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 the whole document 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 out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Business model

The Group is an established EMS provider headquartered in Hong Kong, which offers one-stop solutions to a number of international brand owners of consumer electronic products. As the Group offers one-stop solutions to its customers including research and development, sourcing and procurement, production, sales and logistics and after-sales services, which are services provided by either ODM or OEM, the Directors believe that the term "EMS" which is generally used in consumer electronics industry, is best suited to describe the Group's business. The Group distinguishes itself from traditional EMS providers by the change of its business model from a sole EMS provider to an operator of both EMS and branded businesses through tapping into the branded products market in 2009. Please refer to the section headed "Risk Factors – Risks relating to the business of the Group" in this prospectus for the risks associated with the above-mentioned change in the Group's business model. The Group currently has a diversified customer base covering Japan, the Asia-Pacific region, the Americas and Europe, and with international brand owners of consumer electronic products like owners of "Pioneer" and "Vasco" as its EMS customers, the aggregate revenue generated from whom accounted for approximately 42.6%, 26.6%, 26.0% and 19.2%, respectively, of the Group's total revenue for the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2010. During the Track Record Period, a considerable proportion of the Group's revenue under the EMS segment was generated from its ODM customers to whom the Group provided one-stop solutions including research and development, sourcing and procurement, production, sales and logistics and after-sales services. The Group's branded businesses include distribution of small and medium business phone systems (the "**SMB phone systems**") under the "RCA" brand in North America and assembly and/or distribution of portable storage devices and/or multimedia products under the "TrekStor" brand in Europe. According to NPD, for the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2010, SMB phone systems under the "RCA" brand ranked third, second, third and second, respectively, in terms of retail revenue of SMB phone systems in the US, and had a market share of approximately 19.3%, 27.8%, 26.5% and 28.9%, respectively. The Directors believe that the "TrekStor" brand has enjoyed a good reputation in Germany in relation to portable storage devices and multimedia products before early 2009.

The Group is headquartered in Hong Kong. Whilst a majority of the Group's management team, administrative team and research team are in Hong Kong, most of its production and development activities are carried out in the PRC. While the Group's portable storage devices under the "TrekStor" brand are assembled in Germany, most of its products are manufactured in its production facilities in Guangzhou and Huizhou. The Group has leased offices in Shenzhen where some of its administrative and development activities are conducted. As at the Latest Practicable Date, the Group had (i) 17 fully automated surface mount technology ("**SMT**") production lines; (ii) 22 production lines and 20 bonding machines for COB assembly; and (iii) approximately 2,400 full-time employees in its production facilities. The Group's production lines can, with minor adjustments, be used for the production of consumer electronic products for different EMS customers.

As at the Latest Practicable Date, the Group had approximately 100 engineers who focus on technology research, product realisation and commercialisation through turning conceptual designs into deliverable products, design improvements and optimisation of production processes. In recent years, the Group has expanded its research and development capabilities and intends to devote additional resources to technological advancement. During the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2010, the Group's research and development expenses amounted to approximately HK$11.0 million, HK$17.1 million, HK$18.8 million and HK$11.9 million, respectively.

The Group's revenue increased from approximately HK$564.1 million for the year ended 31 December 2007 to approximately HK$821.9 million for the year ended 31 December 2009, representing a CAGR of approximately 20.7%. The Group's net profit attributable to the Shareholders increased from approximately HK$14.4 million for the year ended 31 December 2007 to approximately HK$76.2 million for the year ended 31 December 2009, representing a CAGR of approximately 130.0%.

EMS business

The Group's EMS business is principally conducted on a turnkey basis. Its one-stop solutions under the EMS business include research and development, sourcing and procurement, production, sales and logistics and after-sales services. The Directors consider that the Group's achievements in its EMS business are mainly attributable to the Group's relationships with certain international players in the global consumer electronic products industry, its expertise in providing flexible manufacturing solutions, as well as its experienced and dedicated management team and engineers.

The Group has been committed to bringing high quality consumer electronic products to its customers, and has adopted stringent quality assurance procedures at different stages of its business operation spanning from the pre-production process to the inspection of finished goods. The Group's production facilities obtained various quality standard certifications, including ISO 9001 certification, ISO 14001 certification and ISO 13485 certification.

Branded businesses

Leveraging on its EMS capabilities, the Group has been developing its branded businesses since 2009. For the year ended 31 December 2009 and the eight months ended 31 August 2010, the Group had 61 and 74 customers for its branded businesses, respectively, who were mainly retailers and distributors. The revenue generated from the Group's branded businesses accounted for approximately 17.1% and 32.0% of the Group's total revenue for the year ended 31 December 2009 and the eight months ended 31 August 2010, respectively. Please refer to the paragraph headed "Branded businesses" under the section headed "Business – Business model" in this prospectus for further details of the Group's branded businesses. By developing the branded businesses, the Directors believe that the Group is able to (i) expand and enlarge its customer base across a wider geographical region covering the Americas and Europe; (ii) distinguish itself from traditional EMS providers by becoming a distributor of international brands of consumer electronic products; and (iii) operate a more vertically-integrated manufacturing business model supported by an international distribution network.

The Group's branded businesses, which commenced in March 2009, are new and have a short track record. As such, it is difficult to identify the difficulties that the Group may encounter in different stages of developing and implementing its branded business model. In order to minimise the risks involved in the business expansion into the branded products market, the Directors proactively assess and identify the risks involved in the branded businesses, including the exposure to exchange rate fluctuations and product liability risks. Since the commencement of its branded businesses, the Group has adopted currency hedging and strengthened its quality assurance, including quality audit before exit of the suppliers' factories in the PRC, participation in product development cycle and performing reliability confirmation testing before the commencement of production. In addition, the Directors believe that, with the existing expertise and experience of the Group's senior management team in EMS and/or branded businesses, the Group will be able to achieve business growth in the branded products market. Furthermore, the Group has efficient inventory management to maintain the inventory for branded businesses at a minimum level by adopting the inventory control measures for its EMS business with slight modifications.

Licensed brand products distribution business in North America

The Group's licensed brand business in North America is primarily related to the distribution of pre-approved models of SMB phone systems under the "RCA" brand through licensing arrangement under the RCA Licence Agreement, which is due to expire on 31 December 2013. Please refer to the paragraph headed "Branded businesses – Licensed brand products distribution business in North America – Licensing arrangement" under the section headed "Business – Business model" in this prospectus for details of the licensing arrangements. According to NPD, for the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2010, the retail revenue of SMB phone systems in the US amounted to approximately US$129.9 million, US$101.3 million, US$82.4 million and US$51.1 million, respectively. For the year ended 31 December 2009 and the eight months ended 31 August 2010, revenue generated from the distribution business of SMB phone systems under the "RCA" brand accounted for approximately 14.3% and 15.1% of the Group's total revenue, respectively. Although the Group has started preliminary discussion to renew the RCA Licence

Agreement, there is no assurance that the Group could secure the renewal on favourable terms or at all. Please refer to the paragraph headed "The Group's branded businesses have a short track record and the Group may not be able to realise the benefits envisioned for its expansion into the branded businesses – Distribution of SMB phone systems under the 'RCA' brand" under the section headed "Risk Factors – Risks relating to the business of the Group" in this prospectus for further details of the relevant risks.

Own brand products distribution business in Europe

In addition, the Group has assembled and/or distributed portable storage devices and/or multimedia products under the "TrekStor" brand, which are marketed and distributed to electronics superstores and other retailers mainly in Germany and various other countries in Europe. The Group's own brand business under the "TrekStor" brand recorded a net loss of approximately HK$22.3 million during the eight months ended 31 August 2010. The loss was mainly attributable to (i) sales picked up slowly when the Group was re-establishing the business relationship with the customers of TrekStor GmbH & Co. KG (in liquidation) while the Group was obliged to continue to pay for overhead costs such as staff costs and rent; and (ii) the Group was taking steps to resume new product development to introduce new products to the market. Please refer to the section headed "Financial Information – Review of historical operating results" in this prospectus for further details.

Revenue

The table below sets forth the Group's revenue generated by the Group's three business segments, including a breakdown of the Group' s EMS segment into two principal product lines, namely, telecommunications products and non-telecommunications products, and into principal products, in absolute amounts and as a percentage of the Group's total revenue from external customers, for the periods indicated:

	Year ended 31 December						Eight months ended 31 August			
	2007		2008		2009		2009		2010	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* (*unaudited*)	*%*	*HK$'000*	*%*
EMS										
Telecommunications products										
– Corded and cordless residential telephones and SMB phone systems	328,342	58.2	356,504	42.0	171,148	20.8	101,897	20.5	99,651	14.5
Non-telecommunications products										
– Appliances and appliances control products	102,495	18.2	322,408	38.0	374,914	45.6	249,386	50.2	302,147	43.8
– Multimedia products	90,440	16.0	111,931	13.2	57,109	7.0	32,231	6.5	19,599	2.8
– Computer accessories	–	–	–	–	13,550	1.6	337	0.1	13,719	2.0
– Beauty care equipment	11,424	2.0	8,842	1.0	1,557	0.2	1,379	0.3	2,937	0.5
– Others	31,351	5.6	48,807	5.8	63,598	7.7	45,019	9.0	30,620	4.4
EMS segment subtotal	564,052	100.0	848,492	100.0	681,876	82.9	430,249	86.6	468,673	68.0
Branded businesses										
Telecommunications products										
– SMB phone systems (Licensed brand business)	–	–	–	–	117,367	14.3	66,545	13.4	104,562	15.1
Non-telecommunications products										
– Portable storage devices and multimedia products (Own brand business)	–	–	–	–	22,655	2.8	–	–	116,306	16.9
Branded businesses segment subtotal	–	–	–	–	140,022	17.1	66,545	13.4	220,868	32.0
Total	**564,052**	**100.0**	**848,492**	**100.0**	**821,898**	**100.0**	**496,794**	**100.0**	**689,541**	**100.0**

The table below sets forth a breakdown of the Group's gross profit and gross profit margin ("**GPM**") for its business segments, principal product lines and principal products, for the periods indicated:

	Year ended 31 December						Eight months ended 31 August			
	2007		2008		2009		2009		2010	
		GPM		GPM		GPM		GPM		GPM
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* *(unaudited)*	*%*	*HK$'000*	*%*
EMS										
Telecommunications products										
– Corded and cordless residential telephones and SMB phone systems	19,075	5.8	31,078	8.7	13,655	8.0	8,186	8.0	9,711	9.7
Non-telecommunications products										
– Appliances and appliances control products	36,839	35.9	86,571	26.9	115,216	30.7	78,606	31.5	80,023	26.5
– Multimedia products	7,407	8.2	15,765	14.1	10,742	18.8	4,199	13.0	5,460	27.9
– Computer accessories	–	–	–	–	528	3.9	86	25.5	1,446	10.5
– Beauty care equipment	2,054	18.0	1,045	11.8	464	29.8	361	26.2	446	15.2
– Others	880	2.8	1,871	3.8	7,674	12.1	4,502	10.0	6,753	22.1
EMS segment gross profit and GPM	66,255	11.7	136,330	16.1	148,279	21.7	95,940	22.3	103,839	22.1
Branded businesses										
Telecommunications products										
– SMB phone systems (Licensed brand business)	–	–	–	–	35,281	30.1	20,179	30.3	33,732	32.3
Non-telecommunications products										
– Portable storage devices and multimedia products (Own brand business)	–	–	–	–	4,172	18.4	–	–	14,894	12.8
Branded businesses segment gross profit and GPM	–	–	–	–	39,453	28.2	20,179	30.3	48,626	22.0
Total gross profit and overall GPM	**66,255**	**11.7**	**136,330**	**16.1**	**187,732**	**22.8**	**116,119**	**23.4**	**152,465**	**22.1**

For the year ended 31 December 2009 and the eight months ended 31 August 2010, revenue generated by the Group's branded businesses amounted to approximately HK$140.0 million and HK$220.9 million, respectively, representing approximately 17.1% and 32.0% of its aggregate revenue for the corresponding periods, respectively. The Group intends to further expand its branded businesses in the future.

COMPETITIVE STRENGTHS

The Directors believe that the Group's success and future success are based on the following competitive strengths:

- the Group distinguishes itself from traditional EMS providers by its branded businesses;
- vertically-integrated business model facilitates an efficient product mix, and improves the speed to market and the product quality;
- established and long-standing relationships with customers;
- flexible, efficient and one-stop solutions;
- strong focus on research and development; and
- strong and stable management team with extensive industry experience.

BUSINESS STRATEGIES

The Group aims to develop its branded businesses by expanding the portfolio of its brands and products. In addition, the Group aims to become one of the leading EMS providers in Hong Kong. In particular, the Group aims to achieve sustainable growth in its revenue and net profit. To achieve the above-mentioned goals, the Group will implement the following strategies:

- acquire and/or license additional brands to expand its branded businesses;
- focus on potential market segments to target higher profit margin opportunities;
- strengthen the Group's sales and marketing effort and enhance its relationship with existing customers;
- improve production technologies and devote more resources to research and development;
- expand and upgrade the Group's production facilities; and
- strengthen the Group's existing branded businesses and develop its own brands.

FUTURE PLANS

The Group intends to implement the business strategies as set out in the section headed "Business – Business strategies" in this prospectus.

USE OF PROCEEDS

Based on an Offer Price of HK$1.18 per Offer Share (being the mid-point of the indicative Offer Price range between HK$1.01 per Offer Share and HK$1.35 per Offer Share), the gross proceeds of the Share Offer, assuming the Over-allotment Option is not exercised, are estimated to be approximately HK$118.0 million. The net proceeds of the Share Offer after deducting the expenses payable by the Company, assuming that the Over-allotment Option is not exercised, are estimated to be approximately HK$97.2 million. At present, the Directors intend to apply the net proceeds of approximately HK$97.2 million in the following manner:

- approximately 30% (equivalent to approximately HK$29.2 million) thereof will be used for acquisitions of new branded businesses. The Group will assess the opportunities to acquire or license additional brands in order to expand the portfolio of its brands and products for its branded businesses. The Group targets to acquire prospective brands which would provide higher profit margins. As at the Latest Practicable Date, the Group has not identified any potential acquisition targets. In the event the Group proceeds with such acquisition(s), the Group may require additional financing and employ part of its working capital, apart from employing part of the proceeds to be raised from the Share Offer;

- approximately 20% (equivalent to approximately HK$19.4 million) thereof will be used for the expansion of current branded businesses in existing markets and to other geographical regions. The Group plans to enter into distributorship arrangements for its SMB phone systems in Central and South America, and set up sales offices or enter into distributorship arrangements for its existing "TrekStor" brand in certain countries in Europe, including France and Poland within two years from the Listing Date. The Group may require additional financing and employ part of its working capital, apart from employing part of the proceeds to be raised from the Share Offer for such expansion;

- approximately 20% (equivalent to approximately HK$19.4 million) thereof will be used for the expansion of production capability, including expansion of automated manufacturing and plastic injection facilities in both Guangzhou and Huizhou production facilities, as well as the expansion of the beauty care and medical electronics production lines. Given that (i) the production capacity of the Group's automated and semi-automated production facilities are, at times, saturated during the peak seasons; (ii) the Group plans to develop and manufacture new products such as beauty care and medical electronic products; and (iii) the Group intends to cater to possible increases in demands in the coming few years, the Group plans to further expand its production capacity by adding new machines and production lines including three sets of SMT machines, 12 sets of plastic injection machines and four assembly lines;

- approximately 10% (equivalent to approximately HK$9.7 million) thereof will be used for the purchase of land and buildings. Currently the Group leases a total gross floor area of approximately 14,667 sq.m. in Huizhou for industrial and staff quarter uses. Such leases will expire on 31 December 2014. In order to avoid future relocation of the Group's production facilities after the expiry of the Huizhou leases, the Group plans to purchase land and buildings of the Huizhou production facilities. As at the Latest Practicable Date, the Group has not entered into any formal sale and purchase agreement in respect of the proposed purchase of the Huizhou production facilities;

- approximately 10% (equivalent to approximately HK$9.7 million) thereof will be used for research and development activities. The Group plans to devote both in-house and external resources to the research and development of medical electronic equipment and products in the ultrasonic imaging and respiratory monitoring areas. As at the Latest Practicable Date, the Group has not developed any products in this area. For details of the research and development activities on medical electronic equipment and products, please refer to the section headed "Business – Research and development" in this prospectus;

- approximately 5% (equivalent to approximately HK$4.9 million) thereof will be used to establish marketing offices overseas and in the PRC. The Group plans to establish marketing offices overseas, for example, in Japan, in order to capture new international brand owners there as its new EMS customers. In addition, the Group plans to establish marketing offices in major cities in the PRC, including Shanghai and Chengdu; and

- the remaining balance thereof will be used as general working capital of the Group.

TRADING RECORD

The following table is a summary of the combined results of the Group for the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2009 and 31 August 2010, which has been extracted from, and should be read in conjunction with, the Accountants' Report set out in Appendix I to this prospectus.

	Year ended 31 December			Eight months ended 31 August	
	2007	**2008**	**2009**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Revenue	564,052	848,492	821,898	496,794	689,541
Cost of goods sold	(497,797)	(712,162)	(634,166)	(380,675)	(537,076)
Gross profit	66,255	136,330	187,732	116,119	152,465
Other income *(Note 1)*	5,636	3,819	12,371	4,630	5,862
Selling and distribution expenses	(12,767)	(17,413)	(39,851)	(19,043)	(46,608)
Administrative expenses	(27,565)	(40,299)	(52,996)	(28,000)	(49,658)
Other operating expenses	(12,752)	(20,530)	(22,507)	(9,406)	(14,619)
Profit from operations	18,807	61,907	84,749	64,300	47,442
Finance costs	(1,969)	(1,844)	(947)	(607)	(2,328)
Gain on disposal of subsidiaries *(Note 2)*	–	–	1,596	784	–
Share of loss of an associate	(297)	(17)	–	–	–
Profit before taxation	16,541	60,046	85,398	64,477	45,114
Income tax expense	(2,188)	(8,792)	(12,731)	(10,913)	(9,155)
Profit for the year/period	14,353	51,254	72,667	53,564	35,959
Attributable to:					
Owners of the Company	14,353	51,258	76,216	53,564	47,179
Non-controlling interests	–	(4)	(3,549)	–	(11,220)
	14,353	51,254	72,667	53,564	35,959
Earnings per Share					
– Basic *(HK cents)*	3.59	12.81	19.05	13.39	11.79

Note:

(1) Other income for the year ended 31 December 2009 included a non-recurring gain amounted to approximately HK$9.0 million resulting from discount on acquisition, details of which are set out in note 35(b) to the Accountants' Report in Appendix I to this prospectus.

(2) Gain on disposal of subsidiaries represented non-recurring net gains recognised upon the disposal of two of the Group's subsidiaries, MBK Limited and Telefield Technologies Limited, on 1 April 2009 and 31 December 2009, respectively, which amounted to approximately HK$784,000 and HK$812,000, respectively, details of which are set out in note 35(a) to the Accountants' Report in Appendix I to this prospectus.

Summary statements of financial position data

	At 31 December			At 31 August
	2007	**2008**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	41,652	51,673	116,849	108,641
Current assets	239,288	321,218	354,788	458,957
Current liabilities	202,868	250,569	287,179	350,875
Non-current liabilities	2,585	1,923	38,588	34,010
Equity attributable to owners of the Company	75,487	120,399	146,681	194,744
Non-controlling interests	–	–	(811)	(12,031)

Summary statements of cash flow data

	Year ended 31 December			Eight months ended 31 August	
	2007	**2008**	**2009**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net cash generated from operating activities	22,313	100,305	99,300	98,727	31,504
Net cash used in investing activities	(14,363)	(25,081)	(52,129)	(32,825)	(17,196)
Net cash generated from/(used in) financing activities	(18,606)	(14,612)	(55,113)	(37,775)	23,471

Profit Estimate for the year ended 31 December 2010

Unaudited estimated combined profit attributable to owners of the Company*(Note 1)*	not less than HK$67.6 million
Unaudited pro forma estimated earnings per Share*(Note 2)*	not less than HK$0.17

Notes:

(1) The bases and assumptions on which the above profit estimate for the year ended 31 December 2010 has been prepared are set out in Appendix III to this prospectus.

(2) The calculation of unaudited pro forma estimated earnings per Share for the year ended 31 December 2010 is based on the above unaudited estimated combined profit attributable to owners of the Company for the year ended 31 December 2010 and assumes that a total of 400,000,000 Shares were in issue during the entire year, without taking into account any further Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of options which have been granted or may be granted under the Share Option Scheme.

STATISTICS OF THE SHARE OFFER

	Based on an Offer Price of	
	HK$1.01 per Offer Share	**HK$1.35 per Offer Share**
Expected market capitalisation*(Note 1)*	HK$404 million	HK$540 million
Prospective price/earnings multiple*(Note 2)*	6.0 times	8.0 times
Unaudited pro forma adjusted net tangible assets per Share*(Note 3)*	HK$0.60	HK$0.69

Notes:

(1) The calculation of market capitalisation is based on the multiple of the Offer Price and 400,000,000 Shares expected to be in issue immediately following the Capitalisation Issue and the Share Offer, but takes no account of any Shares which may be allotted and issued upon exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased under the general mandates granted to the Directors for the allotment and issue or repurchase of Shares as referred to in the paragraph headed "Resolutions in writing of all the Shareholders passed on 31 December 2010" in Appendix VI to this prospectus.

(2) The calculation of the prospective price/earnings multiple on a pro forma basis is based on the estimated combined net profit attributable to owners of the Company for the year ended 31 December 2010 of approximately HK$67.6 million, the respective Offer Prices of HK$1.01 and HK$1.35 per Offer Share and on the basis of a total of 400,000,000 Shares in issue and to be issued as mentioned herein. This calculation has not taken into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company.

(3) The unaudited pro forma adjusted net tangible assets per Share as at 31 August 2010 has been arrived at after making the adjustments set out in the section headed "Financial Information – Unaudited Pro Forma Adjusted Net Tangible Assets" in this prospectus and on the basis of a total of 400,000,000 Shares in issue and to be issued as mentioned herein.

DIVIDENDS

Subject to the Companies Law, the Company may declare dividends at a general meeting of the Shareholders in any currency but no dividend shall be declared in excess of the amount recommended by the Board. The Articles of Association provide that dividends may be declared and paid out of the Company's profit, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. The principal source of funding for the Company's dividend payment was the cash inflow generated from the Group's operations. With the sanction of an ordinary resolution, dividends may also be declared and paid out of a share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except insofar 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/her to the Company on account of calls or otherwise.

The Board will review the Company's dividend policy from time to time taking into account the following factors in determining whether dividends are to be declared and paid:

- the Group's earnings and profitability;
- interests of the Shareholders;
- the Group's general business conditions and strategies;
- the Group's capital requirements;
- the payment of cash dividends to the Company by its subsidiaries;
- possible effects of dividend distribution on the liquidity and financial position of the Group; and
- any other factors which the Board may deem relevant.

The Company's future dividend payments to the Shareholders will also depend upon the availability of dividends declared and distributed by the Group's subsidiaries in the PRC. PRC laws require that dividends be paid out of the net profit calculated according to PRC accounting principles, which differ in many aspects from HKFRS. PRC laws also require enterprises located in the PRC to set aside part of their net profit as statutory reserves before they distribute dividends. These statutory reserves are not available for distribution as cash dividends. Distributions from the Group's subsidiaries may also be restricted if they incur losses or by any restrictive covenants in bank credit facilities or other agreements that the Group or its subsidiaries may enter into in the future.

Any dividends on the Shares will be declared and paid in Hong Kong dollars on a per Share basis. Any final dividend for a financial year will be subject to Shareholders' approval.

After completion of the Share Offer, the Shareholders will be entitled to receive dividends declared by the Company. Subject to the considerations and factors described above, the Group's future dividend policy is that approximately 30% to 50% of the Group's profits available for distribution will be recommended for distribution for each financial year. As the Company has not been listed for the whole of the year ending 31 December 2011, the dividend payment for the year ending 31 December 2011 will be determined on a pro-rata basis based on the period from the Listing Date to 31 December 2011.

The Group's subsidiaries declared dividends of approximately HK$10.0 million, HK$19.0 million, HK$33.5 million and HK$33.8 million to their then shareholders for profit generated during the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2010, respectively. The principal source of funding for such dividend payments was from the cash inflow generated from the Group's operations. As at the Latest Practicable Date, all dividends payable for each year or period during the Track Record Period had been settled.

Please refer to the section headed "Financial Information – Dividends" in this prospectus for further details.

RISK FACTORS

The Group's operations are subject to a number of risks, a detailed discussion of which is set out in the section headed "Risk Factors" in this prospectus. These risks can be broadly classified as: (i) risks relating to the business of the Group; (ii) risks relating to the industry; (iii) risks relating to the PRC; and (iv) risks relating to the Share Offer. A list of risks is set out below.

Risks relating to the business of the Group

- the Group faces risks associated with the changes in its business model;
- the Group's branded businesses have a short track record and the Group may not be able to realise the benefits envisioned for its expansion into the branded businesses;
- the Group's revenue is subject to seasonal fluctuations;
- the Group's business relies to a large extent on the relationships with its major customers;
- the Group may not be able to adapt to its customers' varying requirements, and failure to adapt to such requirements may result in loss of customers and business;
- the Group has experienced significant growth in the past, it may not be able to maintain such growth in the future;
- the Company is a holding company and, therefore, the Company's ability to pay dividends or make any other distributions depends entirely on distributions received from its subsidiaries;

- the Group may be adversely affected by product liability claims;
- the Group's success relies to a large extent on its intellectual property rights, and failure to protect such intellectual property rights may affect its ability to compete;
- the Group's reliance on key management and personnel;
- the Group relies on its suppliers to supply quality raw materials and components;
- machinery is subject to breakdown and depreciation and the Group may not be able to find replacements;
- the Group may encounter difficulties in entering into new markets and implementing its expansion plans;
- fluctuations in foreign exchange rates may adversely affect the Group's business;
- the Group's results may be adversely affected by the global economic downturn and adverse credit and market conditions;
- title defects of the Group's leased properties;
- the Group's non-compliance with certain social security insurance and housing provident fund contributions laws and regulations in the PRC could lead to the imposition of fines and penalties;
- inventory obsolescence may affect the Group's profitability and financial results;
- increase in net sales return may affect the Group's profitability and financial results;
- the Group may be affected by labour disruptions and rising labour costs;
- the Group may be subject to acts of God, acts of war and epidemics or pandemics which are beyond its control and which may cause damage, loss or disruption to its business; and
- the Group is subject to certain restrictive covenants and certain risks normally associated with debt financing which may limit or otherwise adversely affect its operations.

Risks relating to the industry

- the Group's results of operations may be adversely affected by environmental and safety regulations to which the Group is subject to;

- the Group's failure to compete effectively in the design of its products could result in loss of customers, which could have an adverse effect on the Group's results of operations;

- if the Group fails to keep pace with technological changes, its business, financial position and results of operations may be adversely affected;

- the Group may face liabilities for infringement of intellectual property rights of third parties; and

- the Group's business operations depend on the outsourcing of manufacturing operations by international brand owners of consumer electronic products.

Risks relating to the PRC

- political and economic policies of the PRC government could affect the Group's business;

- any changes in the PRC government policies regarding foreign investments in the PRC may adversely affect the Group's business, financial position and results of operations;

- distribution and transfer of funds may be subject to restrictions under the PRC law;

- government control of currency conversion and changes in the exchange rate between RMB and other currencies could adversely affect the Group's financial condition, operations and its ability to pay dividends; and

- cost of compliance with the PRC Labour Contract Law and other increases in labour costs may adversely affect the Group's competitive advantage and profits.

Risks relating to the Share Offer

- liquidity and possible price volatility of the Shares;

- there can be no guarantee as to the accuracy of facts and other statistics contained in this prospectus with respect to the economies and the industry in which the Group operates;

- issue of new Shares under the Share Option Scheme will have a dilution effect and may affect the Group's profitability; and

- you should not rely on any information contained in press articles or other media regarding the Company and the Share Offer.