

**YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD:
THERE WAS GOOD REASON FOR THE STRONG RECEPTION AT ITS IPO**

The flotation of Yorkey Optical International (Cayman) Ltd (()) (Code: 2788, Main Board, The Stock Exchange of Hongkong Ltd) was one of the most successful Initial Public Offerings (IPO), in terms of the number of applications for the shares of the Company on Offer, in many a moon.

The Company issued its International Offering Prospectus on January 26, 2006, when it Placed 140 million, New, one-cent Shares at a Premium of \$HK2.19 per Share and 20 million, New, one-cent Shares on the same basis as the International Placing tranche in a Public Offer to investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The response to the Offer was that the Public Offer tranche was over-subscribed about 217 times with valid applications, received by the Company, for 4,342,412,000 Shares.

About the International Placing tranche, Yorkey Optical described the response as being '*significantly over-subscribed*'.

This must have been the case because, on March 1, 2006, the Company announced that SinoPac Securities (Asia) Ltd (()), the Global Coordinator, Sole Bookrunner, Sponsor and Lead Manager, exercised its 30-million, Over-Allotment Option at \$HK2.20 per Share.

At the end of the day, Yorkey Optical banked about \$HK394.85 million, net of expenses (\$HK330.50 million from the IPO and \$HK64.35 million from the exercise of the Over-Allotment Option).

The flotation was pitched, the Prospectus stated, in order to raise money for the following purposes:

1. \$HK248 million for the enhancement of production facilities;
2. \$HK33 million for the purchase of quality control equipment;
3. \$HK16.50 million for the purchase of computerised systems, aimed at strengthening management efficiency; and,
4. \$HK33 million to be tipped into the General Working Capital Account.

The extra \$HK64.35 million, thanks to the take-up of the Over-Allotment Option, will be apportioned, proportionately, in the aforementioned uses of the net proceeds.

The business of Yorkey Optical is stated at Page 61 of the Prospectus as follows:

'The Group is principally engaged in the manufacture and sale of plastic and metallic parts and components of optical and opto-electronic products including DSCs (Digital Still Cameras), copiers (including copier-based MFPs [Multifunction Peripherals]), computer peripherals, handsets, traditional film cameras, and others, and subsequently related accessories.'

The Company was founded in 1995 by Mr Cheng Wen Tao () and Mr Tong Ching Hsi ().

Mr Tong Ching Hsi is a Director of Ability Enterprise Company Ltd (), a publicly listed company in Taiwan, whose shares are traded on The Taiwan Stock Exchange.

Ability Enterprise Company Ltd owns 23.85 percent of the Issued and Fully Paid-Up Share Capital of Yorkey Optical, while Mr Cheng Wen Tao owns, via Asia Promotion Optical International Ltd, about 29.16 percent of the Issued and Fully Paid-Up Share Capital of the Company.

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