and cash	89,400

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Jiangsu Trigiant is a limited liability company established in the PRC on 15 March 2007 with an operating period of 50 years. The registered office and the principle place of business is No. 1 Junzhi Road, Industrial Park for Environmental Protection Science & Technology, Yixing City, Jiangsu Province, the PRC. Jiangsu Trigiant is engaged in the manufacturing and sales of RF cable series and related products for mobile telecommunications.

The Jiangsu Trigiant Financial Information is presented in Renminbi ("RMB"), which is the same as the functional currency of Jiangsu Trigiant.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Jiangsu Trigiant Financial Information for the Predecessor Track Record Period, Jiangsu Trigiant has consistently applied, throughout the Predecessor Track Record Period, the Hong Kong Accounting Standards ("HKAS"s) and HKFRSs, Amendments and Interpretations (hereinafter collectively referred to as the "new HKFRSs") which are effective for the accounting period beginning on 1 January 2011.

At the date of this report, the following new and revised standards, amendments and interpretations have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

* IFRIC represents the International Financial Reporting Interpretation Committee.

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2015
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 July 2012
6 Effective for annual periods beginning on or after 1 January 2014

Jiangsu Trigiant has not early adopted these new and revised standards, amendments or interpretations in the preparation of the Jiangsu Trigiant Financial Information.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. In addition, HKFRS 9 Financial Instruments (as revised in November 2010) also adds requirements for financial liabilities and for derecognition.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope. HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors anticipate that HKFRS 13 will be adopted in the financial statements of Jiangsu Trigiant for the annual period beginning 1 January 2013 and that the application of the new standard shall have no material impact on the amounts reported in the financial statements of Jiangsu Trigiant but may result in more extensive disclosures in the financial statements of Jiangsu Trigiant.

The directors of Jiangsu Trigiant anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the Jiangsu Trigiant Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

The Jiangsu Trigiant Financial Information has been prepared on the historical cost basis in accordance with the accounting policies set out below which conform with HKFRSs.

In addition, the Jiangsu Trigiant Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for good sold in the normal course of business, net of discounts, value added tax and sales related taxes.

Revenue from the sale of goods is recognised when goods are delivered and title has passed, at which time the following conditions are satisfied:

- Jiangsu Trigiant has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Jiangsu Trigiant retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to Jiangsu Trigiant; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Jiangsu Trigiant and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses if any.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account their estimated residual value, using the straight line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purpose. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Land use rights

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land that is accounted for as operating leases is presented separately and amortised over the lease term on a straight line basis.

The up-front payments to acquire leasehold interest in land are accounted for as operating leases and are stated at cost and released over the lease term on a straight line basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The resultant asset is amortised on a straight line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Impairment losses

At the end of the reporting period, Jiangsu Trigiant reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Jiangsu Trigiant's financial assets are mainly classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, advances to a fellow subsidiary, pledged bank deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include Jiangsu Trigiant's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period granted, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of Jiangsu Trigiant after deducting all of its liabilities. Equity instruments issued by Jiangsu Trigiant are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities, including trade and other payables, bills payable to a fellow subsidiary, payable for acquisition of land use rights, amount due to a director and bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Jiangsu Trigiant derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Jiangsu Trigiant neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Jiangsu Trigiant continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If Jiangsu Trigiant retains substantially all the risks and rewards of ownership of a transferred financial asset, Jiangsu Trigiant continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, Jiangsu Trigiant allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit for the period as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Jiangsu Trigiant's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Jiangsu Trigiant Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Jiangsu Trigiant expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of Jiangsu Trigiant, transactions in currencies other than the functional currency of Jiangsu Trigiant (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise.

Operating leases

Rentals payable under operating leases are charged to the profit or loss on a straight line basis over relevant leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

Government grants

Government grants are not recognised until there is reasonable assurance that Jiangsu Trigiant will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which Jiangsu Trigiant recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the statement of financial position and released to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Jiangsu Trigiant with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes are recognised as expenses when employees have rendered service entitling them to the contributions.

4. CAPITAL RISK MANAGEMENT

Jiangsu Trigiant manages its capital to ensure that the entity will be able to continue as a going concern while maximising the return to the owner through optimisation of the debt and equity balance. The overall strategy remains unchanged during the Predecessor Track Record Period.

The capital structure of Jiangsu Trigiant consists of bank borrowings, net of cash and cash equivalents and equity attributable to the owner of Jiangsu Trigiant, comprising paid-in capital and reserves.

The management of Jiangsu Trigiant reviews the capital structure periodically. As part of the review, the management considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through the payment of dividends, capital injections as well as the issue of new debts or the redemption of existing debts.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Jiangsu Trigiant's accounting policies, which are described in note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of inventories

Jiangsu Trigiant records inventories at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories, less all the estimated costs of completion and costs necessary to make the sales. Operational procedures have been in place to monitor this risk as a significant proportion of Jiangsu Trigiant's working capital is devoted to inventories. The management reviews the inventory aging listing on a periodical basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow moving items. Although Jiangsu Trigiant carried periodic review on the net realisable value of inventory, the actual realisable value of inventory is not known until the sale was concluded.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, Jiangsu Trigiant takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 28 December 2009, the carrying amounts of trade receivables is approximately RMB668,095,000 (net of nil allowance for doubtful debts).

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	At 28 December 2009 *RMB'000*
Financial assets	
Loans and receivables (including cash and cash equivalents)	1,032,137
Financial liabilities	
Amortised cost	1,083,224

Financial risk management objectives and policies

Jiangsu Trigiant's major financial instruments include trade and other receivables, advances to a fellow subsidiary, pledged bank deposits, bank balances and cash, trade and other payables, amount due to a director, bills payable to a fellow subsidiary, payable for acquisition of land use rights and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

Jiangsu Trigiant is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest bearing pledged bank deposits, bank balances and bank borrowings at variable interest rates. Bank borrowings at fixed interest rates exposed Jiangsu Trigiant to fair value interest rate risk. Jiangsu Trigiant currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the needs arise. Jiangsu Trigiant's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rates offered by the People's Bank of China ("PBOC") from its RMB denominated borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing pledged bank deposits, bank balances and variable rate bank borrowings at the end of the reporting period and assumed that the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole period.

If interest rates on pledged bank deposits and bank balances had been 5 basis points lower and bank borrowings had been 25 basis points lower and all other variables were held constant, the potential effect on profit for the period after capitalisation of borrowing costs, is as follows:

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Increase in profit for the period	555

There would be an equal and opposite impact on the profit for the period where there had been 5 basis points higher for pledged bank deposits and bank balances and 25 basis points higher for bank borrowings. In the opinion of the directors of Jiangsu Trigiant, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposures at the end of the reporting period does not reflect the exposure during the Predecessor Track Record Period.

Currency risk

Jiangsu Trigiant has foreign currency sales in the Predecessor Track Record Period which exposed to foreign currency risk. Approximately 0.56% of Jiangsu Trigiant's sales in the Predecessor Track Record Period are denominated in currency other than the functional currency of Jiangsu Trigiant.

The carrying amounts of Jiangsu Trigiant's foreign currency denominated monetary assets and liabilities at the end of the reporting period is as follows:

	At 28 December 2009	
	Assets	**Liabilities**
	RMB'000	*RMB'000*
United States Dollars	1,716	–
Euro	884	–

Jiangsu Trigiant is mainly exposed to currency risk of United States Dollars and Euro. The following table details Jiangsu Trigiant's sensitivity to a 5% increase and decrease in the RMB against the relevant foreign currencies. Jiangsu Trigiant currently does not have any foreign currencies hedging policy and will consider hedging its foreign currency exposure should the needs arise. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis includes bank balances and trade and other receivables. If the RMB strengthens 5% against the relevant currencies the post tax profit for the period will be decreased as follows:

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
United States Dollars	86
Euro	44

There would be an equal and opposite impact on the result for the period if RMB weakens 5% against the relevant currencies. In the opinion of the directors of Jiangsu Trigiant, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposures at the end of the reporting period do not reflect the exposure during the Predecessor Track Record Period.

Credit risk

Jiangsu Trigiant's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Jiangsu Trigiant has concentration of credit risk in relation to trade and bills receivables from top three customers amounting to RMB603,430,000 representing approximately 90.3% of the total trade and bills receivables at 28 December 2009. The largest trade and bills receivable from a customer by itself accounted for approximately 82.1% of the total trade and bills receivables at 28 December 2009. In order to minimise the credit risk, the management has reviewed the recoverable amounts of trade and bills receivables regularly to ensure that follow-up action is taken timely and assigned a dedicated team to monitor the credit risk that takes into consideration the ageing status and estimate the likelihood of collection. In this regard, the directors of Jiangsu Trigiant consider that the credit risk on trade receivables is significantly reduced.

Jiangsu Trigiant also has concentration of credit risk in relation to net advances to a fellow subsidiary amounting to RMB42,176,000 at 28 December 2009. In order to minimise the credit risk, the management has reviewed the recoverable amount of the advances to a fellow subsidiary and its financial ability regularly to ensure that follow-up action is taken timely. In this regard, the directors of Jiangsu Trigiant consider that the credit risk on advances to a fellow subsidiary is significantly reduced. The directors of Jiangsu Trigiant considered that the credit risk relating to advances to a fellow subsidiary is not significant since the amounts were subsequently settled in 2010.

Jiangsu Trigiant's credit risk on bank balances and deposits or bills receivables is limited and there is no significant concentration of credit risk because all bank deposits or bills are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, Jiangsu Trigiant monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

The following table details Jiangsu Trigiant's remaining contractual maturity for its financial liabilities based on the agreed payment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which Jiangsu Trigiant can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from current interest rate at the end of the reporting period.

	Weighted average effective interest rate	Repayable on demand or less than 6 months	6 months to 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 28 December 2009							
Trade and other payables	–	193,483	–	–	–	193,483	193,483
Payable for acquisition of land use rights	–	8,000	–	8,000	5,502	21,502	21,502
Amount due to a director	–	34,000	–	–	–	34,000	34,000
Bills payable a fellow subsidiary	–	164,000	–	–	–	164,000	164,000
Bank borrowings							
– variable rate	5.63	182,379	113,482	4,013	74,868	374,742	355,000
– fixed rate	5.40	221,266	101,365	–	–	322,631	315,239
		803,128	214,847	12,013	80,370	1,110,358	1,083,224

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors of Jiangsu Trigiant consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Jiangsu Trigiant Financial Information approximate their fair values at the end of the reporting period.

7. TURNOVER AND SEGMENT INFORMATION

Jiangsu Trigiant's chief operating decision maker has been identified as the board of directors of Jiangsu Trigiant who reviews the business with the following reportable and operating segments by products:

- RF coaxial cable series
- New-type electronic components
- Others (mainly represented by other accessories)

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the board of directors of Jiangsu Trigiant when making decisions about allocating resources and assessing performance of Jiangsu Trigiant.

Turnover represents the fair value of the consideration received and receivable for goods sold during the Predecessor Track Record Period.

The segment results represent the gross profits earned by each segment (segment revenue less segment cost of goods sold). Other gains and losses, selling and distribution costs, administrative expenses and finance costs are not allocated to each reportable segment. This is the measure reported to the board of directors for the purpose of resource allocation and assessment of segment performance.

The information of segment results are as follows:

For the period from 1 January 2009 to 28 December 2009

	RF coaxial cable series	**New-type electronic components**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	620,983	169,615	74,411	865,009
Cost of goods sold	(504,660)	(93,736)	(56,492)	(654,888)
Segment result	116,323	75,879	17,919	210,121

The reportable segment results are reconciled to profit after taxation of Jiangsu Trigiant as follows:

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Reportable segment results	210,121
Unallocated income and expenses	
– Other gains and losses	5,709
– Selling and distribution costs	(72,375)
– Administrative expenses	(31,984)
– Finance costs	(26,217)
Profit for the period	85,254

As no discrete information in respect of segment assets and liabilities and other information is for the assessment of performance and allocation of resources for different reportable segment and thus, other than reportable segment revenue and results as disclosed above, no analysis of segment assets and liabilities is presented.

Substantially all of Jiangsu Trigiant's turnover is derived from the PRC and all of its non-current assets are located in the PRC (the place of domicile).

Information about major customers

In the Predecessor Track Record Period, there was one customer which contributed revenue of RMB744,959,000, which accounted for more than 10% of the total turnover of Jiangsu Trigiant.

8. OTHER GAINS AND LOSSES

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Government grants *(Note)*	554
Interest income	4,872
Net exchange loss	(498)
Others	781
	5,709

Note: Included in the government grants was an amount of RMB449,000 which represented the incentive subsidies provided by the PRC local authorities to Jiangsu Trigiant for encouragement of business development in the Yixing region. There were no specific conditions attached to the grants, Jiangsu Trigiant recognised the grants upon receipts. In respect of the remaining amount of RMB105,000 are government subsidies received for acquisition of property, plant and equipment as disclosed in note 24.

9. FINANCE COSTS

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Interest on bank borrowings wholly repayable within five years	27,432
Less: Amount capitalised	(5,693)
	21,739
Interest on financing arrangement with a fellow subsidiary *(Note 22)*	4,478
	26,217

Borrowing costs capitalised in the Predecessor Track Record Period were related to specific borrowings on qualifying assets.

10. PROFIT FOR THE PERIOD

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Profit for the period has been arrived at after charging:	
Directors' remuneration *(Note 11)*	1,197
Other staff costs:	
Salaries and other benefits	54,703
Retirement benefit scheme contributions	2,071
Total staff costs	57,971
Less: Staff costs included in research and development costs	(264)
	57,707
Cost of inventories recognised as expenses	654,888
Depreciation of property, plant and equipment	9,996
Operating lease payment in respect of property	550
Operating lease rentals in respect of land use rights	811
Research and development costs (included in administrative expenses)	475

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors of Jiangsu Trigiant in the Predecessor Track Record Period are as follows:

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Directors' fees	–
Other emoluments to executive directors	
– basic salaries and allowances	404
– performance related incentive payments	775
– retirement benefits scheme contributions	18
	1,197

Details of emoluments paid or payable by Jiangsu Trigiant to its directors are as follows:

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Mr. Qian Lirong	
– basic salaries and allowances	66
– performance related incentive payments *(Note)*	171
– retirement benefits scheme contributions	3
	240
Mr. Jiang Wei	
– basic salaries and allowances	68
– performance related incentive payments *(Note)*	132
– retirement benefits scheme contributions	3
	203
Mr. Xia Jie	
– basic salaries and allowances	69
– performance related incentive payments *(Note)*	121
– retirement benefits scheme contributions	3
	193
Mr. Jiang Xinhong	
– basic salaries and allowances	68
– performance related incentive payments *(Note)*	118
– retirement benefits scheme contributions	3
	189
Mr. Sun Huxing	
– basic salaries and allowances	67
– performance related incentive payments *(Note)*	117
– retirement benefits scheme contributions	3
	187
Mr. Yu Daxiong	
– basic salaries and allowances	66
– performance related incentive payments *(Note)*	116
– retirement benefits scheme contributions	3
	185
Total	1,197

Note: The performance related incentive payments were determined with reference to the operating results, individual performance and comparable market remuneration packages during the Predecessor Track Record Period.

In the Predecessor Track Record Period, all the five highest paid individuals were employees of Jiangsu Trigiant and their emoluments were as follows:

For the period from 1 January 2009 to 28 December 2009

	RMB'000
Basic salaries and allowances	427
Performance related incentive payments	12,734
Retirement benefits scheme contributions	9
	13,170

The five highest paid individuals in the Predecessor Track Record Period were within the following bands:

	No. of employees
HK$2,000,001 to HK$2,500,000 (equivalent to RMB1,730,000 to RMB2,163,000)	1
HK$2,500,001 to HK$3,000,000 (equivalent to RMB2,163,001 to RMB2,595,000)	1
HK$3,000,001 to HK$3,500,000 (equivalent to RMB2,595,001 to RMB3,038,000)	3

During the Predecessor Track Record Period, no emoluments were paid by Jiangsu Trigiant to the directors as an inducement to join or upon joining Jiangsu Trigiant or as compensation for loss of office. None of the directors has waived any emoluments during the Predecessor Track Record Period.

12. TAXATION

No provision for PRC income tax has been made as Jiangsu Trigiant entitled to Tax Holiday (defined below) for the period from 1 January 2009 to 28 December 2009.

Pursuant to the relevant laws and regulations, Jiangsu Trigiant was entitled to exemption from Foreign Enterprise Income Tax ("FEIT") for the two years commencing from its first profit-making year of operations in 2008, followed by a 50% reduction on the FEIT for the following three years ("Tax Holiday").

On 16 March 2007, the Enterprise Income Tax Law was passed at the Fifth session of the Tenth National People's Congress of the PRC, the income tax rate for both domestic and foreign-investment enterprise would be unified at 25% effective from 1 January 2008 (Order of the President [2007] No. 63). Jiangsu Trigiant which was entitled to the Tax Holiday would continue to enjoy such treatment until the exemption and reduction period expired, at the end of 2012.

No provision for Hong Kong Profits Tax has been made as Jiangsu Trigiant does not have any operations in Hong Kong.

The nil provision for the period can be reconciled to the profit before taxation as follows:

	For the period from 1 January 2009 to 28 December 2009
	RMB'000
Profit before taxation	85,254
Tax at the applicable income tax rate of 25%	21,314
Tax effect of tax concession	(21,314)
Taxation for the period	–

13. DIVIDENDS

No dividend has been paid or proposed by Jiangsu Trigiant during the Predecessor Track Record Period.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	**Plant and machinery**	**Furniture, fixtures and equipment**	**Motor vehicles**	**Construction in progress**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At 1 January 2009	19,260	42,474	2,065	4,534	42,921	111,254
Additions	19,676	9,761	717	–	49,158	79,312
Transfer	15,293	46,813	–	–	(62,106)	–
At 28 December 2009	54,229	99,048	2,782	4,534	29,973	190,566
DEPRECIATION						
At 1 January 2009	464	1,932	148	882	–	3,426
Provided for the period	1,877	6,843	461	815	–	9,996
At 28 December 2009	2,341	8,775	609	1,697	–	13,422
CARRYING VALUES						
At 28 December 2009	51,888	90,273	2,173	2,837	29,973	177,144

The above items property, plant and equipment, other than construction in progress, are depreciated after taking into account their estimated residual value, using straight line method, at the following rates per annum:

Buildings	4.5%
Plant and machinery	9%
Furniture, fixtures and equipment	18%
Motor vehicles	18%

The buildings are located on land in the PRC under a lease term of 50 years.

At 28 December 2009, Jiangsu Trigiant pledged certain of its buildings with aggregate carrying value of RMB29,729,000 to certain banks to secure the credit facilities granted to Jiangsu Trigiant.

At 28 December 2009, Jiangsu Trigiant pledged certain of its machinery with aggregate carrying value of RMB31,285,000 to certain banks to secure the credit facilities granted to Jiangsu Trigiant.

In the Predecessor Track Record Period, interest expense of RMB5,693,000 have been capitalised in construction in progress.

15. LAND USE RIGHTS

	At 28 December 2009 *RMB'000*
Carrying amount	
At beginning of the period	11,758
Additions during the period	41,502
Charge to profit or loss for the period	(811)
At the end of the period	52,449
Analysed for reporting purposes as:	
Current portion	1,226
Non-current portion	51,223
	52,449

The amount represents prepayment of rentals for land use rights under medium term lease situated in the PRC for a period of 50 years.

At 28 December 2009, Jiangsu Trigiant has pledged its land use rights with carrying value of approximately RMB11,514,000 to secure general banking facilities granted to Jiangsu Trigiant.

16. INVENTORIES

	At 28 December 2009 *RMB'000*
Raw materials	18,224
Work in progress	8,609
Finished goods	38,467
	65,300

17. TRADE AND OTHER RECEIVABLES

	At 28 December 2009
	RMB'000
Trade receivables	668,095
Bills receivables	37
	668,132
Prepaid expenses	3,055
Interest receivables	996
Other receivables	1,314
	673,497

Jiangsu Trigiant normally allows a credit period ranging from 180 to 360 days to its customers.

The following is an aged analysis of the trade and bills receivables presented based on the invoice date at the end of the reporting period:

	At 28 December 2009
	RMB'000
Age	
0 – 90 days	466,850
91 – 180 days	147,775
181 – 365 days	53,507
	668,132

Included in Jiangsu Trigiant's trade receivables balance are debtors with aggregate carrying amount of RMB53,507,000 at 28 December 2009, which are past due at the end of the reporting period for which Jiangsu Trigiant has not provided for impairment loss as all of these past due debts were subsequently collected as of date of this report.

The following is an aging analysis of trade receivables which are past due but not impaired:

	At 28 December 2009
	RMB'000
Age	
181 – 365 days	53,507

Included in trade and bills receivables are following amounts denominated in currencies other than functional currency of Jiangsu Trigiant:

	At 28 December 2009 *RMB'000*
United States Dollars	1,705

18. ADVANCES TO A FELLOW SUBSIDIARY

The amount represents advances to 富威科技(吳江)有限公司 (Fullway Technology Co., Ltd.) ("Fullway Technology") for purpose of providing working capital to Fullway Technology for daily operations. During the Predecessor Track Record Period, Fullway Technology was owned by Trigiant Group Pte, therefore it was a fellow subsidiary of Jiangsu Trigiant.

The amount is unsecured, non-interest bearing and repayable within one year. The amount was fully settled in 2010.

19. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by Jiangsu Trigiant and short-term bank deposits with an original maturity of three months or less and carry interest at prevailing market rate ranging from 0.05% to 0.36% per annum at 28 December 2009.

The pledged bank deposits carry interest at the prevailing market rate ranging from approximately 1.71% to 3.24% per annum at 28 December 2009.

At 28 December 2009, the entire pledged bank deposits represent deposits pledged to banks to secure the bills payables and letters of credit issued by Jiangsu Trigiant.

Included in bank balance and cash and pledged bank deposit are the following amounts denominated in currencies other than functional currency of Jiangsu Trigiant:

	At 28 December 2009 *RMB'000*
United States Dollars	11
Euro	884

20. TRADE AND OTHER PAYABLES

	At 28 December 2009
	RMB'000
Trade payables	
– fellow subsidiary	23,824
– others	73,110
Bills payables	32,575
	129,509
Payroll and welfare payables	7,324
Bonus and promotional expense payables	40,000
Other tax payables	2,656
Deposits from suppliers	3,730
Payables for acquisition of property, plant and equipment	9,151
Payable for acquisition of land use rights *(Note 25)*	8,000
Accrued expenses	4,871
Other payables	3,769
	209,010

Jiangsu Trigiant normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	At 28 December 2009
	RMB'000
Age	
0 – 90 days	108,414
91 – 180 days	21,095
	129,509

21. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, non-interest bearing and repayable on demand. The amount will be settled upon Listing.

22. BILLS PAYABLE TO A FELLOW SUBSIDIARY

In the Predecessor Track Record Period, Jiangsu Trigiant and its fellow subsidiary, Fullway Technology, entered into financing arrangements with certain PRC commercial banks. Under these arrangements, Jiangsu Trigiant issued bank bills to Fullway Technology at certain face amounts with pledged bank deposits ranged from 30% to 100% of the face amount of bank bills. These bank bills were used by Fullway Technology to present to other PRC commercial banks for discounting and then remitted back the proceeds from bills discounted to Jiangsu Trigiant. During the Predecessor Track Record Period, bills amount in aggregate RMB494,000,000 were issued by Jiangsu Trigiant to Fullway Technology under these financing arrangements. At 28 December 2009, there were bank deposits of RMB159,000,000 that were pledged to these PRC commercial banks for these financing arrangements.

In the Predecessor Track Record Period, the bank bills issued by Jiangsu Trigiant and discounted by Fullway Technology carry interest rates ranging from 1.58% to 2.47% per annum. These related interest expenses were incurred and recognised as finance costs of approximately RMB4,478,000 by Jiangsu Trigiant.

Jiangsu Trigiant has ceased to enter into these financing arrangements after April 2010 and all the related bills were settled before the end of October 2010.

23. BANK BORROWINGS

	At 28 December 2009 *RMB'000*
Secured *(Note a)*	40,000
Unsecured	45,239
Unsecured and guaranteed by:	
– a fellow subsidiary *(Note b)*	15,000
– a fellow subsidiary and an independent third party *(Note c)*	20,000
– independent third parties *(Note d)*	550,000
	670,239

	At 28 December 2009 *RMB'000*
The bank borrowings are repayable as follows:	
Within one year	600,239
More than two years, but not more than five years	70,000
	670,239
Less: Amounts due within one year shown under current liabilities	(600,239)
	70,000

	At 28 December 2009 *RMB'000*
The bank borrowings comprise:	
Variable rate borrowings	355,000
Fixed rate borrowings	315,239

Notes:

(a) The bank borrowings were secured by certain buildings and machinery and land use rights owned by Jiangsu Trigiant as set out in Notes 14 and 15, respectively.

(b) The bank borrowing was revolved in 2010. The guarantee was released when the bank borrowing was fully repaid in 2011.

(c) The guarantee was released when the bank borrowing was fully repaid in 2010.

(d) The guarantees will be released upon Listing.

At 28 December 2009, the fixed rate bank borrowings carried interest ranging from 4.37% to 7.77% per annum.

At 28 December 2009, the variable-rate bank borrowings carried interest ranging from PBOC rate to 110% of PBOC rate per annum.

All bank borrowings at 28 December 2009 were denominated in RMB.

24. GOVERNMENT GRANTS

	RMB'000
At 1 January 2009	1,900
Additions during the period	100
Release to profit or loss for the period	(105)
At 28 December 2009	1,895

In the Predecessor Track Record Period, Jiangsu Trigiant received government subsidies of RMB100,000 in relation to the acquisition of property, plant and equipment. The amount has been treated as deferred income and was transferred to income over the useful lives of the relevant assets.

25. PAYABLE FOR ACQUISITION OF LAND USE RIGHTS

	At 28 December 2009 *RMB'000*
Payable for acquisition of land use rights	21,502
Less: Amount due within one year shown under current liabilities *(Note 20)*	(8,000)
	13,502

The amount represents payable for acquisition of land use rights located in PRC. Jiangsu Trigiant is required to repay RMB8,000,000 and RMB5,502,000 in 2011 and 2012, respectively, therefore it is classified as non-current liabilities. The respective land use rights certificates were obtained by Jiangsu Trigiant upon the acquisition of land use rights in 2009.

26. PAID-IN CAPITAL

The paid-in capital at 28 December 2009 represented the fully paid registered capital of Jiangsu Trigiant contributed by the then equity holder, Trigiant Group Pte. In 2009, Jiangsu Trigiant increased its paid-in capital to US$30,000,000 (approximately RMB216,670,000) through capitalisation of accumulated profits of US$10,000,000 (RMB68,331,000).

27. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating lease in respect of rented premises which fall due as follows:

	At 28 December 2009
	RMB'000
Within one year	188

The leases are negotiated for a lease term of one year at fixed monthly rental.

28. RELATED PARTY TRANSACTIONS

Other than the transactions and balances with related parties disclosed in respective notes, Jiangsu Trigiant purchased raw materials from Fullway Technology, a then fellow subsidiary, amounting to RMB246,528,000 for the period from 1 January 2009 to 28 December 2009.

On 29 December 2009, Trigiant Group Pte disposed of its entire interest in Fullway Technology and Fullway Technology has ceased to be a fellow subsidiary of Jiangsu Trigiant. Jiangsu Trigiant had not made any purchase from Fullway Technology since February 2010 and the transactions were discontinued in February 2010.

In the opinion of the directors of Jiangsu Trigiant, the above transactions were conducted in the ordinary and usual course of business of Jiangsu Trigiant.

The details of remuneration of key management personnel, represents emoluments of the directors of Jiangsu Trigiant paid during the Predecessor Track Record Period is set out in Note 11.

29. RETIREMENT BENEFITS SCHEMES

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. Jiangsu Trigiant is required to contribute a certain percentage of its payroll to the retirement benefit scheme to fund the benefits. The only obligation of Jiangsu Trigiant with respect to the retirement benefit scheme is to make the required contributions under the scheme.

30. CAPITAL COMMITMENTS

	At 28 December 2009
	RMB'000
Capital expenditure contracted for but not provided in the Jiangsu Trigiant Financial Information in respect of the acquisition of property, plant and equipment	8,468

F. SUBSEQUENT FINANCIAL STATEMENTS

Except for the statutory audited financial statements for each of the years ended 31 December 2009, 2010 and 2011, no audited financial statements have been prepared by Jiangsu Trigiant in respect of any period subsequent to 28 December 2009.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The information set out in this appendix does not form part of the Accountants' Report on the financial information of the Group for the period from 29 December 2009 to 31 December 2009 and each of the two years ended 31 December 2011 (the "Accountants' Report of the Group") or Accountants' Report on the financial information of Jiangsu Trigiant Technology Co., Ltd for the period from 1 January 2009 to 28 December 2009 received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set out in Appendix IA and IB to the prospectus, respectively, and is included herein for information only.

The unaudited pro forma financial information set out below should be read in conjunction with the section headed "Financial Information" and the Accountants' Report of the Group set out in Appendix IA to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group has been prepared based on the audited consolidated net tangible assets of the Group as at 31 December 2011, as shown in the Accountants' Report of the Group, the text of which is set out in Appendix IA to this prospectus and adjusted as described below.

The unaudited pro forma adjusted net tangible assets has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules, is set out here to illustrate the effect of the Global Offering on the net tangible assets of the Group as at 31 December 2011 as if it had taken place on 31 December 2011. This unaudited pro forma adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 31 December 2011 or at any future dates.

	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2011		**Add: Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted net tangible assets**	**Unaudited pro forma adjusted net tangible assets value per Share**
	RMB'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$*
		(Note a)	*(Note b)*		
Based on an Offer Price of HK$1.10 per Offer Share	613,531	757,446	176,000	933,446	0.933
Based on an Offer Price of HK$1.50 per Offer Share	613,531	757,446	253,000	1,010,446	1.010

Notes:

(a) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2011 is based on the audited consolidated net assets of the Group as of 31 December 2011, extracted from the Accountants' Report of the Group set out in Appendix IA to this prospectus. For the purpose of preparing the unaudited adjusted net tangible assets, the amount of audited consolidated net tangible assets stated in Hong Kong dollars has been converted from Renminbi into Hong Kong dollars at the rate of RMB0.81 to HK$1.00.

(b) The estimated net proceeds from the Global Offering are based on 200,000,000 Shares at the Offer Price of HK$1.10 and HK$1.50 per Share, after deduction of the underwriting fees and other related expenses payable by the Company and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option.

(c) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in note (b) in the preceding paragraph and on the basis that 1,000,000,000 Shares were in issue assuming that the Global Offering has been completed on 31 December 2011 but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option.

(d) As of 31 December 2011, the Group's property interests were valued by Savills Valuation and Professional Services Limited, an independent professional surveyor, and the relevant property valuation report is set out in Appendix III to this prospectus. The net valuation surplus, representing the excess of market value of the properties over their book value at 31 December 2011, is approximately RMB31.8 million. Such revaluation surplus has not been incorporated in the Group's audited consolidated financial information for the year ended 31 December 2011. The above adjustment does not take into account the above revaluation surplus. Had the properties been stated in such valuation, an additional depreciation of approximately RMB1,120,000 per annum would have been charged against the consolidated statements of comprehensive income.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report from the reporting accountants of the Company, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong in respect of the unaudited pro forma financial information for the purpose of inclusion in this prospectus.

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF TRIGIANT GROUP LIMITED

We report on the unaudited pro forma financial information of Trigiant Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed global offering might have affected the financial information presented, for inclusion in Appendix II to the Company's prospectus dated 6 March 2012 (the "Prospectus"). The basis of preparation of the unaudited pro forma financial information is set out on pages II-1 and II-2 to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 December 2011 or any future date.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
6 March 2012

The following is a text of the letter, summary of values and valuation certificates, prepared for inclusion in this prospectus, received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their valuations as of 31 December 2011 of the properties held by the Group.

Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

T: (852) 2801 6100
F: (852) 2530 0756

EA Licence: C-023750
savills.com

The Directors
Trigiant Group Limited
Room 1801, 18/F
Tai Tung Building
No. 8 Fleming Road
Wanchai
Hong Kong

6 March 2012

Dear Sirs,

In accordance with your instructions for us to value the properties situated in the People's Republic of China (the "PRC") and Hong Kong in which Trigiant Group Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") have interests, we have carried out inspections in January 2012, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at 31 December 2011 ("date of valuation") for inclusion in a Public Offering Document.

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

In valuing the property in Group I which is held for owner occupation in the PRC, due to the specific purpose for which the buildings and structures of the property have been constructed, there are no readily available market comparables and thus the buildings and structures of the property cannot be valued on the basis of direct comparison. The property has been valued on the basis of the depreciated replacement cost ("DRC"). We would define "DRC" to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings and structures, including professional fees and finance charges, from which deductions are then made to allow for age, physical, functional and economic obsolescence. The DRC is subject to adequate potential profitability of the concerned business.

In valuing the property in Group II, which is held for investment in the PRC, we have made reference to the comparable market transactions as available in the market and where appropriate, valued the property on the basis of capitalisation of net incomes as shown on the schedule handed to us with due allowance for reversionary income potential of the property.

In valuing the properties in Groups III and IV, which are leased by the Group in the PRC and Hong Kong, we have assigned no commercial value to these properties due to prohibition against assignment or sub-letting or otherwise due to lack of substantial profit rent.

We have been provided with copies of extracts of title documents and lease agreements relating to the properties in the PRC and Hong Kong. However, we have not searched the original documents to ascertain the existence of any amendments which do not appear on the copies handed to us. We have relied to a very considerable extent on information given by the Group and its PRC legal adviser, Jin Mao PRC Lawyers, regarding the titles to the properties in the PRC.

We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided by the Group to us and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and confirmation from the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

We have inspected the exterior and where possible, the interior of the properties. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made, we are therefore unable to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In preparing our valuation report, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all money amounts stated are in Renminbi.

Our summary of values and valuation certificates are attached.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited

Anthony C K Lau
MHKIS MRICS RPS(GP)
Director

Note: Mr Anthony C K Lau is a qualified surveyor and has over 19 years' post-qualification experience in the valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUES

Group I – Property held by the Group for owner occupation in the PRC

No.	Property	Capital value in existing state as at 31 December 2011
1.	An industrial complex (excluding Secondary Industrial Building at the west and Industrial Building Block No. 4) located at Industrial Park for Environmental Science & Technology, No. 1 Junzhi Road, Yixing, Jiangsu Province, PRC	RMB186,600,000
	Sub-total:	**RMB186,600,000**

Group II – Property held for investment by the Group in the PRC

2.	Secondary Industrial Building at the west and Industrial Building Block No. 4 of an industrial complex located at Industrial Park for Environmental Science & Technology, No. 1 Junzhi Road, Yixing, Jiangsu Province, PRC	RMB18,300,000
	Sub-total:	**RMB18,300,000**

Group III – Property leased by the Group in the PRC

3.	Room 504, Unit 2, Block 2, Jinchen International Apartment, No. 4 Guangcheng Street, Xicheng District, Beijing, PRC	No commercial value
	Sub-total:	**Nil**

Group IV – Property leased by the Group in Hong Kong

No.	Property	Capital value in existing state as at 31 December 2011
4.	Room 1801, 18/F, Tai Tung Building, No. 8 Fleming Road, Wanchai, Hong Kong	No commercial value
	Sub-total:	**Nil**
	Grand total:	**RMB204,900,000**

VALUATION CERTIFICATE

Group I – Property held by the Group for owner occupation in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 December 2011
1.	An industrial complex (excluding Secondary Industrial Building at the west and Industrial Building Block No. 4) located at Industrial Park for Environmental Science & Technology, No. 1 Junzhi Road, Yixing, Jiangsu Province, PRC	The property comprises 19 buildings and various structures of an industrial complex erected on 3 parcels of land with a total site area of approximately 240,737.20 sq.m. (2,591,295 sq.ft.). The buildings were completed in various stages between 2008 and 2010. The buildings comprise single to 5-storey workshop and office buildings with a total gross floor area of approximately 70,541.26 sq.m. (759,306 sq.ft.). The structures mainly include roads and boundary fences. The land use rights of the property were granted for terms expiring on 27 August 2051 and 15 March 2057 respectively for industrial use.	The property is occupied by the Group for workshop, office and ancillary uses.	RMB186,600,000

Notes:

1. Pursuant to three Land Use Rights Certificate Nos. Yi Guo Yong (2009) Di 45601148, Yi Guo Yong (2009) Di 45601150 and Yi Guo Yong (2007) Di 105947, the land use rights of three parcels of land with a total site area of 240,737.2 sq.m. were granted to Jiangsu Trigiant Technology Co., Ltd. ("Jiangsu Trigiant"), an indirect wholly-owned subsidiary of the Company, for terms expiring on 27 August 2051 and 15 March 2057 for industrial use.

   As advised, the land premium of the land use rights of Land Use Rights Certificate No. Yi Guo Yong (2007) Di 105947 has been fully paid. The outstanding premium of the land use rights of Land Use Rights Certificate Nos. Yi Guo Yong (2009) Di 45601148 and Yi Guo Yong (2009) Di 45601150 was RMB13,502,400 as at 31 December 2011, which has not been taken into account in our valuation.

2. Pursuant to 19 Building Ownership Certificates, the building ownership of 19 buildings with a total gross floor area of approximately 70,541.26 sq.m. is vested in Jiangsu Trigiant.

3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter-alia*, the following information:

   i. Jiangsu Trigiant is the legal owner of the property;

   ii. Jiangsu Trigiant is entitled to occupy, transfer, lease or mortgage portion of the property with the land use rights with a site area of 116,016.9 sq.m. and 10 buildings with a total gross floor area of approximately 37,339.71 sq.m.;

   iii. the land use rights of two parcels of land with a total site area of 124,720.3 sq.m. and 9 buildings of the property with a total gross floor area of 33,201.55 sq.m. are subject to mortgages; and

   iv. Jiangsu Trigiant is entitled to transfer, lease, remortgage or dispose of the mortgaged portion of the property after obtaining the written consent from the mortgagee.

Group II – Property held for investment by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 December 2011
2.	Secondary Industrial Building at the west and Industrial Building Block No. 4 of an industrial complex located at Industrial Park for Environmental Science & Technology, No.1 Junzhi Road, Yixing, Jiangsu Province, PRC	The property comprises two single to 2-storey industrial buildings erected on an industrial complex with a site area of approximately 240,737.20 sq.m. (2,591,295 sq.ft.). It was completed in between 2009 and 2010. The total gross floor area of the property is approximately 11,940.31 sq.m. (128,525 sq.ft.). The land use rights of the property were granted for terms expiring on 27 August 2051 and 15 March 2057 for industrial use.	The property is subject to two tenancies with terms both expiring on 28 February 2013 at a total annual rental of approximately RMB725,000.	RMB18,300,000

Notes:

1. Pursuant to three Land Use Rights Certificate Nos. Yi Guo Yong (2009) Di 45601148, Yi Guo Yong (2009) Di 45601150 and Yi Guo Yong (2007) Di 105947, the land use rights of three parcels of land with a total site area of 240,737.2 sq.m. were granted to Jiangsu Trigiant Technology Co., Ltd. ("Jiangsu Trigiant"), an indirect wholly-owned subsidiary of the Company, for terms expiring on 27 August 2051 and 15 March 2057 for industrial use.

   As advised, the outstanding premium of the land use rights of Land Use Rights Certificate Nos. Yi Guo Yong (2009) Di 45601148 and Yi Guo Yong (2009) Di 45601150 was RMB13,502,400 as at 31 December 2011, which has not been taken into account in our valuation.

2. Pursuant to 2 Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 11,940.31 sq.m. is vested in Jiangsu Trigiant.

3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter-alia*, the following information:

   i. Jiangsu Trigiant is the legal owner of the property;

   ii. Jiangsu Trigiant is entitled to use, lease, transfer or dispose of the property;

   iii. the lease agreements are valid, binding and enforceable under the PRC laws;

   iv. the lease agreements have not been registered and have no effect against third party; and

   v. the non-registration of the tenancy agreements will not affect the legal validity of the tenancy agreements.

Group III – Property leased by the Group in the PRC

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 December 2011
3	Room 504, Unit 2, Block 2, Jinchen International Apartment, No. 4 Guangcheng Street, Xicheng District, Beijing, PRC	Jinchen International Apartment is a residential development. Block 2 is a 12-storey building completed in 2003. The property comprises a residential unit on the fifth level of Block 2 of Jinchen International Apartment with a gross floor area of approximately 243.19 sq.m. (2,618 sq.ft.). The property is leased for a term commencing on 20 April 2011 and expiring on 19 April 2012 at a rental of RMB30,512.74 per month.	The property is currently occupied by the Group for dormitory use.	No commercial value

Notes:

1. The lessee, Jiangsu Trigiant Technology Co., Ltd. ("Jiangsu Trigiant"), an indirect wholly-owned subsidiary of the Company, leased the property from 北京金宸星合資產管理有限公司, (the "lessor") an independent third party.

2. We have been provided with a legal opinion on the legality of the tenancy agreement issued by the Group's PRC legal adviser, which contains, *inter-alia*, the following information:

   i. the lessor has obtained the Building Ownership Certificate of the property and has the right to lease the property to Jiangsu Trigiant;

   ii. Jiangsu Trigiant is entitled to occupy the property;

   iii. the tenancy agreement is valid, enforceable and legally binding;

   iv. the tenancy agreement has not been registered and has no effect against third party; and

   v. the non-registration of the tenancy agreement will not affect the legal validity of the tenancy agreement.

Group IV – Property leased by the Group in the Hong Kong

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 December 2011
4	Room 1801, 18/F, Tai Tung Building, No. 8 Fleming Road, Wanchai, Hong Kong	Tai Tung Building is a 27-storey commercial building completed in 2004. The property comprises an office unit on the 18th Floor of the building with a gross floor area of approximately 101.08 sq.m. (1,088 sq.ft.). The property is leased for a term commencing on 1 April 2011 and expiring on 31 March 2013 at a rental of HK$34,816 per month.	The property is currently occupied by the Group for office use.	No commercial value

Note:

1. The property is leased to Trigiant (HK) Limited, an indirect wholly-owned subsidiary of the Company, from Tak Shing Investment Company Limited, an independent third party.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 December 2010 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "Companies Law"). The Memorandum of Association (the "Memorandum") and the Articles of Association (the "Articles") comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of the members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 28 February 2012. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on the terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

The Board may issue warrants conferring right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Disclosure of interests in contracts with the Company or any of its subsidiaries.

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) Remuneration

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the monies of the Company to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching an age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any share in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated:

(aa) if he resigns his office by notice in writing delivered to the Company at the registered office of the Company for the time being or tendered at a meeting of the Board;

(bb) becomes of unsound mind or dies;

(cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) if he is prohibited from being a director by law;

(ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and the board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(viii) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of the Company.

(ix) Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) Register of Directors and Officers

The Companies Law and the Articles provide that the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(c) Alteration of capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may subject to the provisions of the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Special resolution-majority required

Pursuant to the Articles, a special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Articles), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given.

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of the Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the Board.

(h) Accounts and audit

The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of the Company other than such as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

(gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(j) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of the Company to own shares in the Company and financial assistance to purchase shares of the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(m) Dividends and other methods of distribution

Subject to the Companies Law, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(n) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours on every business day by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the Board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman law, as summarised in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, the Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, the operations of the Company must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "Court"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in the Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of Shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share shall not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that the memorandum or articles of association of a company must contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Companies Law, there is no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 2(m) above for further details).

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the affairs of the company in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the memorandum and articles of association of the company.

(g) Management

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the affairs of the company and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 1 February 2011.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the granting of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Articles.

An exempted company may, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register shall be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

(n) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the affairs of the Company rests entirely in his hands and no future executive action may be carried out without his approval. The duties of a liquidator are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Gazette in the Cayman Islands.

(o) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(q) Indemnification

Cayman Islands law does not limit the extent to which the articles of association of a company may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the special legal counsel on Cayman Islands law of the Company, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VI. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT THE GROUP

1. Incorporation of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 23 December 2010. The Company has established its principal place of business in Hong Kong at Room 1801, 18/F, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 21 June 2011. Mr. Lau Chi Hung is appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company was incorporated in the Cayman Islands, it operates subject to the relevant laws and regulations of the Cayman Islands and its constitution which comprises the Memorandum and the Articles. A summary of the relevant laws and regulations of the Cayman Islands and of the Company's constitution is set out in Appendix IV to this prospectus.

2. Changes in share capital of the Company

(a) Increase in authorised share capital

The authorised share capital of the Company as at the date of incorporation was HK$100,000 divided into 10,000,000 Shares of HK$0.01 each. On 23 December 2010, one nil paid Share was allotted and issued to Codan Trust Company (Cayman) Limited as subscriber's share which was subsequently transferred to Abraholme on the same date.

On 23 August 2011, the one issued nil-paid Share held by Abraholme was transferred to Trigiant Investments at nil consideration and was subsequently credited as fully paid at par, and 9,999,999 Shares were allotted and issued, credited as fully-paid to Trigiant Investments as more particularly described in paragraph 4 below.

The authorised share capital of the Company was increased from HK$100,000 divided into 10,000,000 Shares of HK$0.01 each to HK$100,000,000 divided into 10,000,000,000 Shares of HK$0.01 each and the Capitalisation Issue was approved pursuant to the resolutions in writing of the sole Shareholder passed on 7 September 2011 referred to in paragraph 3 below and subject to the conditions contained therein.

Immediately following the completion of the Global Offering and the Capitalisation Issue (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), the authorised share capital of the Company will be HK$100,000,000 divided into 10,000,000,000 Shares, of which 1,000,000,000 Shares will be issued fully paid or credited as fully paid, and 9,000,000,000 Shares will remain unissued.

Other than pursuant to the exercise of the Over-allotment Option, the Company does not have any present intention to issue any of the authorised but unissued share capital and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as disclosed in this paragraph and in paragraphs 3 and 4 of this Appendix, there has been no alteration in the share capital of the Company since its incorporation.

(b) Founder shares

The Company has no founder shares, management shares or deferred shares.

3. Resolutions in writing of the sole Shareholder passed on 7 September 2011 and 28 February 2012

By resolutions in writing of the sole Shareholder passed on 7 September 2011:

(a) the Company approved and adopted the Memorandum and the then articles of association of the Company;

(b) the authorised share capital of the Company was increased from HK$100,000 to HK$100,000,000 by the creation of 9,990,000,000 new Shares;

(c) conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the Stock Exchange and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions thereof) and not being terminated in accordance with the terms of such agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:

    (i) the issue of the New Shares pursuant to the Global Offering and the Over-allotment Option were approved and the Directors were authorised to allot and issue the New Shares pursuant to the Global Offering and such number of Shares as may be allotted and issued upon the exercise of the Over-allotment Option on and subject to the terms and conditions stated in this prospectus and in the relevant Application Forms;

(ii) conditional on the share premium account of the Company being credited as a result of the issue of the New Shares pursuant to the Global Offering the Directors were authorised to allot and issue a total of 790,000,000 Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of the Company at 4:00 p.m. on 7 September 2011 by way of capitalisation of the sum of HK$7,900,000 standing to the credit of the share premium account of the Company, and the Shares be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the existing issued Shares;

(iii) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles or under the Global Offering or the Capitalisation Issue or upon the exercise of the Over-allotment Option, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option; and (bb) the aggregate nominal amount of the share capital of the Company which may be repurchased by the Company (if any) pursuant to the authority granted to the Directors as referred to in sub-paragraph (iv) below, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first;

(iv) a general unconditional mandate was given to the Directors to exercise all powers of the Company to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the SFC and the Stock Exchange for this purpose such number of Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option; until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first; and

(v) the general unconditional mandate mentioned in sub-paragraph (iii) above was extended by the addition to the aggregate nominal amount of the Shares which may be allotted and issued or dealt with by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the Shares purchased by the Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (iv) above.

By a resolution in writing of the sole Shareholder passed on 28 February 2012, the Company approved and adopted the Articles.

4. Reorganisation

The companies comprising the Group underwent the Reorganisation to rationalise the Group's structure in preparation for the listing of the Shares on the Stock Exchange. The Reorganisation involved the transfer to the Company from Abraholme, Forerich, Headwell, Zymmetry and Ace Speed their interest of 55.5%, 25%, 5.5%, 12% and 2% respectively (an aggregate of 100%) in the issued share capital of Trigiant BVI, the intermediate investment holding company of the Group, in consideration of and in exchange for which the Company:

(i) allotted and issued, credited as fully paid, 9,999,999 new Shares to Trigiant Investments (as directed by Abraholme, Forerich, Headwell, Zymmetry and Ace Speed); and

(ii) credited as fully paid at par the one nil-paid Share then held by Trigiant Investments.

In addition to the acquisition of shares of Trigiant BVI by the Company as referred to above, the Group also underwent the following corporate restructuring:

(a) on 26 December 2007, Trigiant Singapore (the then sole owner of Jiangsu Trigiant) allotted and issued 999 new shares in the share capital of Trigiant Singapore for cash at S$1 per share, as to 384 shares, representing 38.4% of the enlarged issued share capital of Trigiant Singapore, to Abraholme; as to 250 shares, representing 25% of the enlarged issued share capital of Trigiant Singapore, to Forerich; as to 100 shares, representing 10% of the enlarged issued share capital of Trigiant Singapore, to Premo Superior Investments Limited; as to 35 shares, representing 3.5% of the enlarged issued share capital of Trigiant Singapore, to Globalwealth Resources Limited; as to 110 shares, representing 11% of the enlarged issued share capital of Trigiant Singapore, to Headwell; as to 90 shares, representing 9% of the enlarged issued share capital of Trigiant Singapore, to Noble Luck Investments Limited and as to 30 shares, representing 3% of the enlarged issued share capital of Trigiant Singapore, to Zymmetry;

(b) on 23 December 2009, the shareholding structure of Trigiant BVI was changed as a result of (i) the acquisition of its then entire issued share capital by Abraholme and (ii) its allotment and issue of new shares for cash at par, to Abraholme, Forerich, Headwell, Zymmetry and Ace Speed. Subsequent to such acquisition and allotment and issue of new shares, Trigiant BVI was owned as to 55.5% by Abraholme, 25% by Forerich, 5.5% by Headwell, 12% by Zymmetry and 2% by Ace Speed;

(c) on 28 December 2009, Trigiant Hong Kong became wholly owned by Trigiant BVI after Trigiant BVI acquired the one founder member share, representing the entire issued share capital of Trigiant Hong Kong, from the founder member of Trigiant Hong Kong for cash at par; and

(d) on 29 December 2009, Jiangsu Trigiant became wholly owned by Trigiant Hong Kong after Trigiant Hong Kong acquired Trigiant Singapore's 100% equity interest in Jiangsu Trigiant at a cash consideration of US$30 million.

5. Changes in share capital or registered capital of the subsidiaries of the Group

The subsidiaries of the Group are listed in the accountants' report set out in Appendix IA to this prospectus.

There has not been any alteration in the share capital of any of the subsidiaries of the Company which took place within the two years immediately preceding the date of this prospectus.

6. Further information on the Group's PRC establishment

(i)	Name of the enterprise:	江蘇俊知技術有限公司 (Jiangsu Trigiant Technology Co., Ltd.)
(ii)	Economic nature:	Wholly foreign-owned enterprise
(iii)	Registered owner:	Trigiant Hong Kong (100%)
(iv)	Total investment:	US$74,800,000
(v)	Registered capital:	US$30,000,000 (fully paid up)
(vi)	Attributable interest to the Group:	100%

(vii) Term:	50 years, commencing from 15 March 2007 to 14 March 2057
(viii) Scope of business:	Research, development, production and technical customer service of new-type electronic components. The business also includes the manufacturing of RF coaxial cables, communication power soft cables and special cables, mobile communication switching equipment, optic fibre, optic cable and accessories, photoelectronic devices, the manufacturing and packaging services of wood panels as well as wholesaling of electrolytic copper and copper products and import and export businesses.

7. Repurchase by the Company of its securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Company of its own securities.

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Main Board must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to a resolution in writing passed by the sole Shareholder on 7 September 2011, the Repurchase Mandate was given to the Directors authorising any repurchase by the Company of Shares on the Stock Exchange or any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option. This mandate will expire at the conclusion of the next general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first.

(b) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Main Board for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the laws of the Cayman Islands, any repurchases of Shares by the Company may be made out of profits of the Company, out of the Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of profits or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles and subject to the Companies Law, out of capital.

(c) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws of the Cayman Islands. On the basis of the current financial position of the Group as disclosed in this prospectus and taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position disclosed in this prospectus. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(e) General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

8. Registration under Part XI of the Companies Ordinance

The Company has established its principal place of business in Hong Kong for the purpose of registration under Part XI of the Companies Ordinance at Room 1801, 18/F, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 21 June 2011. Mr. Lau Chi Hung is appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong (for the purpose of the Companies Ordinance).

B. FURTHER INFORMATION ABOUT THE BUSINESS OF THE COMPANY

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or its subsidiaries within the two years preceding the date of this prospectus and are or may be material:

(a) an undated tenancy agreement made between Jiangsu Trigiant and Jiangsu Opto-electrical pursuant to which Jiangsu Trigiant agreed to lease to Jiangsu Opto-electrical a parcel of land more particularly referred to in the Land Use Rights Certificate No. Yi Guo Yong (2009) Di 45601150 and certain buildings erected thereon for RMB484,428 per year exclusive of water, gas and electricity charges for the period between 1 March 2010 to 28 February 2013;

(b) an undated tenancy agreement made between Jiangsu Trigiant and Jiangsu Sensing pursuant to which Jiangsu Trigiant agreed to lease to Jiangsu Sensing a parcel of land more particularly referred to in the Land Use Rights Certificate No. Yi Guo Yong (2009) Di 45601148 and certain buildings erected thereon for RMB240,660 per year exclusive of water, gas and electricity charges for the period between 1 March 2010 to 28 February 2013;

(c) a financial advisor agreement dated 16 July 2010 entered into between Jiangsu Trigiant and 北京因特聯企業諮詢有限公司 (Beijing Yin Te Lian Corporate Consultancy Co., Ltd.*) ("Beijing YTL") pursuant to which Beijing YTL would provide the Group with certain advisory services in connection with the Group's preparation for an overseas listing for a period of two years from the date of the financial advisor agreement at an aggregate consideration of RMB300,000 to Beijing YTL excluding other necessary disbursements in relation to the provision of such advisory services;

(d) a financial advisor agreement dated 16 July 2010 entered into between Jiangsu Trigiant and ICH Partners Ltd pursuant to which ICH Partners Ltd would provide the Group with certain advisory services in connection with the Group's preparation for an overseas listing for a period of two years from the date of the financial advisor agreement at an aggregate consideration of a success fee which is equal to 1.5% of the aggregate proceeds from the issue of the New Shares (including the new Shares fall to be issued upon the exercise of the Over-allotment Option) excluding other necessary disbursements in relation to the provision of such advisory services;

(e) an agreement dated 3 December 2010 made between Jiangsu Trigiant and Jiangsu Opto-electrical pursuant to which Jiangsu Trigiant agreed to grant a royalty-free non-exclusive license to Jiangsu Opto-electrical to use the name of "俊知" (Jun Zhi) from 1 March 2010 until Jiangsu Trigiant ceases to hold any equity interests in Jiangsu Opto-electrical in accordance with the terms and conditions of the agreement at nil consideration;

(f) an agreement dated 3 December 2010 made between Jiangsu Trigiant and Jiangsu Sensing pursuant to which Jiangsu Trigiant agreed to grant a royalty-free non-exclusive license to Jiangsu Sensing to use the name of "俊知" (Jun Zhi) from 1 March 2010 until Jiangsu Trigiant ceases to hold any equity interests in Jiangsu Sensing in accordance with the terms and conditions of the agreement at nil consideration;

(g) a deed of assignment dated 5 January 2011 entered into between Trigiant Singapore as assignor and Trigiant Hong Kong as assignee pursuant to which Trigiant Singapore should assign 8 trademarks previously registered in its name in Singapore (namely items 13 to 20 on page V-13 and page V-14 of this appendix) under the section headed "Further information about the business of the Company" at nil consideration to Trigiant Hong Kong;

(h) a confirmation dated 12 February 2011 entered into between Jiangsu Trigiant and Beijing YTL pursuant to which both parties confirmed that the financial advisor agreement dated 16 July 2010 as referred to in paragraph (c) above shall be terminated on (i) the end of the period of two years as stated in the financial advisor agreement; or (ii) the day of listing of Jiangsu Trigiant's holding company on any stock exchange as specified by Jiangsu Trigiant, whichever is the earlier;

(i) a confirmation dated 12 February 2011 entered into between Jiangsu Trigiant and ICH Partners Ltd pursuant to which both parties confirmed that the financial advisor agreement dated 16 July 2010 as referred to in paragraph (d) above shall be terminated on (i) the end of the period of two years as stated in the financial advisor agreement; or (ii) the day of listing of Jiangsu Trigiant's holding company on any stock exchange as specified by Jiangsu Trigiant, whichever is the earlier;

(j) a deed of waiver dated 23 August 2011 made between Abraholme, Forerich, Zymmetry, Headwell, Ace Speed and Trigiant BVI in relation to the absolute waiver of an interest-free shareholders' loan in an aggregate principal amount of US$30,000,000 owing by Trigiant BVI to Abraholme (as to US$16,650,000), Forerich (as to US$7,500,000), Zymmetry (as to US$3,600,000), Headwell (as to US$1,650,000) and Ace Speed (as to US$600,000);

(k) a share purchase agreement dated 23 August 2011 made between Abraholme, Forerich, Headwell, Zymmetry and Ace Speed as vendors, Mr. Qian, Shen Xinren, Toe Teow Heng, Jiang Wei and Goi Seng Hui as warrantors and the Company as purchaser for the acquisition by the Company of the entire issued share capital of Trigiant BVI in consideration of (i) the allotment and issue, credited as fully paid, of an aggregate of 9,999,999 new Shares to Trigiant Investments (as directed by Abraholme, Forerich, Headwell, Zymmetry and Ace Speed) and (ii) the crediting as fully paid at par the one nil-paid Share which is registered in the name of Trigiant Investments;

(l) a deed of indemnity dated 5 March 2012 executed by Mr. Qian, Abraholme and Trigiant Investments in favour of the Company for itself and as trustee for the other members of the Group stated therein containing the indemnities more particularly referred to in paragraph 1 under the section headed "Other information" of this Appendix; and

(m) the Hong Kong Underwriting Agreement.

2. Intellectual property rights

(a) Trademarks

(i) Registered trademarks owned by the Group

As at the Latest Practicable Date, Jiangsu Trigiant was the registered owner of the following trademarks which are material in relation to the Group's business:

	Registration number	Class	Trademark	Place of registration	Duration of validity (year.month. date)
1.	6275999	9 *(Note 1)*		PRC	2010.3.28 to 2020.3.27
2.	6276000	9 *(Note 1)*	俊知技术	PRC	2010.3.28 to 2020.3.27
3.	6276001	9 *(Note 1)*	TRIGIANT 俊知技术	PRC	2010.3.28 to 2020.3.27
4.	6276002	9 *(Note 1)*	TRIGIANT	PRC	2010.3.28 to 2020.3.27
5.	6712360	6 *(Note 2)*	俊知	PRC	2010.3.28 to 2020.3.27
6.	6550539	9 *(Note 3)*	俊知	PRC	2010.4.14 to 2020.4.13
7.	6712357	9 *(Note 4)*	俊知	PRC	2010.6.7 to 2020.6.6
8.	6712629	42 *(Note 5)*	俊知	PRC	2010.9.7 to 2020.9.6

As at the Latest Practicable Date, Trigiant Hong Kong was the registered owner of the following marks:

	Trade Mark number	Place of registration	Class	Mark	Duration of validity (year. month.day)
1.	301703006	Hong Kong	9 *(Note 6)*	A 俊知技术 B 俊知技术	2010.8.31 to 2020.8.30
2.	301703006	Hong Kong	35 *(Note 7)*	A 俊知技术 B 俊知技术	2010.8.31 to 2020.8.30
3.	301703006	Hong Kong	42 *(Note 8)*	A 俊知技术 B 俊知技术	2010.8.31 to 2020.8.30
4.	301703033	Hong Kong	9 *(Note 6)*	A TRIGIANT B TRIGIANT	2010.8.31 to 2020.8.30
5.	301703033	Hong Kong	35 *(Note 7)*	A TRIGIANT B TRIGIANT	2010.8.31 to 2020.8.30
6.	301703033	Hong Kong	42 *(Note 8)*	A TRIGIANT B TRIGIANT	2010.8.31 to 2020.8.30
7.	301703051	Hong Kong	9 *(Note 6)*	TRIGIANT 俊知技术 TRIGIANT 俊知技术	2010.8.31 to 2020.8.30
8.	301703051	Hong Kong	35 *(Note 7)*	TRIGIANT 俊知技术 TRIGIANT 俊知技术	2010.8.31 to 2020.8.30
9.	301703051	Hong Kong	42 *(Note 8)*	TRIGIANT 俊知技术 TRIGIANT 俊知技术	2010.8.31 to 2020.8.30

	Trade Mark number	Place of registration	Class	Mark	Duration of validity (year. month.day)
10.	301703060	Hong Kong	9 *(Note 6)*	A 俊知 B 俊知	2010.8.31 to 2020.8.30
11.	301703060	Hong Kong	35 *(Note 7)*	A 俊知 B 俊知	2010.8.31 to 2020.8.30
12.	301703060	Hong Kong	42 *(Note 8)*	A 俊知 B 俊知	2010.8.31 to 2020.8.30
13.	T0804338B	Singapore	6 *(Note 9)*	TRIGIANT 俊知集团	2008.4.3 to 2018.4.2
14.	T0804338B	Singapore	9 *(Note 10)*	TRIGIANT 俊知集团	2008.4.3 to 2018.4.2
15.	T0804339J	Singapore	6 *(Note 9)*	TRIGIANT 俊知集团	2008.4.3 to 2018.4.2
16.	T0804339J	Singapore	9 *(Note 10)*	TRIGIANT 俊知集团	2008.4.3 to 2018.4.2
17.	T0804341B	Singapore	6 *(Note 9)*	TRIGIANT 俊知技术	2008.4.3 to 2018.4.2
18.	T0804341B	Singapore	9 *(Note 10)*	TRIGIANT 俊知技术	2008.4.3 to 2018.4.2

	Trade Mark number	Place of registration	Class	Mark	Duration of validity (year. month.day)
19.	T0804342J	Singapore	6 *(Note 9)*		2008.4.3 to 2018.4.2
20.	T0804342J	Singapore	9 *(Note 10)*		2008.4.3 to 2018.4.2

(ii) Application for registration of trademarks

As at the Latest Practicable Date, Trigiant Hong Kong had applied for registration of the following trademarks, the registration of which had not yet been granted:

	Application number	Place of application	Class	Mark	Application date
1.	302011887	Hong Kong	9 *(Note 6)*		2011.8.22
2.	302011887	Hong Kong	35 *(Note 7)*		2011.8.22
3.	302011887	Hong Kong	42 *(Note 8)*		2011.8.22

Notes:

1. Class 9: Cables, electric; wires, electric; coaxial cables; lightning arresters; antennas; transmitters [telecommunication]; transmitters of electronic signals; optical communication instruments; network communication equipment; connectors for communication

2. Class 6: Common metals, unwrought or semi-wrought; tubes of metal, building materials of metal; wire of common metal; cable joints of metal, non-electric; ironmongery; safes [strong boxes]; reinforcing materials of metal for machine belts; tanks of metal; works of art of common metal

3. Class 9: Cables, electric; wires, electric; coaxial cables; lightning arresters; antennas; transmitters [telecommunication]; transmitters of electronic signals; optical communication instruments; magnetism materials and apparatus; junction sleeves for electric cables

4. Class 9: Computers; phototelegraphy apparatus; weighing machines; measures; intercommunication apparatus; semiconductor apparatus; measuring instruments; materials designed for gauge components and instruments; measuring devices, electronic; probes for scientific purposes; optical apparatus and instruments; electricity mains (Material for -) [wires, cables]; carbon materials; printed circuits; conductors, electric; control panels [electricity]; light conducting filaments [optical fibers [fibres]]; electrolysers; extinguishers; electric welding apparatus; radiological apparatus for industrial purposes; alarms; protection devices for personal use against accidents; door closers, electric; electrical installations for remote control of industrial operations

5. Class 42: Engineering; quality testing; chemistry services; biological research; styling [industrial design]; development of construction projects; computer system design; authenticating works of art; graphic arts designing; intangible asset assessment

6. Class 9: Electronic components for semiconductors; receivers of electronic signals; transmitters of electronic signals; transmission machines of electronic signals; electronic components; electrical devices; electronic accessories and crate assembly; electronic parts; power source materials; power source materials (wires); power source materials (cables); material for electricity mains (wires, cables); cables

7. Class 35: Agency of electronic components; distribution of electronic components

8. Class 42: Technical research; technical project research; advisor of mechanical engineering technology; provision of technology research and advisory services to others; scientific technology services; planning and design of communication systems and equipment engineering; data conversion of electronic procedures and data (non-physical transfer); installation of electronic network; maintenance of electronic network; design of electronic network

9. Class 6: Brass, unwrought or semi-wrought; brazing alloys; brazing (rods of metal for-); cable joints of metal, non-electric; cables and pipes (clips of metal for-); cables of metal, non-electric; clips of metal for cables and pipes; copper, unwrought or semi-wrought; copper wire, not insulated

10. Class 9: Antennas; cables (coaxial-); cables, electric; cables (junction sleeves for electric-); coaxial cables; connectors [electricity]

(b) Patents

(i) Registered patents owned by the Group

As at the Latest Practicable Date, Jiangsu Trigiant was the registered owner of the following patents:

	Title of patent	Place of registration	Patent number	Date of authorised publication date (year. month.date)	Effective period (year. month.day)
1.	Wrinkled tube outer conductor RF coaxial cable connector core (皺紋管外導體射頻同軸電纜連接器內芯)	PRC	ZL 2008 2 0031327.5	2009.1.21	2008.1.21 to 2018.1.20
2.	Wrinkled tube outer conductor RF coaxial cable connector ring (皺紋管外導體射頻同軸電纜連接器套環)	PRC	ZL 2008 2 0031326.0	2008.11.5	2008.1.21 to 2018.1.20
3.	Coaxial cable for mobile communications (移動通信用同軸電纜)	PRC	ZL 2008 2 0185492.6	2009.2.18	2008.9.7 to 2018.9.6
4.	Antenna and feeder coaxial arrester for mobile communications (移動通信用天饋線同軸避雷器)	PRC	ZL 2007 2 0042835.9	2008.6.18	2007.8.13 to 2017.8.12
5.	RF coaxial cable connector plug (射頻同軸電纜連接器插頭)	PRC	ZL 2007 2 0042850.3	2008.6.18	2007.8.14 to 2017.8.13
6.	Corrugated tube outer conductor RF coaxial cable connector cartridge clip (波紋管外導體射頻同軸電纜連接器套夾)	PRC	ZL 2008 2 0036733.0	2009.3.11	2008.5.20 to 2018.5.19

	Title of patent	Place of registration	Patent number	Date of authorised publication date (year. month.date)	Effective period (year. month.day)
7.	Ultra-wideband (UWB) leaky coaxial cable (超寬帶漏泄同軸電纜)	PRC	ZL 2005 2 0021272.6	2006.9.13	2005.7.21 to 2015.7.20
8.	Improved metal band outer conductor longitudinally welding molding process (改良的金屬帶外導體縱包焊接模具)	PRC	ZL 2009 2 0043489.5	2010.3.24	2009.7.9 to 2019.7.8
9.	Welded RF coaxial cable components (焊接式射頻同軸電纜組件)	PRC	ZL 2009 2 0043488.0	2010.5.5	2009.7.9 to 2019.7.8
10.	A type of radial pattern leaky coaxial cable (一種輻射型漏泄同軸電纜)	PRC	ZL 2009 2 0043487.6	2010.3.24	2009.7.9 to 2019.7.8
11.	Coaxial cable using copper aluminum tube inner conductor (一種同軸電纜用鍍銅鋁管內導體)	PRC	ZL 2009 2 0233788.5	2010.5.19	2009.7.30 to 2019.7.29
12.	New combination cable (一種新型組合電纜)	PRC	ZL 2009 2 0232898.X	2010.6.2	2009.7.24 to 2019.7.23
13.	New “8” style combination cable (一種新型 “8”字形組合電纜)	PRC	ZL 2009 2 0234507.8	2010.6.2	2009.8.12 to 2019.8.11
14.	Flexible power cable with corrugated steel armor layer (一種帶有鋼帶軋紋縱包鎧裝層的電力軟電纜)	PRC	ZL 2009 2 0236084.3	2010.8.4	2009.9.27 to 2019.9.26

	Title of patent	Place of registration	Patent number	Date of authorised publication date (year. month.date)	Effective period (year. month.day)
15.	Fire-resistant multi-core flexible cable for communications power supply (一種通信源用耐火多芯軟電纜)	PRC	ZL 2010 2 0277971.8	2011.3.30	2010.8.2 to 2020.8.1
16.	Yellow/green earth flexible cable for communication use (一種通信電源用黃綠雙色接地軟電纜)	PRC	ZL 2010 2 0510975.6	2011.5.25	2010.8.31 to 2020.8.30
17.	Corrugated outer conductor rolling device (一種波紋管外導體軋制裝置)	PRC	ZL 2010 2 0282680.8	2011.6.22	2010.8.5 to 2020.8.4
18.	Improved flexible coaxial cable for mobile communications (一種改良的移動通信用柔軟同軸電纜)	PRC	ZL 2010 2 0277974.1	2011.8.3	2010.8.2 to 2020.8.1
19.	Ultra flexible environmentally-friendly power supply with flame-retardant flexible cable (一種超柔的環保型通信電源用阻燃軟電纜)	PRC	ZL 2011 2 0009869.4	2011.7.27	2011.1.13 to 2021.1.12
20.	Metal band outer scrap cutting edge collection device (一種金屬帶廢切邊收集裝置)	PRC	ZL 2011 2 0009895.7	2011.8.31	2011.1.13 to 2021.1.12
21.	Cable clip for new coaxial connector (一種新型同軸連接器用電纜夾)	PRC	ZL 2011 2 0009882.X	2011.9.7	2011.1.13 to 2021.1.12
22.	Improved metal inner conductor radius drawer module (一種改良的金屬內導體拉撥定徑模具)	PRC	ZL 2011 2 0009862.2	2011.8.31	2011.1.13 to 2021.1.12

(ii) Application for registration of patents

As at the Latest Practicable Date, Jiangsu Trigiant has applied for registration of the following patents, the registration of which has not yet been granted:

	Title of patent	Place of application	Patent application number	Application date (year.month.date)
1.	Radial pattern leaky coaxial cable (一種輻射型漏泄同軸電纜)	PRC	200910032124.7	2009.7.9
2.	New combination cable (一種新型組合電纜)	PRC	200910181621.3	2009.7.24
3.	Coaxial cable using copper aluminum tube inner conductor (一種同軸電纜用鍍銅鋁管內導體)	PRC	200910183283.7	2009.7.30
4.	New “8” style combination cable (一種新型 “8”字形組合電纜)	PRC	200910181899.0	2009.8.12
5.	Welded RF coaxial cable component (焊接式射頻同軸電纜組件)	PRC	200910175583.0	2009.9.18
6.	Flexible power cable with longitudinally corrugated steel armor layer (一種帶有鋼帶軋紋縱包鎧裝層的電力軟電纜)	PRC	200910035396.2	2009.9.27
7.	Corrugated outer conductor rolling device (一種波紋管外導體軋制裝置)	PRC	201010242133.1	2010.8.2

	Title of patent	Place of application	Patent application number	Application date (year.month.date)
8.	New-type structure leaky coaxial cable (一種新型結構漏泄同軸電纜)	PRC	201110315007.9	2011.10.17
9.	New-type conductor leaky coaxial cable (新型雙層繞包外導體漏泄同軸電纜)	PRC	201110315881.2	2011.10.17
10.	New-type double layer wrapped outer conductor leaky coaxial cable (新型雙層繞包外導體漏泄同軸電纜)	PRC	201120396103.6	2011.10.17
11.	New-type structure leaky coaxial cable (一種新型結構漏泄同軸電纜)	PRC	201120396288.0	2011.10.17
12.	Copper tube inner cable device (一種銅管內放線裝置)	PRC	201110316340.1	2011.10.18
13.	Copper tube inner cable device (一種銅管內放線裝置)	PRC	201120396749.4	2011.10.18
14.	Trapezium trough structure traction belt (一種帶梯形槽結構的牽引皮帶)	PRC	201120397756.6	2011.10.18
15.	New-type structure leaky coaxial cable (一種新型結構同軸電纜)	PRC	201120397353.1	2011.10.19

(c) Domain names

As at the Latest Practicable Date, the Group had registered the following domain name:

	Domain names	Registrant	Date of registration	Commencement Date (year.month.date)	Expiry date (year.month.date)
1.	trigiant.com.cn	Jiangsu Trigiant	2007.2.26	2007.2.26	2013.2.26
2.	俊知.中國	Jiangsu Trigiant	2010.5.4	2010.5.4	2012.5.4
3.	俊知集團.中國	Jiangsu Trigiant	2010.5.4	2010.5.4	2012.5.4
4.	江蘇俊知技術有限公司.中國	Jiangsu Trigiant	2010.5.4	2010.5.4	2012.5.4
5.	俊知傳感.中國	Jiangsu Trigiant	2010.5.4	2010.5.4	2012.5.4
6.	俊知光電.中國	Jiangsu Trigiant	2010.5.4	2010.5.4	2012.5.4
7.	trigiant.hk	Trigiant Hong Kong	2010.4.19	2010.4.19	2014.4.19
8.	trigiant.com.hk	Trigiant Hong Kong	2010.4.19	2010.4.19	2014.4.19

Save as aforesaid, there are no other trade or service marks, patents, other intellectual or industrial property rights which are or may be material in relation to the Group's business.

3. Connected transactions and related party transactions

Save as disclosed in this prospectus and in note 36 to the accountants' report of the Group, the text of which is set out in Appendix IA to this prospectus, and in note 28 to the accountants' report of Jiangsu Trigiant, the text of which is set out in Appendix IB to this prospectus, during the two years immediately preceding the date of this prospectus, the Company has not engaged in any other material connected transactions or related party transactions.

C. FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS

1. Directors

(a) Disclosure of interests of Directors

(i) Mr. Qian and Mr. Jiang Wei are interested in the Reorganisation in their capacity as shareholders of Abraholme or Headwell, as the case may be, each of which being a shareholder of Trigiant Investments.

(ii) Each of Mr. Qian and Mr. Jiang Wei is interested in the International Placing in their respective capacity as one of the ultimate beneficial owners of Trigiant Investments, being the Selling Shareholder who will offer the Sale Shares for purchase under the International Placing. The indirect shareholder interests of each of Mr. Qian and Mr. Jiang Wei are set out in the paragraph headed "The Group and Shareholding Structure" in the section headed "History and Development" in this prospectus.

(iii) Save as disclosed in this prospectus, none of the Directors or their respective associates was engaged in any dealings with the Group during the two years preceding the date of this prospectus.

(b) Particulars of Directors' service agreements

(i) Executive Directors

Each of the executive Directors has entered into a service agreement with the Company pursuant to which he agreed to act as a Director for a fixed term of three years with effect from the Listing Date.

Each of the executive Directors is entitled to a basic annual salary as set out below. In addition, each of the executive Directors is also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the Directors for any financial year of the Company may not exceed 10% of the net profit as shown in the audited consolidated accounts of the Group (after taxation and minority interests and payment of such bonuses but before ordinary items) in respect of that financial year of the Company. A Director shall abstain from voting on any resolution of the Directors and the remuneration committee regarding the discretionary bonus payable to him. The current basic annual salaries of the executive Directors are as follows:

Name	**Annual Salary**
	(HK$)
Mr. Qian	1,200,000
Mr. Jiang Wei	1,000,000

(ii) Independent non-executive Directors

Each of the independent non-executive Directors has been appointed for a fixed term of three years commencing from 23 August 2011. Each of Prof. Jin Xiaofeng, Mr. Poon Yick Pang Philip, Mr. Ng Wai Hung and Ms. Jia Lina, is entitled to an annual director's fee of HK$60,000, HK$200,000, HK$150,000 and HK$60,000, respectively. Save for directors' fees, none of the Company's independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with the Company or any of the subsidiaries of the Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(c) Remuneration of Directors

(i) The aggregate emoluments paid by the Group to the Directors for FY2011 were approximately RMB885,000.

(ii) Under the arrangements currently in force, the aggregate emoluments (excluding the discretionary bonus) payable by the Group to the Directors (including the independent non-executive Directors (in their respective capacity as directors) for the year ending 31 December 2012 are expected to be approximately RMB2.0 million.

(iii) None of the Directors or any past directors of any members of the Group has been paid any sum of money in each of FY2009, FY2010 and FY2011 as (i) an inducement to join or upon joining the Group; or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any members of the Group.

(iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments in each of FY2009, FY2010 and FY2011.

(d) Interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and associated corporations following the Global Offering and the Capitalisation Issue

Immediately following completion of the Global Offering and the Capitalisation Issue and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Long positions

Name of Director	The Company/ Name of associated corporation	Capacity/Nature of interest	Number of shares	Approximate percentage of interest
Mr. Qian	The Company	Interest of controlled corporation	750,000,000 Shares *(Note)*	75.0%
Mr. Qian	Trigiant Investments	Interest of controlled corporation	555 shares of no par value	55.5%
Mr. Qian	Abraholme	Beneficial owner	8 shares of US$1 each	80.0%

Note: These Shares are registered in the name of Trigiant Investments, a company owned as to 55.5% by Abraholme, which in turn is a company owned as to 80% by Mr. Qian. Under the SFO, Mr. Qian is deemed to be interested in all the Shares held by Trigiant Investments.

2. Interest discloseable under the SFO and substantial shareholders

So far as the Directors are aware, immediately following the completion of the Global Offering and the Capitalisation Issue (but without taking into account of any Shares which may be taken up under the Global Offering and any Shares which may be allotted and issued upon the exercise of the Over-allotment Option), other than a Director or chief executive of the Company whose interests are disclosed under the sub-paragraph headed "Interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and associated corporations following the Global Offering and the Capitalisation Issue" above, the persons who will have an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be expected, directly or indirectly, to be interested in 10% or more the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company will be as follows:

Long positions

Name of person	Nature of interest	Number of ordinary Shares	Approximate percentage of interest
Trigiant Investments	Beneficial owner	750,000,000 *(Note)*	75.0%
Abraholme	Interest of controlled corporation	750,000,000 *(Note)*	75.0%
Qian Jindi	Interest of spouse	750,000,000 *(Note)*	75.0%

Note: These Shares are registered in the name of Trigiant Investments, a company owned as to 55.5% by Abraholme, which in turn is a company owned as to 80% by Mr. Qian. Madam Qian Jindi is the spouse of Mr. Qian. Under the SFO, each of Mr. Qian and Abraholme is deemed to be interested in all the Shares held by Trigiant Investments and Madam Qian Jindi is deemed to be interested in all the Shares in which Mr. Qian is interested. Mr. Qian, being an executive Director, is the sole director of Abraholme. Each of Mr. Qian and Mr. Jiang Wei, each being an executive Director, is a director of Trigiant Investments.

3. Disclaimers

Save as disclosed in this prospectus:

(a) the Directors are not aware of any person (not being a Director or chief executive of the Company) who will, immediately after completion of the Global Offering and the Capitalisation Issue (taking no account of any Shares which may be taken up under the Global Offering or upon the exercise of the Over-allotment Option), have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group;

(b) none of the Directors or chief executive of the Company has any interest or short position in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are listed;

(c) none of the Directors nor any of the parties listed in the paragraph headed "Qualifications of experts" of this Appendix has been interested in the promotion of, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to the Company or any of the subsidiaries of the Group, or are proposed to be acquired or disposed of by or leased to the Company or any other member of the Group nor will any Director apply for the Offer Shares either in his own name or in the name of a nominee;

(d) none of the Directors nor any of the parties listed in the paragraph headed "Qualifications of experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to business of the Group; and

(e) none of the Directors is interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the Group's business.

D. OTHER INFORMATION

1. Estate duty, tax and other indemnity

The Controlling Shareholders (collectively the "**Indemnifiers**") have entered into a deed of indemnity with and in favour of the Company (for itself and as trustee for each of its present subsidiaries) (being the material contract referred to in paragraph 1(l) of section B of this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, any liability for Hong Kong estate duty which might be incurred by any member of the Group by reason of any transfer of property (within the meaning of section 35 of the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong (as amended by the Revenue (Abolition of Estate Duty) Ordinance 2005) or any law equivalent or similar thereto under the laws of any jurisdiction outside Hong Kong) to any member of the Group on or before the Listing Date. The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in the Cayman Islands, the BVI and the PRC.

Under the deed of indemnity, the Indemnifiers have also given indemnities to the Group on a joint and several basis in relation to:

(a) any tax (which includes estate duty) liabilities in whatever part of the world which might be payable by any member of the Group in respect of among other matters any income, profits, gains, transactions, events, matters or things earned, accrued or received or deemed to have been earned, accrued or received as a result of a transfer by any person on or before the Listing Date; and

(b) any amount of surtaxes and penalties imposed on any member of the Group relating to enterprise income tax liability or any tax obligations under the relevant PRC laws and regulations in relation to any matters occurring on or before the Listing Date.

The deed of indemnity does not cover any claim and the Indemnifiers shall be under no liability under the deed of indemnity in respect of any taxation:

(a) to the extent that provision has been made for such taxation in the audited consolidated accounts of the Company and of its subsidiaries as set out in Appendices IA and IB to this prospectus (the "Accounts"); or

(b) to the taxation falling on any member of the Group in respect of its accounting period commencing on or after 1 January 2012 unless liability for such taxation would not have arisen but for some act or omission of, or transaction voluntarily effected by, any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) with the prior written consent or agreement of the Indemnifiers other than any such act, omission or transaction:

(i) carried out or effected in the ordinary course of business after 31 December 2011; or

(ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 31 December 2011 or pursuant to any statement of intention made in this prospectus; or

(c) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Inland Revenue Department of Hong Kong or any other relevant authority in any other part of the world coming into force after the Listing Date or to the extent such taxation claim arises or is increased by an increase in rates of taxation after the Listing Date with retrospective effect; or

(d) to the extent of any provisions or reserve made for taxation in the Accounts which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied pursuant this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the deed of indemnity, the Indemnifiers have also undertaken to indemnify, on a joint and several basis, the Group against:

(a) any penalty which may be imposed on any member of the Group, or any costs, expenses and losses which any member of the Group may suffer in connection with such penalty, due to such Group member's failure to observe laws, regulations or rules concerning social security funds, housing accumulation funds or any other laws and regulations in connection with the employee welfare and benefits in the PRC;

(b) any fines, penalties, losses, damages, liabilities, fees, costs, expenses, demands, claims, proceedings, actions (including without limitation any legal costs) and taxation which any member of the Group may suffer, sustain or incur or which may be commenced, brought or instituted against any member of the Group arising in connection with the trade financing arrangements as referred to in the paragraph headed "Non-compliant trade financing" under the section headed "Business" in this prospectus; and

(c) any penalty, administrative or other charges, levies, fines or payments which may be imposed on any member of the Group, or any cost, expense, damages, loss which such member of the Group has suffered or may suffer in connection therewith, due to the failure of such member of the Group to obtain the land planning permits and/or construction permits before it commenced construction works for three buildings having an aggregate total gross floor area of 1,121.28 square metres and as more particularly described in the three building ownership certificates numbered Yi Fang Quan Zheng Yi Cheng Zi numbered 1000049702 (宜房權證宜城字第1000049702號), Yi Fang Quan Zheng Yi Cheng Zi numbered 1000049703 (宜房權證宜城字第1000049703號) and Yi Fang Quan Zheng Yi Cheng Zi numbered 1000049704 (宜房權證宜城字第1000049704號), respectively.

2. Litigation

As at the Latest Practicable Date, save as disclosed in this prospectus, no member of the Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against the Company, that would have a material adverse effect on the Group's results of operations or financial condition of the Company.

3. Preliminary expenses

The preliminary expenses of the Company are estimated to be approximately HK$40,000 and are payable by the Company.

4. Promoter

(a) The Company has no promoter for the purpose of the Listing Rules.

(b) Within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to any promoter in connection with the Global Offering or the related transactions described in this prospectus.

5. Agency fees or commissions received

The Hong Kong Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price in respect of all the Hong Kong Offer Shares. It is expected that the International Placing Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price in respect of all the International Placing Shares. Where applicable, the Underwriters will pay any sub-underwriting commissions and selling concessions out of their commission. Each of the Joint Bookrunners will receive a documentation fee. The underwriting commission, financial advisory and documentation fees, listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses attributable to the

Company relating to the Global Offering, assuming an Offer Price of HK$1.30 (being the mid-point of Offer Price range between HK$1.10 per Offer Share and HK$1.50 per Offer Share), which are borne by the Company are estimated to amount to approximately HK$60 million in total (assuming that the Over-allotment Option is not being exercised).

6. Sole Sponsor

The Sole Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and any Shares which may be issued upon the exercise of the Over-allotment Option. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

7. Qualifications of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualification
SinoPac Securities (Asia) Limited	Licensed corporation under the SFO to engage in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as set out in Schedule 5 to the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Jin Mao PRC Lawyers	Qualified legal adviser on PRC laws
GFE Law Office	Qualified legal adviser on PRC laws
Savills Valuation and Professional Services Limited	Professional property valuers and surveyors

8. Consents of experts

Each of the Sole Sponsor, Deloitte Touche Tohmatsu, Conyers Dill & Pearman, Jin Mao PRC Lawyers, GFE Law Office and Savills Valuation and Professional Services Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or opinion (as the case may be) and the references to its name or summaries of opinions included herein in the form and context in which they respectively appear.

None of the experts named in the paragraph headed "Qualifications of experts" in this Appendix has any shareholding interests in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save that the Sole Sponsor, which is one of the Underwriters, may be required to perform its underwriting obligation in respect of the Offer Shares under the Underwriting Agreements.

9. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

10. Taxation of holders of Shares

Dealings in Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasised that none of the Company, the Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty.

11. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. No material adverse change

The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2011 (being the date to which the latest audited consolidated financial statements of the Group were made up).

13. Particulars of the Selling Shareholder

Particulars of the Selling Shareholder is as follows:

Name	Number of Sale Shares	Description	Address
Trigiant Investments	50,000,000	Corporation	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands

Note: Trigiant Investments is owned as to 55.5% by Abraholme, 25% by Forerich, 5.5% by Headwell, 12% by Zymmetry and 2% by Ace Speed. Each of Mr. Qian and Mr. Jiang Wei, each being an executive Director, is a director of Trigiant Investments.

Save as disclosed, none of the Directors is interested in the sale of the Sale Shares.

14. Miscellaneous

Save as disclosed in this prospectus:

(i) within the two years preceding the date of this prospectus:

(aa) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries; and

(cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in the Company or any of its subsidiaries;

(ii) no share or loan capital of the Company or any of the subsidiaries of the Group is under option or is agreed conditionally or unconditionally to be put under option;

(iii) there are no founder, management or deferred shares nor any debentures in the Company or any of its subsidiaries and no amount or benefit had been paid or given within two immediately preceding years or is intended to be paid or given to any promoter;

(iv) there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus;

(v) the register of members of the Company will be maintained in Hong Kong by Tricor Investor Services Limited. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Company's share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(vi) no company within the Group is presently listed on any stock exchange or traded on any trading system;

(vii) the Directors have been advised that, under the Companies Law, the use of a Chinese name or an abbreviation thereof by the Company for purposes of identification only does not contravene the Companies Law; and

(viii) the English text of this prospectus shall prevail over the Chinese text.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of the **WHITE, YELLOW** and **GREEN** Application Forms;

(b) written consents referred to in the paragraph headed "Consents of experts" under the section headed "Other information" of Appendix V to this prospectus;

(c) copies of the material contracts referred to in the paragraph headed "Summary of material contracts" in Appendix V to this prospectus; and

(d) a statement of particulars of the Selling Shareholder.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of Leung & Lau at 3rd Floor, 50 Connaught Road C., Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and Articles of Association;

(b) the accountants' reports prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IA and Appendix IB to this prospectus;

(c) the accountants' report on unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;

(d) the letter, the summary of values and the valuation certificate relating to the property interests of the Group prepared by Savills Valuation and Professional Services Limited, the text of which is set out in Appendix III to this prospectus;

(e) letter of advice prepared by Conyers Dill & Pearman summarising certain aspects of the Companies Law referred to in Appendix IV to this prospectus;

(f) the material contracts referred to in the paragraph headed "Summary of material contracts" under the section headed "Further information about the business of the Company" in Appendix V to this prospectus;

(g) the written consents referred to in the paragraph headed "Consents of experts" under the section headed "Other information" in Appendix V to this prospectus;

(h) the legal opinions prepared by 金茂凱德律師事務所 (Jin Mao PRC Lawyers) in respect of certain aspects of the Group and the property interests of the Group in the PRC;

(i) the legal opinion prepared by GFE Law Office in respect of the non-compliant trade financing of the Group in the PRC;

(j) the service contracts referred to in the paragraph headed "Particulars of Directors' service agreements" under the section headed "Further information about Directors and Shareholders" in Appendix V to this prospectus;

(k) the Companies Law; and

(l) a list of particulars of the Selling Shareholder as set out in the paragraph headed "Particulars of the Selling Shareholder" under the section headed "Other information" in Appendix V to this prospectus.

TRIGIANT

俊知集團有限公司*

TRIGIANT GROUP LIMITED