World Wide Touch Technology (Holdings) Limited
世 達 科 技（ 控 股 ）有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1282)

2011 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "Board") of World Wide Touch Technology (Holdings) Limited (the "Company") would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2011.

The interim consolidated results are unaudited but have been reviewed by the Company's audit committee and the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 HK$'000 (Unaudited)	2010 HK$'000 (Audited)
Revenue	4	**644,300**	668,705
Cost of sales		**(513,722)**	(481,041)
Gross profit		**130,578**	187,664
Other income/(losses) — net		**109**	(35)
Distribution costs		**(4,123)**	(5,168)
Administrative expenses		**(62,539)**	(52,277)
Operating profit	5	**64,025**	130,184
Finance income	6	**3,342**	23
Finance costs	6	**(7,108)**	(7,479)
Finance costs — net	6	**(3,766)**	(7,456)
Profit before income tax		**60,259**	122,728
Income tax expense	7	**(9,139)**	(18,415)
Profit attributable to equity holders of the Company and total comprehensive income during the period		**51,120**	104,313
Earnings per share for profit attributable to equity holders of the Company			
— basic (expressed in HK cents per share)	8	**1.75**	4.85
— diluted (expressed in HK cents per share)	8	**N/A**	N/A
Dividends	9	**15,000**	15,390

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2011 HK$'000 (Unaudited)	As at 31 December 2010 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**517,506**	462,232
Land use right		**5,096**	5,154
Intangible assets		**34,318**	27,421
Available-for-sale financial assets	*10*	**39,007**	—
Deferred income tax assets		**104**	104
Prepayments		**61,654**	6,883
		657,685	501,794
Current assets			
Inventories		**199,864**	193,692
Trade receivables	*11*	**159,657**	225,549
Prepayments, deposits and other receivables		**20,099**	96,806
Financial assets at fair value through profit or loss		**1,210**	1,251
Pledged bank deposits		**—**	75,832
Cash and cash equivalents		**666,174**	550,311
		1,047,004	1,143,441
Total assets		**1,704,689**	1,645,235
EQUITY			
Owner's equity attributable to the Company's equity holders			
Share capital	*12*	**292,708**	287,000
Share premium		**565,489**	517,267
Reserves		**253,177**	202,057
		1,111,374	1,006,324

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**As at 30 June 2011** *HK$'000* **(Unaudited)**	As at 31 December 2010 *HK$'000* (Audited)
LIABILITIES			
Non-current liabilities			
Bank borrowings		**52,726**	44,000
Deferred tax liabilities		**5,313**	3,776
		58,039	47,776
Current liabilities			
Trade and bills payables	*13*	**188,547**	210,917
Accruals and other payables		**59,081**	95,835
Bank borrowings		**242,098**	223,181
Finance lease obligations		**21,990**	38,291
Current income tax liabilities		**23,560**	22,911
		535,276	591,135
Total liabilities		**593,315**	638,911
Total equity and liabilities		**1,704,689**	1,645,235
Net current assets		**511,728**	552,306
Total assets less current liabilities		**1,169,413**	1,054,100

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Attributable to the equity holders of the Company							
	Share capital	**Share premium**	**Merger reserve**	**Capital reserve**	**Share issuance costs**	**Statutory reserve**	**Retained earnings**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(Unaudited)								
For the period ended 30 June 2011								
At 1 January 2011	**287,000**	**517,267**	**(215,150)**	**12,411**	**—**	**23,049**	**381,747**	**1,006,324**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**—**	**51,120**	**51,120**
Transfer to statutory reserve	**—**	**—**	**—**	**—**	**—**	**3,849**	**(3,849)**	**—**
Exercise of share over-allotment	**5,708**	**48,522**	**—**	**—**	**—**	**—**	**—**	**54,230**
Professional fees in relation to the initial public offering	**—**	**—**	**—**	**—**	**(300)**	**—**	**—**	**(300)**
Transfer to share premium	**—**	**(300)**	**—**	**—**	**300**	**—**	**—**	**—**
At 30 June 2011	**292,708**	**565,489**	**(215,150)**	**12,411**	**—**	**26,898**	**429,018**	**1,111,374**
(Audited)								
For the period ended 30 June 2010								
At 1 January 2010	215,250	—	(215,150)	12,411	(17,924)	12,578	234,942	242,107
Profit for the period	—	—	—	—	—	—	104,313	104,313
Transfer to statutory reserve	—	—	—	—	—	3,845	(3,845)	—
Professional fees in relation to the initial public offering	—	—	—	—	(21,829)	—	—	(21,829)
Dividends	—	—	—	—	—	—	(15,390)	(15,390)
At 30 June 2010	215,250	—	(215,150)	12,411	(39,753)	16,423	320,020	309,201

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Net cash generated from operating activities	**93,746**	42,450
Net cash used in investing activities	**(58,206)**	(75,925)
Net cash generated from financing activities	**72,809**	21,447
Net increase/(decrease) in cash and cash equivalents	**108,349**	(12,028)
Cash and cash equivalents at beginning of the period	**550,311**	29,620
Exchange gain on cash and cash equivalents	**7,514**	—
Cash and cash equivalents at end of the period	**666,174**	17,592
Analysis of the balances of cash and cash equivalents		
Cash at banks and on hand	**666,174**	17,647
Bank overdrafts	**—**	(55)
	666,174	17,592

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

1 GENERAL INFORMATION

World Wide Touch Technology (Holdings) Limited (the "Company") was incorporated in the Cayman Islands on 17 July 2009 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the "Group") are principally engaged in the trading and manufacturing of electronic products.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

Pursuant to a group reorganisation, which was completed on 27 November 2009 (the "Reorganisation"), the Company became the holding company of the subsidiaries now comprising the Group. Prior to the completion of the Reorganisation, the business of the Group was carried out by World Fair International Limited (a Hong Kong incorporated company) and its subsidiaries. Before the completion of the Reorganisation, World Fair International Limited was beneficially wholly owned by Mr. Wong Kwok Fong and Ms. Ching Pui Yi (collectively, the "Controlling Shareholders").

This condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information has been approved for issue on 26 August 2011.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following standards, amendments and interpretations to existing standards have been published by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and are effective for 2011:

HKAS 24 (Revised)	Related party disclosures
HKAS 32 (Amendment)	Classification of rights issues
HKAS 34 (Amendment)	Interim financial reporting
HK(IFRIC)–Int 14 (Amendment)	Prepayments of a minimum funding requirement
HK(IFRIC)–Int 19	Extinguishing financial liabilities with equity instruments
Third improvements to Hong Kong Financial Reporting Standards (2010)	Certain third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by both IASB and the HKICPA

(b) Amendments and interpretations to existing standards issued in 2011 but not effective for the financial year beginning 1 January 2011 and have not been early adopted.

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets	1 January 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
HKFRS 7 (Amendment)	Disclosures — Transfers of financial assets	1 July 2011
HKFRS 9	Financial instruments	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013

4 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (the "CEO") that are used to make strategic decisions.

The CEO considers the business from a product perspective.

The reportable operating segments derive their revenue primarily from the manufacturing and sale of capacitive touch products, fingerprint biometric devices, lighting source products and wireless charging devices.

Other products include automotive parts and high power amplifiers. These are not qualified as reportable segment as these segments do not meet the quantitative threshold required by HKFRS 8 and accordingly, the segment information of these operations are included in "other segments".

Reportable segment information is reconciled to profit before income tax as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Revenue from external customers		
Capacitive touch products	**362,351**	383,267
Fingerprint biometric devices	**107,452**	67,212
Lighting source products	**35,807**	42,279
Wireless charging devices	**8,910**	122,896
Other segments	**129,780**	53,051
Segment revenue for reportable and other segments	**644,300**	668,705
Segment gross profit		
Capacitive touch products	**81,071**	90,774
Fingerprint biometric devices	**19,134**	24,697
Lighting source products	**10,585**	15,819
Wireless charging devices	**1,802**	36,725
Other segments	**17,986**	19,649
Segment gross profit for reportable and other segments	**130,578**	187,664
Other segment item — amortisation of intangible assets		
Fingerprint biometric devices	**—**	(1,131)
Lighting source products	**—**	(259)
Wireless charging devices	**—**	(64)
Other segments	**—**	(455)
	—	(1,909)
Unallocated:		
Depreciation shared by various reportable segments	**(7,396)**	(4,497)
Amortisation of land use right	**(58)**	(58)
Other income/(losses) — net	**109**	(35)
Other distribution costs and administrative expenses	**(59,208)**	(50,981)
Finance costs — net	**(3,766)**	(7,456)
	(70,319)	(63,027)
Profit before income tax	**60,259**	122,728

The revenue from external parties reported to the CEO is measured in a manner consistent with that in the condensed consolidated interim financial information.

The CEO assesses the performance of the operating segments based on a measure of gross profit margin, which are in a manner consistent with that of the condensed consolidated statement of comprehensive income.

5 OPERATING PROFIT

The following items have been charged to the operating profit during the period:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss on disposal of property, plant and equipment	**134**	—
Depreciation of property, plant and equipment	**27,917**	21,868
Amortisation of land use right	**58**	58
Amortisation of intangible assets	**7,839**	1,909

6 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Finance income		
— Interest income on bank deposits	**3,342**	23
Finance costs:		
— Bank loans	**4,789**	4,580
— Finance lease obligations	**694**	1,285
— Bank overdrafts and trust receipt loans	**1,625**	1,614
	7,108	7,479
Finance cost — net	**3,766**	7,456

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current income tax		
— Hong Kong profits tax	**4,507**	12,259
— Taxation outside Hong Kong	**3,096**	2,025
	7,603	14,284
Deferred income tax	**1,536**	4,131
	9,139	18,415

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2011 (For the six months ended 30 June 2010: 16.5%).

The statutory income tax rate applicable to World Fair Electronics Technology (Heshan) Limited, a subsidiary, is 25%. Pursuant to the relevant tax regulations in the PRC, the subsidiary is eligible for an exemption from the PRC enterprise income tax for two years starting with the first profit-making year, after offsetting prior year losses, followed by a 50% reduction for three immediate subsequent years. 5% withholding income tax is also imposed on dividends relating to profits remitted from the PRC subsidiary.

The first profit-making year (after offsetting prior year losses) of World Fair Electronics Technology (Heshan) Limited is the year ended 31 December 2008.

8 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Profit attributable to equity holders of the Company	**51,120**	104,313
Weighted average number of ordinary shares in issue *(thousands)*	**2,926,019**	2,152,500
Basic earnings per share *(HK cents)*	**1.75**	4.85

(b) Diluted

As the Company had no dilutive ordinary shares for the period (For the period ended 30 June 2010: Nil), diluted earnings per share for the period is not presented.

9 DIVIDENDS

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Interim dividend	**15,000**	15,390

At the Board meeting held on 26 August 2011, the Board declared an interim dividend of HK0.512 cents (2010: HK0.536 cents) per ordinary share. This condensed consolidated interim financial information does not reflect this dividend payable.

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The available-for-sale financial assets represent the investment in equity instruments that do not have a quoted market price in an active market. As the fair value cannot be measured reliably, such investment cost is measured at cost. The Group does not intend to dispose of the available-for-sale financial assets within 12 months from the period-end date.

11 TRADE RECEIVABLES

	As at 30 June 2011 *HK$'000* **(Unaudited)**	As at 31 December 2010 *HK$'000* (Audited)
Trade receivables	**159,657**	225,549
Less: Provision for impairment of receivables	**—**	—
Trade receivables — net	**159,657**	225,549

The Group generally grants a credit period of 30 to 90 days to its customers. The aging analysis of trade receivables is as follows:

	As at 30 June 2011 *HK$'000* **(Unaudited)**	As at 31 December 2010 *HK$'000* (Audited)
0 to 30 days	**154,119**	102,177
31 to 60 days	**1,118**	74,311
61 to 90 days	**43**	21,511
91 to 120 days	**—**	9,849
Over 120 days	**4,377**	17,701
	159,657	225,549

12 SHARE CAPITAL

	As at 30 June 2011 *HK$'000* **(Unaudited)**	As at 31 December 2010 *HK$'000* (Audited)
Authorised capital:		
3,500,000,000 shares of HK$0.1 each	**350,000**	350,000
Issued capital:		
At 1 January *(Note a)*	**287,000**	215,250
Shares issued pursuant to the Global Offering *(Note b)*	**—**	71,750
Shares issued upon the exercise of the over-allotment option of the Global Offering *(Note c)*	**5,708**	—
	292,708	287,000

Notes:

(a) The Company was incorporated on 17 July 2009, with an authorised share capital of 3,500,000,000 shares of HK$0.1 each were issued for cash. On 27 November 2009, the Company issued 2,152,490,000 shares of HK$0.1 each pursuant to the Reorganisation.

(b) On 15 December 2010, the Company issued 717,500,000 shares of HK$0.1 each pursuant to the global offering launched on 2 December 2010 (the "Global Offering"). The excess of issue price over the par value of the ordinary shares was credited to the share premium.

(c) On 4 January 2011 and 11 January 2011, the Company issued 54,000,000 shares and 3,084,000 shares, respectively, totalling 57,084,000 shares of HK$0.1 each upon the exercise of the over-allotment option of the Global Offering.

13 TRADE AND BILLS PAYABLES

At 30 June 2011, the aging analysis of the trade and bills payables is as follows:

	As at 30 June 2011 *HK$'000* **(Unaudited)**	As at 31 December 2010 *HK$'000* (Audited)
0 to 30 days	**117,996**	70,989
31 to 60 days	**44,125**	66,599
61 to 90 days	**20,073**	57,641
91 to 120 days	**3,033**	13,161
Over 120 days	**3,320**	2,527
	188,547	210,917

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Uncertainties continued to overshadow the global economic recovery in the first half of 2011. The Group's performance over the period has been adversely affected by the tough operating environment in the People's Republic of China (the "PRC") hit by inflation, appreciation of Renminbi, rise in production costs, as well as change in the Group's product mix. The Group's revenue slightly dropped by 3.6% to HK$644.3 million, and the profit over the period dropped by 51.0% to HK$51.1 million. Nevertheless, the Group recorded high growth in certain revenue segments, including capacitive touch screen modules and fingerprint biometric devices. The Group will strive to improve its results for the full year of 2011.

In the first half of 2011, capacitive touch products revenue accounted for 56.2% (corresponding period in 2010: 57.3%) of the total revenue, while the remaining 43.8% (corresponding period in 2010: 42.7%) came from fingerprint biometric devices, wireless charging devices, light source products and other products.

Business Review

Capacitive touch products continued to take up the largest share of the Group's total revenue in the first half of 2011. Sales of capacitive touch pads for use in notebook computers fell by 20.1% as compared with the corresponding period in 2010. Sales of touch screen controllers and modules climbed significantly by 165.6% as compared with the corresponding period in 2010 due to the increase in demand for smart consumer devices such as tablet PCs and smartphones from ODM/OEM partners, offsetting the drop in sales in capacitive touch pads. During the period, the Group delivered over 8 million units of touch screen controllers and modules, representing over 1.4 times of increment as compared to the corresponding period in 2010. As users around the world are switching from old-fashioned mobile phones to highly versatile devices to perform daily tasks like shopping and banking, the Group believes the touch screen modules sector will continue to grow.

Fingerprint biometric devices, the growth driver for the Group in the first half of 2011, delivered excellent performance with revenue increased by 60.0% to HK$107.5 million as compared to the corresponding period in 2010. In the consumer sector, fingerprint access is arguably the best identity recognition tool as it offers unmatched convenience and security. It saves the hassle of memorising passwords for different devices and applications.

The Group's plasma lighting source products generated a revenue of HK$35.8 million during the period under review, representing a fall of 15.4% from that for the corresponding period in 2010 .

Despite the reduction in the revenue from the lighting source products during the period, the Group believes that this segment has a promising prospect in a long run. Plasma lighting products, with their high reliability, long lifetime, high efficiency and energy-saving capacity, are applicable to areas including but not limited to highways/freeways, residential living areas, and manufacturing facilities, are regarded as energy efficient products. To promote conservation of energy, the State Council released a comprehensive energy saving and emission reduction programme in July 2011 as part of its 12th Five-year Plan. According to the programme, the PRC government encourages the use of advanced technology and plans to strengthen energy saving management. The Group believes these initiatives would favour the growth in its plasma lighting product segment.

The Group saw a 92.8% decline in revenue from wireless charging devices compared to the corresponding period in 2010 as the market was undergoing a transition after the Wireless Power Consortium ("WPC"), an organisation which is established to set a universal power charging standard, announced the implementation of a new standard known as "Qi" to ensure product interoperability regardless of manufacturer or brand for electronic products such as mobile phones, music players and digital cameras. The Group's strategic partner, Powermat Limited ("Powermat"), an Israel-based firm specialising in wireless electric charging technology, became a WPC member in May 2011 and would be adopting Qi for its products. During this period of transition, the orders for the Group's wireless charging devices had reduced significantly. But the Group is optimistic about the outlook of its wireless charging devices since the market is likely to expand with the adoption of Qi. Moreover, the Group believes its partnership with Powermat, as an industry leader in wireless charging, will bring competitive advantage to the Group in the future when Qi is widely adopted by leading handset OEMs.

In order to strengthen its position in the wireless charging market, Cyber Vision Technology Limited, a subsidiary of the Company entered into an agreement on 11 May 2011 with Powermat for the subscription for 958 preferred shares of Powermat at a consideration of approximately US$5 million. The Group believes the strategic partnership with Powermat will facilitate the growth in its wireless charging business.

During the first half of 2011, the revenue from other segments, including automotive parts and high power amplifiers, accounted for HK$129.8 million, representing an increase of 144.4% as compared to the corresponding period in 2010. The growth was mainly due to the increased number of sales orders.

Financial Review

Revenue

The revenue for the six months ended 30 June 2011 amounted to HK$644.3 million (corresponding period in 2010: HK$668.7 million), analysed by product category as follows:

	For the period ended 30 June				
	2011		2010		
	HK$ million		*HK$ million*		*% change*
Capacitive touch products	**362.3**	**56.2%**	383.2	57.3%	-5.5%
Fingerprint biometric devices	**107.5**	**16.7%**	67.2	10.1%	+60.0%
Lighting source products	**35.8**	**5.6%**	42.3	6.3%	-15.4%
Wireless charging devices	**8.9**	**1.4%**	122.9	18.4%	-92.8%
Other segments	**129.8**	**20.1%**	53.1	7.9%	+144.4%
	644.3	**100.0%**	668.7	100.0%	-3.6%

During the period under review, the Group's revenue fell slightly by 3.6% to HK$644.3 million as compared with the corresponding period in 2010. Such fall is mainly due to the decline in revenue from wireless charging devices due to the transition which has been partly offset by the rise in the revenue from fingerprint biometric devices and other segments as more sales orders were received.

Gross Profit and Margin

The gross profit for the six months ended 30 June 2011 amounted to HK$130.6 million, a decrease of HK$57.1 million or 30.4% as compared with the corresponding period in 2010.

Below set out is the analyse of gross profit and gross profit margin for each product category:

	For the period ended 30 June			
	2011		2010	
	HK$ million		*HK$ million*	
Capacitive touch products	**81.1**	**22.4%**	90.8	23.7%
Fingerprint biometric devices	**19.1**	**17.8%**	24.7	36.8%
Lighting source products	**10.6**	**29.6%**	15.8	37.4%
Wireless charging devices	**1.8**	**20.2%**	36.7	29.9%
Other segments	**18.0**	**13.9%**	19.7	37.1%
	130.6	**20.3%**	187.7	28.1%

The overall gross profit margin for the period decreased from 28.1% to 20.3%, as a result of the change in product mix, increase in production costs and the appreciation of Renminbi.

Distribution Costs

Distribution cost for the period amounted to HK$4.1 million, amounting to 0.6% of the total revenue. This represents a decrease of 20.2% when compared to the corresponding period in 2010 reflecting the decline in turnover, in particular of the wireless charging devices.

Administrative Expenses

During the period under review, administrative expenses increased to HK$62.5 million from HK$52.3 million, mainly attributable to the increase in rental and general depreciation as additional office space and fixed assets were rented and acquired since latter half of 2010, legal and professional fees for compliance and communication purpose, and appreciation of Reminibi.

Finance Costs — net

The net finance costs decreased by HK$3.7 million or 49.5% as compared with the corresponding period in 2010. The decrease was primarily resulted from an increase in interest income.

Income Tax Expense

Income tax expense decreased by 50.4% to HK$9.1 million as compared to the corresponding period 2010, which was due to the decline in the profit for the period.

Profit for the Period

Profit for the period was HK$51.1 million, representing a decrease of HK$53.2 million or 51.0% as compared with the corresponding period in 2010.

Financial Resources Review

Liquidity Financial Resources and Debt Structure

Adhering to a conservative financial management system, the Group continued to maintain a healthy and solid liquidity position. As at 30 June 2011, the Group's cash and cash equivalents and pledged bank deposits totalled HK$666.2 million (31 December 2010: HK$626.1 million). Working capital represented by net current assets amounted to HK$511.7 million (31 December 2010: HK$552.3 million). The Group's current ratio was 2.0 (31 December 2010: 1.9).

Bank borrowings included trust receipt loans amounting to HK$202.3 million (31 December 2010: HK$91.3 million) and term loans amounting to HK$92.5 million (31 December 2010: HK$175.9 million) and are secured by corporate guarantees provided by the Company and certain of its subsidiaries. As at 30 June 2011, the gearing ratio of the Group, which is calculated as net debt (total borrowings less cash and cash equivalents) divided by capital and reserves attributable to the Company's equity holders, was 0% (31 December 2010: 0%), since the Group has no net debt.

Contingent Liabilities

In April 2010, World Fair International Limited ("World Fair Hong Kong"), a subsidiary of the Company, received an additional assessment dated 30 March 2010 from the Hong Kong Inland Revenue Department ("IRD") demanding an additional profits tax in the amount of HK$1.75 million for the year of assessment 2003/04. This subsidiary also received a notice from the IRD of even date requesting an interview in relation to the tax audit of its tax affairs for the years of assessment 2003/04 to 2008/09.

The directors of the Company believe that the additional assessment is of a protective nature and was issued to keep the year of assessment 2003/04 technically open in view of the statutory time bar. An objection against the above additional assessment was lodged on 20 April 2010 and by a letter dated 7 May 2010 issued by the IRD an unconditional holdover of the above additional profits tax had been granted by the IRD.

A meeting between World Fair Hong Kong and the IRD in relation to the tax audit was held in June 2010. On 17 September 2010, a settlement proposal was submitted to the IRD for consideration but the settlement of the tax audit is still under negotiation with the IRD. As part of the settlement proposal, a deposit of HK$3 million had been placed with the IRD. On 14 January 2011, the IRD issued an additional assessment in the amount of HK$0.7 million to World Fair Hong Kong for the year of assessment 2004/05. After the lodgment of an objection against the said assessment, the IRD agreed to partially holdover HK$0.3 million of the additional assessment unconditionally on 16 February 2011. The remaining balance of HK$0.4 million, which has been included in the additional tax offered in the settlement proposal dated 17 September 2010, has been paid by World Fair Hong Kong.

As the final outcome of the tax audit is still uncertain, the directors of the Company are of the view that except for those which have already been provided for in the accounts based on the Company's best estimate as prepared in the settlement proposal, there is no reliable basis for estimating and making additional provision for potential tax liabilities, if any, and the corresponding penalty and interest, if any, as at 30 June 2011, which may arise from tax adjustments made as a result of the above tax audit. The Controlling Shareholders have agreed to indemnify the Group in respect of any costs or liabilities arising out of additional assessment for which the Group may be liable.

Capital Commitments

At 30 June 2011, the Group had contracted but not provided for capital commitments of HK$106.3 million (31 December 2010: HK$3.7 million), and did not have any authorised but not contracted for capital commitments (2010: Nil).

Currency Exposure and Management

During the period, the Group's receipts were mainly denominated in US dollars and Hong Kong dollars. The Group's payments were mainly made in US dollars, Hong Kong dollars and Renminbi.

In respect of the Renminbi, as the Group's production plant is located in the PRC, most of the labor costs and manufacturing overheads were denominated in Renminbi. Therefore, the appreciation of

Renminbi adversely affected the Group's profitability. The Group will closely monitor the trend of Renminbi and, if necessary, consider entering into foreign exchange forward contracts with reputable financial institutions to reduce potential exposure to currency fluctuations.

Future plans for capital investments and expected source of funding

Currently, the Group's operating and capital expenditures are mainly financed by its internal resources such as operating cash flow and shareholders' equity, and to an extent by bank loans. The Group has sufficient resources of funding and unutilised banking facilities to meet future capital expenditure and working capital requirement. As of 30 June 2011, the Group had total capital commitments of HK$106.3 million mainly for the purchase of machineries, and the construction of additional production plants and R&D centre.

Employees

As at 30 June 2011, the Group had approximately 4,600 (31 December 2010: 5,000) full time employees in Hong Kong and the PRC. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited, with remuneration maintained at competitive levels.

Outlook

Following the earthquake and tsunami that hit Japan on 11 March 2011, the disorder and instability in the Middle East, the Eurozone debt crisis, and the fiscal problem as well as slow recovery in the US, the global economy is expected to remain sluggish. The overall market sentiment may thereby become conservative and volatile from time to time. Furthermore, with the tough operating conditions in the PRC, the future business environment is expected to become more challenging. Nevertheless, the Group is prudently optimistic about the second half of this year and is committed to adhering to its mission of being a provider of "life-technologies".

The Group will also strive to maintain its leading position in its current business and further diversify its product mix to seek new growth drivers. The expansion of the Group's production capacity planned for this year is underway as scheduled and is not affected by the challenging operating conditions. Since the Group is one of the pioneers in some emerging sectors such as plasma lighting source products, it has gained the first-mover advantage in these segments.

The Group expects capacitive touch products, especially touch screen controllers and modules, as well as fingerprint biometric devices, to maintain their momentum in the second half of this year. Amid the increasing awareness of energy saving and environmental protection in the PRC which is expected to present a great opportunity to the Group's plasma lighting products, the Group will seek to increase the market share in plasma lighting source products by seeking joint venture opportunities with property developers as well as government agencies across the PRC, so as to secure more sales orders for the second half of this year, with the sales contribution likely to be reflected in 2012. In addition, the Group has started to incorporate Qi into the wireless charging devices.

With a view to reducing operating costs and boosting its competitiveness, the Group will enhance cost control by optimizing the operation of every aspects of business and production procedures. The Group does not only focus on prices in its competitive strategy, but to provide quality services as well as added value to customers. The Group will continue to reinforce lean manufacturing to provide newly added values and services to customers. At the same time, the Group will also continue to maintain a close communication with customers as to understand their needs for reaching a mutually beneficial win-win partnership.

Moving ahead, the Group will continue to seek investment and business opportunities in various ways including mergers and acquisitions that are in line with its strategies. The Group will also seek to fulfil the vision of offering products with cutting-edge technologies which would facilitate and improve the users' daily life experience, as well as to further develop and launch products that would pave the way for the Group's long-term growth.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK0.512 cents per ordinary share for the six months ended 30 June 2011 (2010: HK0.536 cents per share). The interim dividend will be paid in cash on or around Friday, 30 September 2011 to shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 21 September 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 19 September 2011 to Wednesday, 21 September 2011 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the interim dividend for the six months ended 30 June 2011, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 16 September 2011.

PURCHASE, SALE, REDEMPTION OR CONVERSION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2011.

UPDATE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the changes in information of directors of the Company subsequent to the date of the Annual Report 2010 are set out below:

1. Mr. Wong Kwok Fong was appointed as the Chairman of the Strategic Intellectual Property and Technology Committee of the Company on 30 June 2011.

2. Mr. Tan Hui Kiat was appointed as a committee member of the Strategic Intellectual Property and Technology Committee of the Company on 30 June 2011.

3. Mr. Cheung Wing Keung resigned as an executive director, Chief Technology Officer, Chairman and committee member of the Strategic Intellectual Property and Technology Committee of the Company on 30 June 2011.

The biographical details of the directors and senior management of the Company are set out in the Company's website.

CORPORATE GOVERNANCE

The Company is maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well preserving the interests of the shareholders as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules, except that there is no separation of the roles of Chairman and Chief Executive Office, as stipulated in the code provision A2.1. Mr. Wong Kwok Fong ("Mr. Wong") currently assumes the roles of both the Chairman and the Chief Executive Officer of the Company. He is one of the founders of the Group and has extensive experience in manufacturing, supply chain and marketing functions in electronics and technologies. The Board believes that by holding both roles, Mr. Wong will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company's present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will be maintained.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the directors of the Company. All directors of the Company have confirmed that throughout the six months ended 30 June 2011, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference set out in the CG Code. The principal duties of the audit committee includes the review and supervision of the Group's financial reporting matters and internal control procedures. The audit committee comprises three independent non-executive directors of the Company, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew and Mr. Chan Wai.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wwtt.hk). The 2011 Interim Report will be dispatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff of the Group for their contribution during the period and also to give our sincere gratitude to all our shareholders and business partners for their continuous support.

By order of the Board
World Wide Touch Technology (Holdings) Limited
Wong Kwok Fong
Chairman and Chief Executive Officer

Hong Kong, 26 August 2011

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Wong Kwok Fong, Ms. Ching Pui Yi, and Mr. Tan Hui Kiat; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Chan Wai.