This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Hong Kong Public Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Hong Kong Public Offer Shares are set forth in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in the Hong Kong Public Offer Shares.

OVERVIEW

We are a leading provider of capacitive touch pads by shipment volume for use in notebook computers. Touch pads are found essentially in the majority of notebook computers. According to a report issued by IDC which is not commissioned by our Company or the Sole Sponsor, shipment of notebook computers during 2006 to 2009 amounted to approximately 499.0 million units. During the same period, our shipment of capacitive touch pads amounted to approximately 245.8 million units.

Capacitive touch pads were our core product and revenue driver during the Track Record Period. We also produced capacitive touch screen controllers and multi-media buttons, which may be used in multi-media smart phones, portable media players, handheld messaging and personal digital assistant devices and peripheral computer equipment.

During the Track Record Period, we focused on manufacturing capacitive touch pads as well as providing our customers value-added advice and solutions with respect to the products to our customers through our engineering design and assembly processes. Our major customer of capacitive touch products, Synaptics, is a supplier of human interface solutions to ODMs/OEMs of notebook computers and consumer electronics.

In addition to the manufacturing of capacitive touch products, we expanded our SMT and COB/COF manufacturing capabilities into markets which we believe to possess significant growth potential and diversified into the development of non-touch products, beginning with the commercialisation of fingerprint biometric devices since July 2008. We are also a manufacturing services provider in this product segment by sourcing fingerprint sensors externally and manufacturing fingerprint biometric devices for use in notebook computers. We provide engineering design support to our customers in the course of production.

With the support of our R&D team and our customers, we have further expanded into the production of lighting source products and wireless charging devices. We are committed to distinguishing ourselves from a traditional manufacturing services provider and we have invested resources into the research and development of these new products. We co-developed our wireless charging devices with a customer which provided the battery design and engineering support. For our lighting source products, we provided manufacturing services to a customer for plasma light projectors and also developed and introduced plasma street lamps to another customer during the Track Record Period.

Although our business relationship with some of our non-touch products customers is relatively short, we aim to continue our ongoing business relationship with them in the future.

Leading provider of capacitive touch pads

We have engaged in the capacitive touch pad business for over 10 years, during which we provided capacitive touch pads to Synaptics, a global leader in capacitive touch pads, and have become one of the world's leading capacitive touch pad suppliers by volume for use in notebook computers. The sales of capacitive touch pads and other products to Synaptics accounted for approximately 93.4%, 98.9%, 79.4% and 57.9% of our total revenue for each of the three years ended 31 December 2009 and the six months ended 30 June 2010, respectively. The decrease in the proportion of sales to Synaptics is mainly attributable to our Group's active efforts in diversifying our product portfolio to other non-touch products during the Track Record Period and in particular, the mass production of wireless charging devices since the second half of the year ended 31 December 2009.

In line with the usual industry practice for manufacturing services providers to share and utilise intellectual property rights of their customers in providing manufacturing services, we have a non-exclusive, non-transferable and royalty-free licence agreement with Synaptics, which authorises us to utilise Synaptics' proprietary ICs, designs, drawings, specifications and software solely for the production of its touch products. Like other manufacturing services providers, we are not aware of the details, technicalities and specifications of our customer's intellectual properties. As our production process mainly involves the assembly of the ICs and other components onto the PCBs through SMT and COB/COF processes, circuit testing for connectivity and application testing for functionality, we believe that our main strength as a manufacturing services provider lies with our scalable SMT and COB/COF manufacturing capabilities, which enable us to offer high quality products at competitive pricing.

As Synaptics is our largest customer contributing to a significant portion of our revenue during the Track Record Period, we have set out details of our relationship with this customer in the section headed "Relationship with Synaptics" in this prospectus.

Although we have not entered into any formal long-term sales and purchase agreement with Synaptics, we have maintained our business relationship with Synaptics for more than 10 years as we have transacted through individual purchase orders for the sales and purchase of our products based on rolling forecasts and work instruction placed by Synaptics from time to time. Our practice of not having any formal long-term agreement with Synaptics is adopted based on the following considerations:

(a) it is our practice to conduct sales with Synaptics based on purchase orders and rolling forecasts, which are non-binding in nature. We believe that such practice is in line with business practices of other manufacturing services providers in the electronics industry;

(b) our business partnership with Synaptics without a long-term binding agreement offers us the flexibility required in our operations to cater for dynamic changes in the electronics industry such as changes in customer demand and technologies; and

(c) most of our production facilities, namely, the SMT and COB/COF lines, are standard manufacturing equipment in the electronics industry and only minor adjustments, which could be completed in a reasonably short period of time with nominal costs, would be required to accommodate other specific requirements from other customers. In addition, if production adjustments are made, our production staff will need only brief training sessions and can be trained within a reasonably short period of time at nominal costs.

As disclosed in the Synaptics Annual Report, Synaptics utilises contract manufacturers for all of its production requirements and it does not have long-term agreements with any of its contract manufacturers that guarantee production capacity, prices, lead times or delivery schedules. We believe that it is in the interests of both of our Group and Synaptics not to enter into any formal long-term agreement for the purpose of maintaining flexibility and in particular, Synaptics may, with this flexibility, diversify its sources of supply.

We believe our Group and Synaptics have, during the long-term course of dealings, developed mutual reliance and benefit in terms of sales and cost effectiveness. On the one hand, our Group has attained a mass volume of production, enabling us to become a leading provider of capacitive touch pads by volume for use in notebook computers. On the other hand, our Group has remained as a key contract manufacturing services provider of Synaptics for over 10 years which we believe demonstrates Synaptics' trust in our Group and our products and marks its appreciation of us. We believe this symbolises our Group's role in Synaptics' operations and the mutual reliance and benefit of the two parties on such business relationship.

We believe that our circuit assembly experience coupled with our manufacturing know-how have been the main contributing factors in establishing and sustaining our long-term business relationship with Synaptics.

Although ODMs/OEMs of notebook computers and consumer electronics and end-users in the capacitive touch product supply chain (i.e. consumer electronics brands) are not our direct customers contractually for capacitive touch pads, in order to ensure that their specifications and expectations are met, we work closely with them and have obtained qualification certifications from a range of ODMs/OEMs of notebook computers and consumer electronics brands. Through such processes and audits, we establish direct relationships with them and provide capacitive touch products which satisfy their specific requirements. We believe that it may not be in the best interest of Synaptics (in terms of, among other things, product quality and delivery time) to terminate its engagement of our Group's contract manufacturing services. Given our over 10 years' of industry experience and our Group's production process and quality products having satisfied design specifications and other production requirements of Synaptics' customers, we do not believe that Synaptics' customers would request Synaptics to cease its engagement with us.

Fingerprint biometric devices

We believe we are also one of the key providers of fingerprint biometric products (in terms of volume) for use in notebook computers. According to iSuppli Corporation, shipments for fingerprint sensors for portable and handheld computers are expected to be approximately 10.5 million units in 2010, whereas shipments of fingerprint sensors for use in notebook computers made by our Group have reached approximately 3.5 million units for the nine months ended 30 September 2010. We believe that there is an increasing awareness in data security protection generally as a result of which interest in biometric products and authentication devices is increasing. Accordingly, we commenced manufacturing fingerprint biometric devices in the second half of 2008, utilising fingerprint sensors purchased externally from one of our customers to whom we sold a portion of our fingerprint biometric devices. In addition, we have designed and developed a series of fingerprint biometric products under our own "C-touch" brand using fingerprint sensors sourced externally from the same customer, which have yet to be commercialised. Our commercialisation plans include promoting our "C-touch" products in Asia and Europe, as well as participating in trade exhibitions abroad. Our aim is to provide customers with devices to protect personal data against possible loss or leakage while using consumer electronics. The capital expenditure requirements to commercialise our "C-touch" products to date are minimal. As stated in the section headed "Use of proceeds" in this prospectus, we intend to apply approximately 26% of the net proceeds from the Global Offering for the research and development of our products, including the further development of our own "C-touch" brand.

We commenced commercialisation of our fingerprint biometric devices in July 2008. In 2009, our Group began to make direct shipment of fingerprint biometric devices to various ODMs/ OEMs of notebook computers. Our revenue from the fingerprint biometric devices increased from approximately HK$69,000 for the year ended 31 December 2008 to approximately HK$42.3 million and HK$67.2 million for the year ended 31 December 2009 and for the six months ended 30 June 2010, respectively, which constituted approximately 0.01%, 4.8% and 10.1% of our revenue for the respective periods. Our fingerprint products are low cost solutions, coupled with reliability, and feature ESD protection. We believe the growing consumer interest and potential for profit growth justify our continued effort in this product segment.

Wireless charging devices

We produced wireless charging devices (including power transmitters and power receivers) which involve the use of components supplied by our customer during the Track Record Period. We co-developed these wireless charging devices with a customer, which provided the battery design and engineering support.

In August 2009, we made our first shipment of wireless charging devices to HoMedics Group, the sole customer for our wireless charging devices during the Track Record Period, and for the year ended 31 December 2009 and the six months ended June 2010, supply of our wireless charging devices to this customer accounted for approximately 11.5% and 18.4% of our Group's revenue respectively. We are currently exploring further business opportunities with various distributors in Asia and potential customers to develop this business segment. We are in the process of identifying local representatives for opening distribution channels in the Asian market, as well as working closely with telecommunications companies to promote our wireless charging devices. We expect this business segment to become increasingly significant to our business going forward.

Lighting source products (plasma light projectors and plasma street lamps)

During the Track Record Period, we provided contract manufacturing services in the assembly of plasma light projectors. We also developed and manufactured plasma street lamps.

We manufacture plasma light projectors for Luxim with the support of a non-exclusive and royalty free licence. The licensed technology would enable us to produce a high intensity light with higher efficiency and longer life than traditional lighting.

In 2009, we diversified our lighting source products to include plasma street lamps and developed and made our first shipment of plasma street lamps to a customer in November 2009. Our sales to this customer increased in the first half of 2010. Sales under this segment accounted for approximately 2.0% and 6.3% of our total revenue for the year ended 31 December 2009 and for the six months ended 30 June 2010, respectively.

In addition, we received orders placed by another customer and also entered into non-binding letters of intent for the sale and purchase of plasma street lamps with various potential customers since our first shipment in November 2009. We anticipate this segment of the business to enjoy meaningful growth in the near future.

Other products

We also offered contract manufacturing services for a range of other products, including automotive devices, medical equipment and electrical components for mining/drilling equipment, to our customers during the Track Record Period. These products were not a main source of our revenue during the Track Record Period, but they offered us valuable opportunities to diversify our customer base and to form technology partnerships with our customers.

The following table sets forth the breakdown of our revenue by product segment during the Track Record Period:

	Year ended 31 December						**Six months ended 30 June**			
	2007		**2008**		**2009**		**2009**		**2010**	
Revenue from	*HK$'000*	*% of total*	*HK$'000*	*% of total*	*HK$'000*	*% of total*	*HK$'000 (unaudited)*	*% of total*	*HK$'000*	*% of total*
Capacitive touch products	614,727	91.2%	722,158	96.3%	689,364	77.6%	308,098	94.1%	383,267	57.3%
Fingerprint biometric devices	–	0.0%	69	0.0%	42,281	4.8%	3,597	1.1%	67,212	10.1%
Lighting source products*Note 1*	40,962	6.1%	4,849	0.6%	17,775	2.0%	519	0.2%	42,279	6.3%
Wireless charging devices	–	0.0%	–	0.0%	102,431	11.5%	–	0.0%	122,896	18.4%
Others*Note 2*	18,604	2.7%	22,712	3.1%	36,497	4.1%	15,141	4.6%	53,051	7.9%
Total	674,293	100%	749,788	100%	888,348	100%	327,355	100%	668,705	100%

Notes:

(1) Lighting source products consist of plasma light projectors and plasma street lamps.

(2) Other products include automotive devices, medical equipment and electrical components for mining/drilling equipment.

Our production facilities and quality commitment

Our main production and R&D facilities are located in Heshan City, Guangdong Province, PRC. As at the Latest Practicable Date, we had 32 high speed SMT lines and 70 wire bonding machines for our COB/COF assembly in our production plants in Heshan City. We own our main production plant in Heshan City which has a site area of approximately 125,000 sq.m. We also lease another production site nearby of a total area of approximately 7,800 sq.m. in Heshan City from an Independent Third Party.

Our production plants in Heshan City are equipped with real-time shop floor control and traceability programs, barcode identification and tracing systems. Upon their full implementation, our i-Manufacturing program will provide real-time inventory, cost and production status of our production. Please refer to the section headed "Business – Information technology" in this prospectus for details of our information technology systems and our i-Manufacturing system.

Our SMT and COB/COF lines can be adjusted to produce a range of consumer electronic products for different customers. For details of our production facilities and our capabilities, please refer to the section headed "Business – Production – Production facilities" in this prospectus.

Our Group has obtained qualification certifications and passed regular audits from a range of ODMs/OEMs of notebook computers and consumer electronics brands which utilise our capacitive touch pads. The qualification process is costly and time-consuming which we believe presents a market entry barrier for potential competing capacitive touch product manufacturers and an impediment for our customers to turn to alternative manufacturing services providers.

We have also obtained accreditations including ISO 9001:2008 in respect of our quality management and ISO 14001:2004 in respect of our environmental management systems. We have received CE and FCC certifications in respect of our fingerprint segment and have also been awarded with certificates of compliance from international conformity assessment authorities. Furthermore, we have also obtained ISO accreditations for our various products.

For further details, please refer to the sections headed "Business – Awards and accreditations" and "Business – Quality control" in this prospectus.

Our R&D capabilities and accreditations

We started our business as a manufacturing services provider of primarily capacitive touch pads utilising the intellectual properties and underlying patents and technologies licensed from our customer. In recent years, we have progressed further into developing our own R&D capabilities and devoting additional resources in technological advancement. Please refer to the section headed "Business overview – Overview – R&D capabilities and accreditations" in this prospectus for details of our R&D breakthroughs.

As at the Latest Practicable Date, we were granted 33 patents and designs and made applications for 56 patents and designs in Hong Kong, the European Union, Japan, the PRC and the United States. We received the Innovative Knowledge Enterprise Award from the Hong Kong Productivity Council in December 2009 in recognition of our successful implementation of intellectual property management. In October 2009, we were awarded the International Forum Design Award for our G3 fingerprint sensor mouse.

During the Track Record Period, our R&D expenses and capitalised development costs, trademarks, designs and patent fees amounted to approximately HK$9.7 million, HK$12.2 million, HK$23.9 million and HK$14.3 million respectively. For details of our R&D capabilities and achievements, please refer to the sections headed "Business overview – Competitive strengths – Technology leadership" and "Business – Research and development" in this prospectus.

Going forward

Envisaging continued growth of the capacitive touch interface market and with a view to strengthening our long term customer relationships, we aim to maintain focus on our capacitive touch products as our main and stable source of revenue and within the capacitive touch product segment, we plan to focus more on capacitive touch screen modules. As stated in the section headed "Use of proceeds" in this prospectus, we plan to apply approximately 26% of the net proceeds from the Global Offering to enhance and upgrade our production and testing equipment for capacitive touch screen related products for customers including Synaptics. In parallel, we will strive to reduce our dependence on one particular product segment by manufacturing fingerprint biometric devices, wireless charging devices and lighting source products which we believe have potential for growth.

Over the years, we have emerged as a provider of "life-technology" by supplying products and technologies which are used to facilitate everyday life, be it from computer interfaces to automobile navigation or data security authentication to lighting applications. Going forward, we wish to continue this vision of being a provider of "life-technology" to consumers and at the same time, introduce further cutting-edge technologies for wider applications in daily life.

COMPETITIVE STRENGTHS

We consider the following to be our principal competitive strengths:

- Leading position in manufacturing of capacitive touch pads
- Technology leadership
- R&D capabilities and brand development
- High product quality under custom designed test equipment and traceability system and competitive cost structure
- Long-term relationship with major customers and supply chain end-users
- Close partnerships with industry leaders
- Experienced management team with proven track record and industry expertise

STRATEGIES AND FUTURE PLANS

Our core strategies and future plans are set out below:

- Continue our focus on the capacitive touch product market with an increasing emphasis on the production of capacitive touch screen modules
- Capitalise on growth opportunities in fingerprint biometrics technology
- Combine capacitive touch and fingerprint technologies to create new applications
- Diversify in life-technologies through R&D capabilities and technology partnerships
- Enhance our position in wireless charging market
- Expand the sales of plasma street lamps
- Pursue potential acquisition opportunities

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth our summary consolidated financial information for the three years ended 31 December 2009 and the six months ended 30 June 2009 and 2010, as derived from the Accountant's Report set forth in Appendix I to this prospectus.

Consolidated Income Statements

	Year ended 31 December			**Six months ended 30 June**	
	2007	**2008**	**2009**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	674,293	749,788	888,348	327,355	668,705
Cost of sales	(521,845)	(585,701)	(629,802)	(248,397)	(481,041)
Gross profit	152,448	164,087	258,546	78,958	187,664
Other income/(losses) – net	19,045	(443)	1,198	256	(35)
Distribution costs	(6,262)	(4,242)	(6,135)	(2,429)	(5,168)
Administrative expenses	(57,116)	(57,926)	(81,727)	(40,500)	(52,277)
Operating profit	108,115	101,476	171,882	36,285	130,184
Finance income	539	227	265	240	23
Finance costs	(11,253)	(4,780)	(8,454)	(3,148)	(7,479)
Finance costs – net	(10,714)	(4,553)	(8,189)	(2,908)	(7,456)
Profit before income tax	97,401	96,923	163,693	33,377	122,728
Income tax expense	(17,775)	(10,878)	(10,563)	(3,004)	(18,415)
Profit for the year/period	79,626	86,045	153,130	30,373	104,313
Attributable to:					
Equity holders of our Company	79,626	86,045	151,655	30,373	104,313
Minority interests	–	–	1,475	–	–
	79,626	86,045	153,130	30,373	104,313
Earnings per share for profit attributable to equity holders of the Company					
– basic (expressed in HK cents per share)	3.70	4.00	7.05	1.41	4.85
– diluted (expressed in HK cents per share)	N/A	N/A	N/A	N/A	N/A
Dividends	51,000	–	51,000	5,000	15,390

SUMMARY

Consolidated Balance Sheets

	As at 31 December			As at 30 June
	2007	**2008**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	165,563	240,186	340,526	387,396
Land use right	5,467	5,385	5,270	5,212
Intangible assets	–	–	11,383	21,446
Deferred income tax assets	–	709	278	139
Prepayments	1,887	1,725	3,299	9,593
	172,917	248,005	360,756	423,786
Current assets				
Inventories	44,420	32,928	105,691	188,837
Trade receivables	63,862	46,549	227,932	262,586
Prepayments, deposits and other receivables	4,482	6,229	32,801	32,119
Financial assets at fair value through profit or loss	1,947	1,056	1,403	1,141
Amounts due from related companies	7	20	–	–
Amounts due from directors	10,482	56,844	–	–
Pledged bank deposits	19,088	56,423	83,431	82,323
Cash and cash equivalents	1,000	12,630	36,057	17,647
	145,288	212,679	487,315	584,653
Total assets	318,205	460,684	848,071	1,008,439
EQUITY				
Owner's equity attributable to our Company's equity holders				
Share capital	215,250	215,250	215,250	215,250
Reserves	(151,230)	(63,048)	26,857	93,951
	64,020	152,202	242,107	309,201
LIABILITIES				
Non-current liabilities				
Bank borrowings	18,860	–	49,000	44,000
Deferred tax liabilities	–	2,590	–	3,992
	18,860	2,590	49,000	47,992
Current liabilities				
Trade and bills payables	122,158	124,726	248,425	279,686
Accruals and other payables	28,616	38,139	52,211	72,697
Bank borrowings	3,151	79,245	186,577	219,652
Finance lease obligations	54,424	37,724	54,976	48,249
Current income tax liabilities	16,542	15,637	14,161	17,587
Amount due to a related company	10,434	10,421	–	–
Amounts due to directors	–	–	614	13,375
	235,325	305,892	556,964	651,246
Total liabilities	254,185	308,482	605,964	699,238
Total equity and liabilities	318,205	460,684	848,071	1,008,439
Net current liabilities	(90,037)	(93,213)	(69,649)	(66,593)
Total assets less current liabilities	82,880	154,792	291,107	357,193

Our Group recorded gains on disposal of financial assets of HK$25.1 million for the year ended 31 December 2007. Such gains were mainly derived from the gain on investment in listed securities during such period and, since then, our Group has not had other investment of a similar nature.

With respect to our Group's future investment and treasury policies, our Directors will take a conservative approach in relation to investments and will focus on our core business development.

Consolidated Cash Flow Statements

	Year ended 31 December			Six months ended 30 June	
	2007	2008	2009	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net cash generated from operating activities	80,373	148,450	26,668	4,010	42,450
Net cash generated from/(used in) investing activities	31,501	(160,783)	(82,256)	(42,854)	(75,925)
Net cash (used in)/generated from financing activities	(102,250)	24,141	72,578	56,254	21,447
Net increase/(decrease) in cash and cash equivalents	9,624	11,808	16,990	17,410	(12,028)
Cash and cash equivalents at beginning of the year/period	(8,802)	822	12,630	12,630	29,620
Cash and cash equivalents at end of the year/period	822	12,630	29,620	30,040	17,592

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2010

Forecast consolidated profit attributable to equity holders of our Company for the year ending 31 December 2010[(1) & (2)]	Not less than HK$205.0 million
Unaudited pro forma forecast earnings per Share for the year ending 31 December 2010[(3)]	Not less than HK$0.07

Notes:

(1) The bases and assumptions on which the above consolidated profit forecast for the year ending 31 December 2010 has been prepared are summarised in Appendix III to this prospectus.

(2) Our forecast consolidated profit attributable to equity holders of our Company for the year ending 31 December 2010 is extracted from the section headed "Financial Information – Profit Forecast for the year ending 31 December 2010" in this prospectus. The bases and assumptions on which the above profit forecast has been prepared are set out in the section headed "Profit Forecast" in Appendix III to this prospectus. Our Directors have prepared the forecast consolidated profit attributable to equity holders of our Company for the year ending 31 December 2010 based on the audited consolidated results of our Group for the six months ended 30 June 2010, the unaudited consolidated results of the Group based on management accounts of the three months ended 30 September 2010 and a forecast of the consolidated results of our Group for the remaining three months ending 31 December 2010. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by our Group as set out in Note 4 of Section I of the Accountant's Report, the text of which is set out in Appendix I to this prospectus.

(3) The calculation of the unaudited pro forma forecast earnings per Share is based on the forecast consolidated profit attributable to equity holders of our Company for the year ending 31 December 2010 and on the basis that 2,870,000,000 Shares are issued and outstanding during the entire period, assuming that the Global Offering had been completed on 1 January 2010. This calculation takes no account of any Shares which may fall to be issued upon the exercise of the Over-allotment Option and the options granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issue Mandate or the Repurchase Mandate as described in the section headed "Share Capital" in this prospectus.

GLOBAL OFFERING STATISTICS(1)

	Based on the minimum indicative Offer Price of HK$0.85 per Share (approximately)	Based on the maximum indicative Offer Price of HK$1.05 per Share (approximately)
Market capitalisation(2)	HK$2,439.5 million	HK$3,013.5 million
Unaudited pro forma adjusted net tangible asset value per Share(3)(4)	HK$0.28	HK$0.33
Prospective price/earning multiple on a pro forma fully diluted basis(5)	11.9	14.7

Notes:

(1) All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

(2) The calculation of market capitalisation is based on 2,870,000,000 Shares expected to be in issue following completion of the Global Offering, without taking into account any option which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company.

(3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in the paragraph under "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus and on the basis of 2,870,000,000 Shares in issue immediately upon completion of the Global Offering but takes no account of any option which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or repurchased by our Company.

(4) The unaudited pro forma net adjusted tangible assets of the Group does not take into account the dividend of approximately HK$41.0 million declared by the Board in October 2010. The unaudited pro forma net tangible assets per Share would have been HK$0.27 and HK$0.32 per Share based on the Offer Price of HK$0.85 and HK$1.05 respectively, after taking into account the declaration of the dividend in the sum of approximately HK$41.0 million.

(5) The calculation of the prospective price/earning multiple on a pro forma fully diluted basis is based on the forecast earning per Share on a pro forma diluted basis of the assumed Offer Price of HK$0.85 and HK$1.05 per Share respectively.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering (excluding net proceeds from the sale of the Sale Shares) of approximately HK$593.3 million assuming an Offer Price of HK$0.95 per Share (being the mid-point of the stated range of the Offer Price of between HK$0.85 and HK$1.05 per Share), after deducting the underwriting fees and estimated expenses payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. We intend to use these net proceeds for the following purposes:

- as to approximately HK$195.8 million (equivalent to approximately 33% of our total estimated net proceeds) for the purchase and upgrade of production and testing equipment, of which approximately 26% will be used for the purchase of equipment for the production of capacitive touch screen products, including but not limited the equipment for the adoption of lens and lamination technology, and approximately 7% will be used for wireless charging devices in order to enhance and upgrade the Company's production capacity to capitalise expected growth in demand for these products;

- as to approximately HK$154.3 million (equivalent to approximately 26% of our total estimated net proceeds) for the research and development of (1) capacitive touch screen products, including electronic hardware and PCBA designs of capacitive touch screen products, (2) eCardFlex™, SecuMemory and street lamp lighting technology, including electronic hardware and PCBA designs, sample making and tooling costs and (3) software and firmware of our products, and further development of the Company's own "C-touch" brand;

- as to approximately HK$77.1 million (equivalent to approximately 13% of our total estimated net proceeds) as reserve for potential future acquisitions of new technology or for cooperation with external parties;

- as to approximately HK$53.4 million (equivalent to approximately 9% of our total estimated net proceeds) as reserve for potential future acquisitions for vertical integration;

- as to approximately HK$53.4 million (equivalent to approximately 9% of our total estimated net proceeds) for construction of additional production plants in the next three years, mainly for fingerprint biometric products, wireless charging devices and plasma street lamps; and

- as to approximately HK$59.3 million (equivalent to approximately 10% of our total estimated net proceeds) for general working capital purposes.

Our Directors confirm that our Company did not enter into any agreement, neither did we have any definite plans at present in relation to any potential acquisition as at the Latest Practicable Date.

We will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder. Assuming an Offer Price of HK$0.95 per Share (being the mid-point of the indicative Offer Price range of HK$0.85 to HK$1.05 and assuming the Over-allotment Option is not exercised), the Selling Shareholder will receive approximately HK$118.7 million, after deducting underwriting fees and other expenses relating to the Global Offering payable by the Selling Shareholder.

If the Offer Price is determined at the highest point of the indicative Offer Price range, and assuming that the Over-allotment Option is not exercised, the net proceeds to our Company would be increased by approximately HK$69.2 million. In such event, we intend to apply such additional funding to finance the above planned usages on a pro-rata basis. If the Offer Price is determined at the lowest point of the indicative Offer Price range, the net proceeds to us would be decreased by approximately HK$69.2 million. In such event, we intend to decrease each of the above planned usages on a pro-rata basis. We intend to finance any shortfall in the implementation of our plans by internal cash resources and/or additional bank borrowings, as and when appropriate.

Assuming that the Over-allotment Option is exercised in full, the additional net proceeds to be received by us are estimated to be approximately HK$130.9 million, HK$118.4 million or HK$106.0 million, respectively (based on the maximum indicative Offer Price of HK$1.05 per Share, HK$0.95 per Share, being the mid-point of the indicative Offer Price range of HK$0.85 to HK$1.05 per Share, and the minimum indicative Offer Price of HK$0.85 per Share, respectively). We intend to use the additional net proceeds to finance the above planned usages on a pro-rata basis.

To the extent that any portion of the net proceeds from the Global Offering is not immediately used for the above purposes, we may allocate such proceeds to short-term interest-bearing deposits with licensed banks or authorised financial institutions in Hong Kong/the PRC and/or money market instruments.

We will make an appropriate announcement and comply with applicable Listing Rules if there is any change to the above proposed use of proceeds.

DIVIDENDS

Our Company may distribute dividends by way of cash or by other means that we consider appropriate. A decision to distribute any dividends would require the approval of our Board and will be at its discretion. In addition, any distribution of final dividend for a financial year will be subject to Shareholders' approval. Our Board will review our Company's dividend policy from time to time taking into account the following factors in determining whether dividends are to be declared and paid:

- financial results of our Company;
- shareholders' interests;
- general business conditions and strategies;
- our Company's capital requirements;
- the payment by our subsidiaries of cash dividends to our Company;
- possible effects on our liquidity and financial position of our Company; and
- other factors our Board may deem relevant.

During the Track Record Period, subsidiaries of our Company declared dividends to their then equity holders of HK$51.0 million, nil, HK$51.0 million and HK$15.4 million, respectively. In October 2010, we declared an interim dividend of approximately HK$41.0 million in respect of the year ending 31 December 2010, which will be fully settled prior to the Listing.

Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. Subject to the considerations and factors described above, we currently expect to distribute as dividends not more than 30% of our net profit after tax for the years commencing on or after the Listing. As we would not be listed for the whole of the year ending 31 December 2010, the dividend payment for the year ending 31 December 2010 will be pro-rated based on the period from the Listing Date to 31 December 2010.

CONTINGENT LIABILITIES

In April 2010, World Fair Hong Kong, one of our subsidiaries incorporated in Hong Kong, received a notice of additional assessment dated 30 March 2010 from the IRD demanding additional profits tax in the amount of HK$1.75 million for the 2003/04 tax year. World Fair Hong Kong also received a notice from the IRD of even date requesting an interview in relation to the tax audit of its tax affairs for the tax years from 2003/04 to 2008/09. The issue at stake relates mainly to transfer pricing of intercompany transactions and the treatment of certain expenses, including commissions, consultancy fees, hire purchase interests and entertainment expenses. In particular, World Fair Hong Kong made an adjustment to its accounts for the year of assessment 2007/08 to reflect the arm's length price for the transactions with World Fair Heshan, which was reported to the IRD voluntarily in August 2009. The IRD later issued an additional notice of assessment for the year of assessment 2007/08 to World Fair Hong Kong in January 2010 and the profits tax in relation to the abovementioned adjustment had been paid in February 2010. Since the price adjustment was made to the IRD subsequent to the submission of the profits tax return for 2007/08, the IRD may or may not impose a penalty on the tax undercharged because of the adjustment. Further, the IRD may disallow part of commission payments, consultancy fees and entertainment expenses of World Fair Hong Kong as the supporting documents may not be sufficient to substantiate the tax deductibility. For example, some of the source documents required to support the deduction claims for previous years are not readily available. Part of the hire purchase interests may also be disallowed by the IRD as such hire purchase interests were incurred on plant and machinery purchased under the title of World Fair Heshan but not World Fair Hong Kong.

The additional tax of HK$1.75 million was not accrued for but treated as a contingent liability in our consolidated financial information for the year ended 31 December 2009 (see Note 38 to the Accountant's Report set out in Appendix I to this prospectus). We believe it is possible that the additional assessment was made of a protective nature from the IRD's perspective to keep the 2003/04 tax year technically open as claims in relation to the 2003/04 tax year would otherwise be statutorily time-barred after 31 March 2010. Furthermore, the basis of the additional assessment adopted by the IRD is currently unclear to us. As such, the actual amounts of additional assessment for which we may be liable, if any, could be higher or lower than the amount indicated in the assessment notice. Before the IRD completes its review process and any additional tax liabilities be settled, the IRD may issue additional assessments for the 2004/05 tax year and/or any subsequent tax year(s) before claims relating to the relevant assessment year become statutorily time-barred. As a result, our Group may be subject to additional tax liabilities and there is no assurance that such liabilities will not materially affect our business operations and financial positions. Apart from assessing additional tax, we cannot rule out the possibility that the Commissioner of the IRD may, at his discretion, take penalty actions against World Fair Hong Kong for its non-compliance of the requirements under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) if such a case is to be made out.

On 20 April 2010, World Fair Hong Kong filed an objection with the IRD against the additional assessment for 2003/04 and by a notice dated 7 May 2010 the IRD has agreed to an unconditional holdover the whole amount of the estimated tax as the objection is under consideration, which may or may not be ruled in favour of our Group. A meeting between World Fair Hong Kong and the IRD in relation to the tax audit was held in June 2010.

The Group voluntarily placed a deposit of HK$3 million with the IRD to cover the potential additional profits tax liabilities and penalties which may arise from the tax audit.

On 17 September 2010, World Fair Hong Kong submitted a proposal to the IRD for settlement at HK$1.3 million to cover the potential additional profits tax liabilities during the relevant periods. The final outcome of the tax audit was still uncertain at the Latest Practicable Date as it is still in negotiation and accordingly, it is disclosed as a contingent liability in the financial statements of the Company.

Based on the meetings with the IRD, currently available information and the advice from World Fair Hong Kong's tax adviser, PricewaterhouseCoopers Limited, the Directors believe that although the amount of additional tax proposed in the settlement proposal mentioned above is reasonable, the potential additional tax liability and penalties of World Fair Hong Kong for the tax years 2003/04 to 2009/10 as a result of the possible tax adjustments made during the tax audit by the IRD are best estimated to be HK$4.5 million based on the currently available information and status of the tax audit. The Directors are unable to ascertain the maximum potential tax liability and penalty at this stage as it is possible that the IRD may further impose monetary penalties on the tax adjustments for the said years as a result of the tax audit.

To prevent the recurrence of similar incidents, World Fair Hong Kong has now engaged PricewaterhouseCoopers Limited as its tax adviser to provide professional advice in relation to maintaining additional documentation to support the tax deduction claims on the expenses under review by the IRD.

Our Controlling Shareholders have agreed to indemnify our Group in respect of any costs or liabilities arising out of additional assessments for the tax years from 2003/04 to 2009/10 for which our Group may be liable. For details in relation to the indemnity, please refer to the section headed "Statutory and General Information – Other Information – Estate Duty and tax indemnity" in Appendix VI to this prospectus.

Save as aforesaid and apart from intra-group liabilities and accounts payable in the ordinary course of business, we did not have any outstanding debt securities or loan capital issued and outstanding or agreed to be issued, term loans, bank overdrafts, loans or other similar indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities outstanding as at 31 October 2010.

RISK FACTORS

There are certain risks relating to an investment in our Offer Shares. These risks can be categorised into (i) risks relating to our Group; (ii) risks relating to the capacitive touch products, fingerprint sensor and consumer electronics industries; (iii) risks relating to conducting business in the PRC; and (iv) risks relating to the Global Offering. These risks are further described in the section headed "Risk factors" in this prospectus and are listed below:

Risks Relating to our Group

- As we have relied on Synaptics for the sales of capacitive touch pads and other products which accounted for approximately 93.4%, 98.9%, 79.4% and 57.9% of our annual revenue respectively for the three years ended 31 December 2009 and the six months ended 30 June 2010, the business and operations of Synaptics could have material and adverse effects on our Group's business operations and financial results

- We have relied on one customer for our revenue from the sales of wireless charging devices which accounted for approximately 11.5% and 18.4% of our total revenue for the year ended 31 December 2009 and the six months ended 30 June 2010, respectively

- Our products contain components or otherwise involve registered patents not owned by us
- Patents, technologies and software relevant to our products may infringe third parties' intellectual property rights
- Our business will be adversely affected if the relevant patents of our customers expire or otherwise become unavailable
- Our capacitive touch product business may entail significant competition
- We are pursuing multiple new product lines, which will require us to learn new production techniques and product markets. Our entry into new product lines also exposes us to the risk of under-investment in our capacitive touch pad operations. We do not have a full track record for the production of our various new products
- We derive a substantial portion of our revenue from capacitive touch products, which are principally used in consumer electronics
- We may not be able to enhance our existing products or production process to match the rapid pace of technological development
- The promotion of our own "C-touch" brand may not succeed
- We may not be able to adapt to our customers' varying requirements. Failure or limitations of our operation system or resources could affect our customer relationships
- Our investment in the development of new technologies may not equate to commercial success
- Our business operations depend on the recruitment and retention of key personnel as well as R&D projects with external institutions
- Protection of our intellectual property know-how and proprietary rights may be limited, and the potential costs to defend and enforce such rights may be high
- If we are unable to pass on to our customers any future increases in the price of raw materials, our profitability and profit margins may be affected
- We rely on our major suppliers
- We may be affected by labour disruptions and rising labour costs
- Any successful product liability claims made against us may have adverse effects on our reputation and financial position
- We may not be able to manage our expansion effectively

- Our business operation results may experience significant fluctuations
- We require substantial amounts of capital for our business operations and future growth
- Our insurance coverage may not be sufficient to cover the risks related to our operations and losses
- We had net current liabilities as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010
- Our historical financial information may not represent future performance, which may affect our future dividend policy
- Our machinery is subject to breakdown and depreciation and we may not be able to find replacements
- Most of our operations are located in our main production base in Heshan City, the PRC
- Some of our products may cause harmful or undesirable side effects on human health
- Certain of our owned and leased properties may be subject to title encumbrances
- We have not obtained the necessary licences, permits and approvals for our properties under construction
- We did not contribute to the mandatory medical insurance and housing provident funds prior to September 2009
- Our Hong Kong subsidiary may be subject to additional tax liabilities

Risks Relating to the capacitive touch product, fingerprint biometrics, wireless charging and consumer electronics industries

- The computers, consumer electronics and communications industries are cyclical and may result in fluctuations in the results of our operations
- Our business is seasonal
- Our business and operations may be adversely affected by global economic crisis
- We rely on the market demand for our customers' products, which is in turn dependent on global economic conditions
- There is uncertainty over laws, rules, regulations and governmental policies relating to personal privacy or the collection of personal data

- The growth of fingerprint biometric market may be restricted

Risks Relating to conducting business in the PRC

- Our operations are subject to inherent uncertainties of the PRC's economic, political and social conditions

- Our operations are subject to inherent uncertainties of the PRC's legal system

- PRC's governmental control of currency conversion may adversely affect our financial performance

- Foreign exchange and conversion risks may lead to fluctuation in value of RMB, which could adversely affect our operation costs

- The discontinuation of the preferential tax treatment currently available to our PRC subsidiary could materially and adversely affect our results of operation

- We rely on dividends and other distributions on equity paid by our operating subsidiaries for our cash needs, and any limitation on the ability of our operating subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business

- PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds we receive from the Global Offering to make loans or additional capital contributions to our PRC operating subsidiary and any affiliated entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business

- The PRC Employment Contract Law may adversely affect our business operations or financial position

- Our operations could be materially and adversely affected by health epidemics or other outbreaks which are beyond our control

- Our business may be materially and adversely affected by the relationships between the PRC and the U.S.

Risks Relating to the Global Offering

- There has been no prior public market for our Shares and the Global Offering may not result in an active trading market for these securities, which may adversely affect the market price of our Shares

- Our Controlling Shareholders may take actions that our Shareholders do not agree with or are not in our Shareholders' best interests

- As the Offer Price of our Shares is higher than our net tangible asset value per Share, you will experience immediate and substantial dilution to your attributable net tangible asset value per Share

- Future issues or sales of securities by us or our Shareholders may dilute your interest or may decrease the value of an investment
- It may be difficult to effect service of process upon or secure judgments against certain Directors and officers
- Investors should not place undue reliance on statistics and industry or market information derived from various official or other sources that are contained in this prospectus
- The trading price of our Shares may be volatile
- Investors may experience difficulties in enforcing their shareholder rights because we are incorporated in the Cayman Islands, and the protection to minority shareholders under the Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions
- You should not rely on any information contained in press articles or other media regarding our Group