

## GENERAL

The Group is principally engaged in the design, manufacture and sale of magnetics used in consumer electronics, data processing appliances and other electronics systems for coupling, isolation, filtering, interfacing and timing control applications. All of the Group's magnetics are sold under its own brandname "Datatronics". A majority of the Group's products are customized magnetics tailored-made according to the requirements and specifications of its customers. The Group also offered standard catalogue magnetics to its customers.

The Group focuses on the high-end segment of the magnetics industry. It has a customer base over 300 customers comprising manufacturers of telecommunication and data processing equipment, technology equipment, motor vehicles, military, aerospace and medical equipment.

The Group's world-class design and manufacturing capabilities, together with the breadth of its product offerings, provide her with a competitive advantage that enable her to anticipate and deliver highly customized solutions for their customers' product needs. In addition, their global presence enable them to participate in many relevant product and geographic markets and provide her with proximity to their global customer base.

### THE GROUP'S PRODUCT LINE

The Company designs and manufactures both standard and customized magnetic components in a large variety of products:

- Transformers
- Lan Filter Modules
- Digital Delay Modules
- Inductors / Chokes
- ASDL Transformer
- Planar Magnetics
- Magnetics for Aviation Applications
- Magnetic Components for DC/DC Converters
- Magnetics for Hybrid Network Assemblies
- Magnetics for Power Conversion
- Magnetics for Energy Savings
- Magnetics for Medical Devices / Equipment
- Magnetics for Internet Equipment
- Magnetics for Data Acquisition / Transmitter and Signal Conditioning

## MARKETS SERVED

The Company's products to-day find application in a wide range of state-of-the-art electronic equipment that include the following:

- Telecommunications
- Communications
- Aerospace
- Instrumentation
- Industrial Equipment
- Computers & Networking
- Internet Equipment
- Medical Devices / Equipment
- Automotive
- U.S. Military Applications

The Group's products meet or exceed numerous performance, safety, quality specification and standard that include the following:

- **QS-9000**
- **CSA**
- **IEC950**
- **UL**
- **ISO 9001 and ISO 9002**
- **BABT**
- **VDE**

The Group also specializes in meeting the rigorous requirements of the U.S. Military and Space Programs:

- **MIL-T-27**
- **MIL-STD-981**
- **MIL-T-21038**
- **NASA Space Station Approved**

# GENERAL

## ACHIEVEMENTS AND AWARDS



LUTRON  
Supplier of the Year



MEDTRONIC  
Outstanding  
Performance



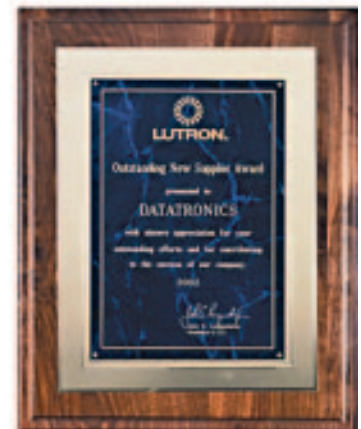
DATAFORTH  
Vendor of the Year



XICOM  
President's Award



XICOM  
Outstanding  
Performance



LUTRON  
Outstanding New  
Supplier

The Company is a worldwide, award winning supplier to several well-known companies such as Xerox, Physio-Control, Ericsson, ICL/Fujitsu and many others for recognition of its quality, service and performance. Its recent awards:

- Year 2004-2005 Awards  
"Medtronic: Outstanding Performance", "Dataforth: Supplier of the Year",  
"Lutron: Supplier of the Year", and "Xicom Technology: President's Award"
- Year 2002-2003 Awards  
"Lutron: Outstanding New Supplier", and  
"Xicom Technology: Outstanding Performance"

As of to-day, the Company has received 35 Quality Awards from numerous customers.

**The directors consider the followings to be the key factors contributing to the Group's success:**

- the extensive experience and expertise of the Group's management team in the magnetics industry;
- its well-established business relationship with customers;
- its forefront technology and technical know-how to assist and bridge its customers to new technologies;
- its ability to satisfy customers' needs by offering customized products that meet their reliability, quality and delivery requirements;
- its logistic center located in Southern California, U.S. and Paris, France to support delivery and service to customers;
- the wide range of product it offers;
- "Just-in-time" delivery and "Ship-to-stock" Program certified with numerous key customers;
- its reputation for high quality and high reliability products;
- "One stop solution";
- capacity to grow due to more demands for high reliability products in U.S. and Europe;
- cost competitive;
- the barrier of entrance for competitors is very high; and
- its established relationship with major suppliers which enables the Group to obtain a stable supply of materials for the Group's products.