OVERVIEW

We are a leading provider of capacitive touch pads by volume for use in notebook computers. Touch pad was our core product and revenue driver during the Track Record Period. We also produced touch screens 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 have focused on touch pad manufacturing mainly as a manufacturing services provider, with value-adding know-how mainly in respect of engineering design and assembly. Our major customer of capacitive touch products, Synaptics, is a supplier to ODMs/OEMs of notebook computers and consumer electronics.

In addition to the manufacturing of touch products, we have, as a natural expansion of our SMT/COB production capability into markets which we believe to possess significant growth potentials, diversified into the development of non-touch products, beginning with the commercialisation of fingerprint biometric devices in 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 in the course of production to our customers.

With the support of our R&D team and our customers, we have further diversified into the production of wireless charging devices and plasma lighting products. We are committed to distinguishing ourselves from a traditional manufacturing services provider and we have invested resources into research and development for these new products. For wireless charging devices, we co-developed the wireless charging devices with our customer by providing battery design and engineering support. For plasma lighting products, we provided manufacturing services to our 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 non-touch product customers is relatively short, being less than one year on average, we aim to continue to grow our ongoing business relationship with them in the future.

Leading provider of capacitive touch pads

We have engaged in the touch pad business for over 10 years, during which we have provided capacitive touch pads to Synaptics, a global leader in capacitive touch pads, such that we have become one of the world's leading capacitive touch pad suppliers for notebook computers by volume. The sales of touch pads and other products to Synaptics accounted for approximately 93.4%, 98.9% and 79.4% of our total revenue for each of the three years ended 31 December 2009 respectively. For the fourth quarter of the year ended 31 December 2009, sales to Synaptics accounted for approximately 60.5% of our revenue. The decrease in the proportion of sales to Synaptics was mainly attributable to our Group's active efforts in diversification of product portfolio during the Track Record Period and in particular, the mass production of wireless charging devices, in the second half of the year ended 31 December 2009.

Capacitive touch pad for laptop computers

In line with 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 ICs and other components onto the PCBs through SMT and COB processes, circuit testing for connectivity and application testing for functionality, our Directors believe that our main strength as a manufacturing services provider lies with our scalable SMT/COB manufacturing capabilities, which enable us to offer high quality products at competitive pricing.

As Synaptics is our largest customer and it has accounted for 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, which include:

- Background of Synaptics
- Risks faced by Synaptics
- Relationship with Synaptics
- Reliance on Synaptics – A Decreasing Trend
- Our Alternative Business Model/ Diversification and Contingency Plan

Touch pad for laptop computers

We have established a long-term business relationship of more than 10 years with Synaptics, with whom we have not entered into any formal long-term agreement. 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. Our Directors 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 with 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, our production staff will only have to attend brief training sessions and can be trained up 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. Our Directors believe that it is in both of our Group's and Synaptics' interests not to enter into any formal long-term agreement for purpose of maintaining flexibility and in particular, Synaptics may, with this flexibility, reduce its dependence on any one source of supply.

We believe our Group and Synaptics have, during the long-term course of dealings, developed mutual reliance 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, the main reasons for which are, as we believe, our Group's cost effectiveness and quality products offered to Synaptics. As the market

leading vendor of touch pads, Synaptics has chosen our Group as its valued business partner for more than 10 years, which shows our Group's importance to Synaptics and Synaptics' reliance on our Group.

Although ODMs/OEMs of notebook computers and consumer electronics and end-users in the touch product supply chain (i.e. consumer electronics brands) are not our direct customers contractually for 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 have been able to establish direct relationships with them and provide touch products which satisfy their specific requirements. We believe that Synaptics may not terminate its engagement of our Group's contract manufacturing services without first consulting its customers. 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, our Directors believe that it is unlikely that Synaptics' customers would require Synaptics to cease its engagement of our Group.

Fingerprint biometric devices

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 the manufacturing of 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, which have yet to be commercialised, under our own "C-touch" brand using fingerprint sensors sourced externally from the same customer, with the aim to provide customers with affordable and convenient devices to protect personal data against possible loss or leakage while using consumer electronics.

We commenced commercialisation of our fingerprint biometric devices in July 2008. In 2009, our Group has begun to make direct shipment of our fingerprint biometric devices to various ODMs/OEMs of notebook computers. Our revenue from the fingerprint biometric devices segment increased significantly from approximately HK$69,000 for the year ended 31 December 2008 to HK$42.3 million for the year ended 31 December 2009 (which constituted approximately 4.8% of our revenue in the year ended 31 December 2009).

We believe the growing consumer interest and potential for profit growth justify our continued effort in this product segment.

Fingerprint biometric device for notebook computers

C-touch G3 mouse (Winner of International Forum Design Award 2009)

Wireless charging devices

We produced wireless charging devices (including power transmitters and power receivers) involving the use of components supplied by our customer during the Track Record Period. We co-developed this wireless charging devices with our customer by providing battery design and engineering support.

In August 2009, we made our first shipment of wireless charging devices and for the year ended 31 December 2009, wireless charging devices accounted for approximately 11.5% of our Group's revenue. Our sales of wireless charging devices to our customer, HoMedics Group, is recurring in nature. Although we currently have only one customer for our wireless charging business, we expect the wireless charging segment to become increasingly significant to our business going forward in terms of inter alia, revenue contribution.

Plasma lighting products (projectors and 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 license. The licensed technology is designed to produce a high intensity light with higher efficiency and longer life than traditional lighting.

In 2009, our major product in this business segment became plasma street lamps. We made our first shipment of plasma street lamps in November 2009 and it accounted for approximately 4.8% of our total revenue in the fourth quarter of 2009 and approximately 1.8% of our total revenue for the year ended 31 December 2009.

Although our Company has only sold plasma street lamps to one customer during the Track Record Period, our sales to such customer is expected to be recurring in nature. In addition, we have received other orders placed by another customer and have 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 a meaningful growth in the near future.

Other products

We have also offered other contract manufacturing services for a range of other products, including electrical components for drilling equipment, automotive devices and medical 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 it offered valuable opportunities for us to diversify our customer base and to form technology partnerships with our customers.

Our production facilities and quality commitment

Our production base is in Heshan city, Jiangmen, Guangdong province in southern China, where our main production and R&D facilities are located. 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 Jiangmen. 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. from an Independent Third Party.

Our production plants in Jiangmen are equipped with real-time shop floor control and traceability programs, barcode identification and tracing systems. Upon 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, with minor adjustments, be used for the production of a range of consumer electronic products for different customers, 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 ODM/OEMs of notebook computers and consumer electronics brands which utilise touch pads manufactured by us. The qualification process is costly and time-consuming which we believe, presents a market entry barrier for potential competing touch product manufacturers and 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 other 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 touch pads utilising the intellectual property, underlying patents and technologies licensed from our customers. In recent years, we have progressed further into developing our own R&D capabilities and devoting additional resources in technological advancement. In the year ended 31 December 2008, our R&D team has achieved breakthroughs in developing various new fingerprint applications and standalone product designs. Such breakthroughs included the development of fingerprint mouse and keyboard, fingerprint scanner with LED indicator, USB fingerprint dongle, "Touch and Lock", "Multi Touch Lock" and SecuButton™, the majority of which we have applied for patent registrations in Hong Kong, the PRC and the United States.

Between October 2008 and April 2010, we were granted 16 patents and designs and further applied for 46 patents and designs in Hong Kong, European Union, Japan, the PRC and the United States. We received the Innovative Enterprise Award from the Hong Kong Productivity Council in December 2009 as recognition of our successful implementation of intellectual property management. In August 2009, we have also been 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 and patent fees amounted to approximately HK$9.7 million, HK$12.2 million and HK$22.3 million. For details of our R&D capabilities and achievements, please refer to the section headed "Business Overview – Competitive Strengths – Technology leadership" in this prospectus.

Going forward

Envisaging continuing growth of the capacitive touch interface market and long term customer relationships, we aim to maintain our focus on capacitive touch products as our main and stable source of revenue and within the touch product segment, we plan to focus more on touch screens. As stated in the section headed "Use of Proceeds" in this prospectus, we plan to apply approximately 13% of the net proceeds from the Global Offering to enhance and upgrade our production and testing equipment for touch screen related products for customers including Synaptics. In parallel, we will strive to reduce our dependence on one particular product segment by the manufacturing of fingerprint biometric devices, wireless charging devices and plasma lighting products which we believe have potentials 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 navigation 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

We have been in the capacitive touch pad business for over 10 years, during which we have provided contract manufacturing services in the manufacturing of capacitive touch pads to Synaptics, a leading provider of capacitive touch pads. Utilising technologies and patents owned by this customer and our SMT and COB production experiences, we have become one of the leading capacitive touch pad suppliers for notebook computers by volume. From 2004 to 2009, we sold approximately 306.0 million capacitive touch pads in total. According to iSuppli Corporation, during the same period, global capacitive touch pad shipments for the notebook computers segment were estimated to be approximately 579.0 million and the global shipments for notebook computers were estimated to be approximately 578.2 million, respectively.

Capacitive touch technology is generally considered in the industry to possess advantages over its alternative, traditional resistive technology. Please refer to the sections headed "Industry Overview – Touch Pad Market – Major Types of Touch Pad Technologies" and "Business – Our Products – Capacitive touch products" in this prospectus for details.

While we rely on licensed technologies and patents, we attribute our success in the global capacitive touch pad supply to, amongst other things, our specialty production know-how and our industry experience acquired over the years. Our products have satisfied the design specifications of our industry leading customer and received qualifications from international computer and consumer

electronics brands. Further details are set forth in the section headed "Relationship with Synaptics" in this prospectus.

We believe that our leading position in capacitive touch pads is our key strength and we aim to maintain our market position going forward. iSuppli Corporation estimates that the projected global capacitive touch pad shipment for notebook computers for each of the full years of 2010, 2011, 2012 and 2013 will be approximately 164.2 million, 185.5 million, 210.4 million and 235.1 million, respectively, at a CAGR of 9.4%. We believe we are well positioned to capture such growth opportunities, given our over-10-year track record in manufacturing touch pads for Synaptics.

Technology leadership

We strive to be technologically competitive by equipping ourselves with our own R&D capabilities.

During the Track Record Period, we have been active in conducting R&D projects and product design in-house and have built a portfolio of product designs, technologies and applications, with an emphasis on fingerprint biometrics:

- **Fingerprint mouse** (a mouse which comprises a fingerprint sensor for login, file encryption and screen saver lock)

- **Fingerprint keyboard** (a keyboard which comprises a fingerprint sensor for login, file encryption and screen saver lock, and a SecuButton™ for encryption of files)

- **Fingerprint scanner with LED indicator** (a fingerprint scanning device which flashes when in operation, providing an instant response and feedback to the user)

- **USB fingerprint dongle** (a product which enables users to store login details, websites or encrypt files through fingerprint sensor)

- **SecuButton™** (a capacitive touch button, which enables the encrypting of files by the touch of a finger, and which works with a fingerprint sensor for unlocking the encrypted files)

- **"Touch and Lock" and "Multi Touch Lock" applications** (technologies which provide the locking and unlocking of computer screens with user's fingerprint)

- **SecuFile™** (a technology which secures computer folders or files with user's fingerprint)

C-touch fingerprint biometric products developed by our Group (yet to be commercialised)

Furthermore, we are in the process of researching and developing in-house lens and lamination panels for touch screen applications and plan to further research and develop wireless charging devices as part of our future plans. We believe these ongoing research projects will contribute to our business growth in the future.

In addition to our in-house capabilities, we utilise external R&D resources. We have joined forces with universities to develop an algorithm for finger gesture detection, to perform navigation and tasks on screen by recognising finger motions, and a plasma light bulb for street lamp lighting. Through such collaborations, our R&D personnel are able to acquire from academic staff the latest industrial know-how related to our business.

R&D capabilities and brand development

We started our business as a manufacturing services provider of primarily touch pads utilising our customers' technologies patents and other intellectual property licensed from our customer. As technology and market expectations have changed over the years, we have, during the Track Record Period, developed our own R&D capabilities.

In recent years, we have progressed further into developing our own R&D capabilities and devoting additional resources in technological advancement and have succeeded in designing and developing a series of our own fingerprint biometric products (which are yet to be commercialised) , including our fingerprint scanner with LED indicator and fingerprint mouse which are intended to be launched, marketed and sold under our own "C-touch" brand. By developing our own brand products, we believe we will be able to capitalise on the growth opportunities in the segments we choose to enter into, broaden our customer base and broaden our revenue streams.

High product quality and competitive cost structure

We believe that we are a cost and quality leader in the touch product industry, as demonstrated by our output volume during the Track Record Period. With our over 10 years of experience in the touch product business, our Directors believe that we possess the production know-how and manufacturing and engineering capabilities which may not be generally available to our competitors. We believe that our production know-how built from our long-term relationships with industry leaders and cost-effective procurement contribute to our competitive cost structure.

We are committed to produce high quality products with a negligible defect rate as our customers demand high quality and precision. Depending on the complexity of the products, according to our customer's feedback, we maintain a less than 50ppm rate of defect for touch pad manufacturing. Through warning systems, quality assurance procedures at various stages of the production processes and detailed testing procedures, we are able to implement stringent quality control for the products we manufacture.

We have passed a number of initial qualifications and regular audits conducted by ODM/OEMs of notebook computers and consumer electronics and end-users in the touch product supply chain (i.e. consumer electronics brands) in respect of, inter alia, our touch products, production process and our manufacturing site in Jiangmen. We also engage in the design-win process with our customers prior to the launch of a new product. This is a process during which we work closely with our customers to ensure that their design specifications are satisfied before the mass production of a new product would begin. These qualification, audit and design-win processes are costly and time-consuming, which present a market entry barrier for potential competing touch product manufacturers and impediment for our customers to turn to alternative manufacturing services providers. We have also obtained accreditations including ISO14001:2004 and OHSAS18001:2007 in respect of our quality, environmental and health and safety management systems.

We have received CE and FCC certifications and have been awarded with certificates of compliance from international conformity assessment authorities. We have also adopted the EICC standards, a set of industry code of conduct commonly expected of electronics manufacturing services providers established by international notebook computer and other consumer electronics companies.

Our production base equipped with i-Manufacturing system

Our Jiangmen production base is equipped with our i-Manufacturing system, which makes use of a web portal incorporating BAAN ERP system, Valor's vManage system together with our other internal systems for management of day-to-day operations, accounting management and monitoring real-time machine performance and shop floor controls. We have also invested in barcode identification and tracing systems, the full implementation of which enables the traceability of production materials and processes.

In addition, we have designated program management and in-house quality assurance teams to ensure that the quality and production of our products meet the requirements and targets of individual customers. Our program management team closely monitors processes from product planning, manufacturing, testing to quality control to ensure our products meet each customer's specific requirements.

Long-term relationship with major customer and supply chain end-users

We do not have any long-term sales agreements with our customers and instead rely on individual purchase orders and invoices. However, we have successfully maintained ongoing orders from Synaptics for over 10 years. Our Group has secured long-term demand from this customer as we have satisfied its and its customers' requirements. Synaptics, has in place, a quarterly business review program whereby it discusses with us and monitors, amongst other things, the quality aspects of our production of touch products.

Although ODMs/OEMs of notebook computers and the end customers of the touch pad supply chain (i.e. consumer electronics brands) are not our direct customers contractually for touch pads, in order to ensure that their specifications and expectations in our products are met, we work closely with these industry players through qualification processes and regular audits. Through such contact, we have been able to establish long term relationships directly with them and provide touch pads which satisfy their specific requirements.

We believe our well-established and long-term relationships with our major customer and supply chain end-users have resulted from our track record of quality products, production know-how, industry experience, dedicated program management teams, and competitive pricing and after-sales services.

Close partnerships with industry leaders

We have established partnerships with some industry leaders in terms of product development and testing. Our engineers work closely on site with the personnel of these business partners to create solutions and carry out testing to speed up product launches. Prior to engaging in mass production of a new product, our Group would engage in a design-win process with relevant customers. During the course of this process, the relevant customers would work closely with us to ensure that we can satisfy design specifications and that our production facilities and capability fulfills requisite requirements. It is only upon due completion of the design-win process that mass production of a certain product would commence. This process reflects the level of commitment of the relevant customers to the products and the expected demand.

Cooperation with our industry leading customers in R&D projects allows the exchange of information and know-how on the latest technological developments in the industry and, accordingly, keeps our R&D team abreast of up-to-date trends and technologies.

Experienced management team with proven track record and industry expertise

Our senior management team has in-depth industry experience and engineering skills in circuit assembly production and electronics. Members of our senior management team were educated and/or have worked in the electronics industry in the United States, Singapore and the Philippines. They bring valuable international experience, industry connections, know-how and perspectives in terms of production and marketing.

As at the Latest Practicable Date, our R&D team comprised 45 skilled and experienced core employees and 334 R&D related engineers covering electronics, software and mechanical engineering, product industrial design and intellectual property development.

STRATEGIES AND FUTURE PLANS

While we will continue our effort on capacitive touch products, going forward, in addition to maintaining our leading position in touch pad manufacturing, our vision is to become a provider of "life-technologies" in the markets for capacitive touch products, fingerprint biometric devices, wireless charging devices and plasma lighting products.

We aim to grow our market share in the capacitive touch product market, which has been the main source of our revenue over the Track Record Period, and within the touch product segment, to

have an increased focus on touch screens. It is also our aim to diversify our product portfolio as a natural expansion of our SMT/COB production capability. We see significant market growth potential for fingerprint biometric devices, wireless charging devices and plasma lighting products and we aim to continue our focus on these products. Further details of which are set out in the sections headed "Industry Overview – Touch Screen Market", "Industry Overview – Fingerprint Device Market", "Industry Overview – Wireless Charging Market" and "Industry Overview – Plasma Lighting Market".

Our core strategies and future plans are set out below:

Continue our focus on the touch product market with an increasing emphasis on touch screen production

We believe that growth potential exists in the global capacitive touch product market for notebook computers, portable music and media players, mobile and smart phones as the markets for these consumer electronics are expected to continue to grow. We have been a long-term supplier to Synaptics for over 10 years and with whom we intend to fortify our business relationship in the foreseeable future.

iSuppli Corporation estimates that the global market for capacitive touch pads (including touch buttons) for the PC and mobile device segments will grow from approximately 379.3 million unit shipments in 2009 to 774.9 million unit shipments in 2013, at a CAGR of 19.6%. It also estimates that the projected global capacitive touch pad unit shipment for notebook computers for each of the full years of 2010, 2011, 2012 and 2013 will reach approximately 164.2 million, 185.5 million, 210.4 million and 235.1 million respectively, i.e. at a CAGR of 9.4%.

To capture the growth opportunities in the touch products market and business from potential customers, we plan to increase our production of touch products, in particular, touch screen products. As stated in the section headed "Use of Proceeds" in this prospectus, we plan to apply approximately 13% of the net proceeds from the Global Offering to enhance and upgrade our production and testing equipment for touch screen related products for customers including Synaptics. It is our strategy to develop lens and lamination technology for touch screen applications, as we believe that touch screens will continue to be the mainstream computing interface in day-to-day life going forward. We plan to apply approximately 13% of our net proceeds from the Global Offering to purchase additional production equipment for applying lens and lamination technology in the production of touch screens. We intend to offer "one-stop-shop" turnkey production for touch screen products by offering the production of touch screen panels and other component parts and assembly of these parts to produce touch screen products.

We believe that our strengths, in particular, over 10 years of experience in the industry, our long-term relationships with the global leader in touch pads, and other global industry leaders, coupled with the technical know-how involved in the production processes and the intensive capital investment required for building up production facilities resulting in an entry barrier, gives us a competitive advantage over our direct competitors and potential new entrants.

We intend to maintain our long-term relationships with existing customers through our customer specific program teams and by achieving on-time delivery of products which meet our customers' quality and cost targets. As a value-added service that strengthens customer loyalty, upon full implementation of our i-Manufacturing system, our customers will be provided with real-time

status and traceability information for their orders on our website, including camera surveillance on our production process, status updates on expected delivery and transportation. We also plan to integrate RFID technology with our customers' traceability systems to allow automatic and real-time identification of products for our customers.

Capitalise on growth opportunities in fingerprint biometrics technology

We have observed an increasing demand for data security and biometric authentication in personal computers, computer peripherals, consumer electronics and other applications generally used in day-to-day life and we foresee considerable room for expanding into this market with fingerprint biometric devices and products. Our objective is to roll out a portfolio of fingerprint biometric products under our own "C-touch" brand and commercialise fingerprint security applications in daily lives.

We believe that our efforts in building a portfolio of intellectual property in fingerprint biometric products and applications during the Track Record Period will enable us to tap into this relative new market and that our patent applications, once approved and granted, will safeguard us from potential competition.

Combine touch and fingerprint technologies to create new applications

Building on our wealth of capacitive touch product and fingerprint biometrics experience, we intend to combine touch and fingerprint technologies to create new applications. During the Track Record Period, we have developed a fingerprint keyboard comprising a SecuButton™ and a fingerprint sensor. This device simplifies computer security controls by combining our experience in touch sensing and fingerprint biometrics. We plan to further develop and commercialise this combined application for use in notebook computers.

Diversify in life-technologies through R&D capabilities and technology partnerships

We will continue to focus on R&D and diversify into life-technologies through either our in-house capabilities or through partnerships with customers and other third parties. We intend to extend our in-house R&D capabilities by adding designs and applications to our portfolio and to expand the range of products and solutions we currently offer. Our strategy is to further recruit qualified and experienced R&D personnel and to step up our development of designs and technologies.

Prior to diversifying into a new product, we would engage in a design-win process with relevant customers. During the course of this process, our customers would work closely with us to ensure that we can satisfy design specifications and that our production facilities and capability fulfills requisite requirements. It is only upon due completion of such design-win process that mass production of a certain product would commence. This process reflects the level of commitment of customers to our products and the expected demand.

We have been providing our long-term customer with the use of R&D facilities on site with the objective of shortening time-to-market and we will continue to extend such facilities to our customers and strategic partners going forward. In addition, we aim to continue our partnerships with academic institutions to develop leading-edge technologies and applications.

It is our strategy to diversify into life-technologies by supplying products, applications and technologies to enhance the quality of daily life. We will continue to pursue this strategy with our own R&D capabilities to develop products and technology including eCardFlex™ technology and portable wireless charging devices.

Our Directors believe that our commitment to R&D and commercialisation of new self-developed products will contribute to reducing our Group's reliance on a single product segment.

Enhance our position in wireless charging market

Wireless charging is one of the focuses of our product diversification. We produced wireless charging devices including power transmitters and power receivers, involving the use of components supplied by our customer during the Track Record Period for a customer and made our first shipment in August 2009. During the Track Record Period, we only had one customer which has, since 2007, been introducing wireless charging devices to various media in anticipation of its commercialisation. Our Directors have observed its commercial acceptance and foreseen a growing customer base, as well as an increasing future demand for wireless charging devices. As such, with our technical know-how in battery design and the capability to provide manufacturing services and other engineering support for wireless charging devices, we aim to increase our focus on this market, which we expect to be of increasing significance in our Group's business. We also intend to co-develop other applications of wireless charging with our customer.

Expand the sales of plasma street lamps

During the Track Record Period, we provided contract manufacturing services in the assembly of plasma light projectors. In 2009, and we have started the production of plasma street lamps by adopting plasma lighting technology we applied for the manufacturing of plasma light projectors into street lamp lighting, by using, amongst other things, light bulb sourced from Luxim. We have begun to sell plasma street lamps to our first street lamps customer in the fourth quarter of 2009, to whom our sales have increased in the first quarter of 2010. We have also received orders from another customer in addition to which we intend to further introduce such technology to other customers, including government authorities and city bureaus in the PRC for wider usage in street lamps in towns and cities in China. The Group plans to expand the sale of plasma street lamps to other customers once it has established the market for such products.

Pursue potential acquisition opportunities

In addition to R&D and partnerships, as part of our future expansion plan, we will also consider any suitable targets for undertaking mergers or acquisitions. As at the Latest Practicable Date, we had not yet identified any potential targets for mergers or acquisition nor had we drawn up any concrete plans for such acquisition but we are interested in exploring the opportunities of acquiring any company which offers innovative technologies, particularly in life-technologies electronics products. Through such potential acquisition, we wish to benefit from synergies with the potential target company in life-technologies so that we can further diversify into life-technologies.