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 our products 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 to grow 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 have 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.

Capacitive touch pad for notebook computers

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 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 instructions 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' operation 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 plan is to sell our "C-touch" fingerprint products through distributors in Asia and Europe, as well as to participate in trade exhibitions abroad, and we expect our first shipment will be made to a distributor in Japan in December 2010. We are also in negotiation with our existing personal computer ODMs/OEMs customer network to bundle our products with the personal computers, which we expect to be launched in second quarter of 2011. We intend to further penetrate the market by cooperating with financial institutions and flash memory manufacturers by producing "C-touch" fingerprint memory dongle to replace the traditional password or access card for authorisation purposes. Finally, we will explore the use of our fingerprint products in home and car locking system, as well as for credit card authorisation. Our aim is to provide customers with affordable and convenient 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 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 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.

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) 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 30 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 enables 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 other 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.

Our production facilities and quality commitment

Our main production and R&D facilities are located in Heshan City, the 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 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 capacitive touch pads utilising the intellectual properties and 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 last two years, our R&D team achieved technological 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 obtained or applied for patent registrations in Hong Kong, the PRC and the United States.

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. 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 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/COF production experience, we have become one of the leading capacitive touch pad suppliers for notebook computers by volume. From 2006 to 2009, we sold approximately 245.8 million capacitive touch pads in total. According to IDC, during the same period, the global shipments for notebook and netbook computers were estimated to be approximately 499.0 million. Touch pads are found essentially in the majority of notebook computers. We obtain the ICs for our touch pads on a consignment basis.

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 unit 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 12.7%. We believe we are well positioned to capture such growth opportunities, given our over 10 years' business relationship in manufacturing capacitive 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 actively conducted R&D projects and product design in-house and 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 encryption 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 the user's fingerprint

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

Capitalising on our business relationships and experience in our product production for Synaptics, we have taken initiatives to co-develop manufacturing processes for lens and lamination with Synaptics.

Furthermore, we are in the process of researching and developing in-house lens and lamination panels for capacitive 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, performing 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 the latest industrial know-how related to our business from academic staff.

R&D capabilities and brand development

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

In recent years, we have progressed further into developing our own R&D capabilities, 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, as well as broaden our customer base and broaden our revenue streams.

High product quality under custom designed test equipment and traceability system and competitive cost structure

We believe that we are a cost and quality leader in the capacitive touch product industry, as demonstrated by our output volume during the Track Record Period. With over 10 years of experience in the capacitive 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 producing 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 capacitive 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 ODMs/OEMs of notebook computers and consumer electronics and end-users in the capacitive touch product supply chain (i.e. consumer electronics brands) in respect of, among other things, our capacitive touch products, production process and our manufacturing site in Heshan City. 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 begins. These qualification, audit and design-win processes are costly and time-consuming, which present 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 14001:2004 and OHSAS 18001:2007 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 Heshan City production base is equipped with our i-Manufacturing system, which makes use of a web portal incorporating BAAN ERP system, and Valor's vManage system together with our other internal systems for management of day-to-day operations, accounting management, 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, and testing to quality control to ensure our products meet each customer's specific requirements.

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

We do not have any long-term sales agreements with our customers, such as Synaptics and instead rely on individual purchase orders and invoices. However, we have successfully maintained ongoing orders from customers, such as Synaptics, for over 10 years. Our Group has secured long-term demand from this customer as we have satisfied its requirements and those of its customers as well. 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 capacitive touch products.

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

We believe our well-established and long-term relationships with our major customers and supply chain end-users have resulted from our track record of quality products, production know-how, industry experience, dedicated program management teams, 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 capabilities fulfil 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 of the products.

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 Hong Kong, the United States, Singapore and the Philippines. They bring valuable international experience, industry connections, know-how and perspectives in terms of production and marketing.

The composition of our R&D workforce is a matrix organisation. Depending on the new projects undertaken by us, our R&D team members collaborate with other R&D related engineers in various project teams. As at the Latest Practicable Date, our R&D team comprised 35 skilled and experienced core employees and 343 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 efforts on capacitive touch products with a view towards maintaining our leading position in capacitive 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 lighting source products.

We aim to grow our market share in the capacitive touch product market, which was the main source of our revenue over the Track Record Period, and within the capacitive touch product segment, to have an increased focus on capacitive touch screen modules. It is also our aim to diversify our product portfolio as a natural expansion of our SMT and COB/COF production capability. We see significant market growth potential for fingerprint biometric devices, wireless charging devices and lighting source 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 capacitive touch product market with an increasing emphasis on the production of capacitive touch screen modules

We believe that growth potential exists in the global capacitive touch product market for notebook computers, portable music and media players, and 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. We intend to fortify our business relationship with them in the foreseeable future.

iSuppli Corporation estimates that the global market for capacitive touch pads (including capacitive touch buttons) for personal computers and mobile devices 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 in 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 12.7%.

To capture the growth opportunities in the capacitive touch products market and business from potential customers, we plan to increase our production of capacitive touch products, in particular, capacitive touch screen related products. 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. It is our strategy to develop lens and lamination technology for touch screen applications, as we believe that capacitive touch screens will continue to be the mainstream computing interface in day-to-day life going forward. We intend to offer "one-stop-shop" turnkey production for capacitive touch screen modules by offering the production of capacitive touch screen panels and other component parts and assembly of these parts to produce capacitive 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 capacitive 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, give 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 the 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 and 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 life.

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

Combine capacitive touch and fingerprint technologies to create new applications

Building on our wealth of capacitive touch product and fingerprint biometrics experience, we intend to combine capacitive touch and fingerprint technologies to create new applications. During the Track Record Period, we developed a fingerprint keyboard comprising a SecuButton™ and a fingerprint sensor. This device simplifies computer security controls by combining our experience in capacitive 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 move forward in our development of designs and technologies.

Prior to developing 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 capabilities fulfill 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 of the products.

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 which enhance the quality of daily life of consumers at large. 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 plan. We produced wireless charging devices, including power transmitters and power receivers, for a customer, involving the use of components supplied by that customer during the Track Record Period, 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 observed its commercial acceptance and foresee 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 capability to provide manufacturing services and other engineering support for wireless charging devices, we aim to develop this business segment and

increase our marketing efforts in this market by exploring further business opportunities with various distributors in Asia and potential customers. 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 wireless charging devices to be of increasing significance to 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, we started the production of plasma street lamps by adopting plasma lighting technology we applied in the manufacturing of plasma light projectors. We started selling plasma street lamps to a customer in November 2009, and our sales to such customer increased in the first half of 2010. 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. 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.

Pursue potential acquisition opportunities

In addition to R&D and partnerships, and 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 yet to identify any potential targets nor had we drawn up any concrete plans for any acquisition. However, we are interested in exploring the opportunities of acquiring any company which offers innovative technologies, particularly life-technologies electronics products. Through such potential acquisition, we expect to benefit from synergies with the potential target company in life-technologies so that we can further diversify into life-technologies.