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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)

**DISCLOSEABLE TRANSACTION —
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
GALLANT TECH LIMITED**

THE ACQUISITION

The Board is pleased to announce that on 14 January 2012, Grand Sheen and World Fair, both of which are indirect wholly-owned subsidiaries of the Company, entered into the Acquisition Agreement with Gallant Tech and Mr. Kam, pursuant to which Grand Sheen has agreed to purchase, and Mr. Kam has agreed to sell, the entire issued share capital of Gallant Tech for a consideration of US\$8,000,000 (equivalent to approximately HK\$62,240,000) (subject to adjustment) plus the NBV calculated based on the Completion Accounts as detailed in the paragraph headed “Consideration” below. As conditions precedent to the Acquisition Agreement, Mr. Kam will execute the Deed of Non-competition in favour of Gallant Tech and Grand Sheen, and enter into the Service Agreement with Gallant Tech, on the Completion Date.

IMPLICATIONS OF THE LISTING RULES

As one or more of the percentage ratios for the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company within the meaning of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Acquisition Agreement

Set out below are the principal terms of the Acquisition Agreement:

Date: 14 January 2012

Parties: Mr. Kam as the vendor;
Grand Sheen as the purchaser;
World Fair as the guarantor; and
Gallant Tech.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Kam is a third party independent of the Company and its connected persons. World Fair has agreed to guarantee the obligations of Grand Sheen under the Acquisition Agreement.

Subject of the Acquisition: 5,000,000 shares of HK\$1.00 each in the share capital of Gallant Tech, being the entire issued share capital of Gallant Tech.

Consideration: US\$8,000,000 (equivalent to approximately HK\$62,240,000) in cash, which is subject to adjustment as provided in the paragraph "Adjustments to the Consideration" below, plus the NBV calculated based on the Completion Accounts and will be settled in four instalments.

A sum, representing the First Instalment and amounting to US\$4,500,000 (equivalent to approximately HK\$35,010,000) plus the NBV calculated based on the Accounts, shall be paid by Grand Sheen on the Completion Date, as to HK\$11,785,426 to Gallant Tech to discharge the loan of same amount due from Mr. Kam to Gallant Tech as set out in the Accounts, and the remaining to Mr. Kam.

A sum equal to the NBV Adjustment shall be paid by Grand Sheen to Mr. Kam (if the NBV Adjustment is a positive figure) or by Mr. Kam to Grand Sheen (if the NBV Adjustment is a negative figure), within 7 Business Days after the Final Accounts or the Completion Accounts are delivered by Mr. Kam to Grand Sheen (whichever is later).

A sum representing the Second Instalment shall be paid by Grand Sheen to Mr. Kam, on the date which falls on the expiry of the first month after the audited consolidated financial statements of the Gallant Tech Group for the year ending 31 December 2012 are issued by the auditors of Grand Sheen, or 30 June 2013, whichever is earlier.

A sum representing the Third Instalment shall be paid by Grand Sheen to Mr. Kam, on the date which falls on the expiry of the first month after the audited consolidated financial statements of the Gallant Tech Group for the year ending 31 December 2013 are issued by the auditors of Grand Sheen, or 30 June 2014, whichever is earlier.

A sum representing the Fourth Instalment shall be paid by Grand Sheen to Mr. Kam, on the date which falls on the expiry of the first month after the audited consolidated financial statements of the Gallant Tech Group for the year ending 31 December 2014 are issued by the auditors of Grand Sheen, or 30 June 2015, whichever is earlier.

Adjustments to
the Consideration:

If the 2012 Net Profit is:

- (i) more than or equal to HK\$9,800,000, then the Second Instalment shall be equal to US\$1,050,000 (equivalent to approximately HK\$8,169,000);
- (ii) less than HK\$9,800,000 but more than or equal to HK\$7,000,000, then the Second Instalment shall be equal to US\$735,000 (equivalent to approximately HK\$5,718,300), and the Consideration shall be adjusted downward by US\$315,000 (equivalent to approximately HK\$2,450,700); and
- (iii) less than HK\$7,000,000, then the Second Instalment shall be derived by using the following formula:

$$\text{Second Instalment} = \begin{array}{l} \text{US\$3,500,000} \\ \text{(equivalent to} \\ \text{approximately} \\ \text{HK\$27,230,000)} \end{array} \times \frac{\text{2012 Net Profit}}{\text{Guaranteed Base Sum}}$$

and the Consideration shall be adjusted downward accordingly by the difference between US\$1,050,000 (equivalent to approximately HK\$8,169,000) and the Second Instalment derived by using the above formula.

If the 2013 Net Profit is:

- (i) more than or equal to HK\$10,780,000, then the Third Instalment shall be equal to US\$1,160,000 (equivalent to approximately HK\$9,024,800);
- (ii) less than HK\$10,780,000 but more than or equal to HK\$7,700,000, then the Third Instalment shall be equal to US\$812,000 (equivalent to approximately HK\$6,317,360), and the Consideration shall be adjusted downward by US\$348,000 (equivalent to approximately HK\$2,707,440); and
- (iii) less than HK\$7,700,000, then the Third Instalment shall be derived by using the following formula:

$$\text{Third Instalment} = \begin{array}{l} \text{US\$3,500,000} \\ \text{(equivalent to} \\ \text{approximately} \\ \text{HK\$27,230,000)} \end{array} \times \frac{\text{2013 Net Profit}}{\text{Guaranteed Base Sum}}$$

and the Consideration shall be adjusted downward accordingly by the difference between US\$1,160,000 (equivalent to approximately HK\$9,024,800) and the Third Instalment derived by using the above formula.

If the 2014 Net Profit is:

- (i) more than or equal to HK\$11,900,000, then the Fourth Instalment shall be equal to US\$1,290,000 (equivalent to approximately HK\$10,036,200);
- (ii) less than HK\$11,900,000 but more than or equal to HK\$8,500,000, then the Fourth Instalment shall be equal to US\$903,000 (equivalent to approximately HK\$7,025,340), and the Consideration shall be adjusted downward by US\$387,000 (equivalent to approximately HK\$3,010,860);
- (iii) less than HK\$8,500,000, then the Fourth Instalment shall be derived by using the following formula:

$$\text{Fourth Instalment} = \begin{array}{l} \text{US\$3,500,000} \\ \text{(equivalent to} \\ \text{approximately} \\ \text{HK\$27,230,000)} \end{array} \times \frac{\text{2014 Net Profit}}{\text{Guaranteed Base Sum}}$$

and the Consideration shall be adjusted downward accordingly by the difference between US\$1,290,000 (equivalent to approximately HK\$10,036,200) and the Fourth Instalment derived by using the above formula.

Conditions precedent:

Completion is conditional on, among other things, the following conditions:

- (i) Mr. Kam having executed the Deed of Non-competition in favour of Gallant Tech and the Grand Sheen;
- (ii) Mr. Kam having executed the Service Agreement with Gallant Tech;
- (iii) the relevant board and shareholders approval of Gallant Tech regarding the transfer of the entire issued share capital of Gallant Tech and other ancillary transaction(s) as contemplated under the Acquisition Agreement having been obtained;
- (iv) all necessary written consents from third parties (if any) having been obtained in connection with the transfer of the entire issued share capital of Gallant Tech and such consents, if any, not having been revoked;
- (v) Grand Sheen having completed business, financial, tax, accounting and legal due diligence in relation to the Gallant Tech Group to its reasonable satisfaction;
- (vi) Gallant Tech having obtained in principle consent (verbal or written) from its bankers that the transfer of the entire issued share capital of Gallant Tech to Grand Sheen will not trigger any event of default under the relevant loan documents, nor will it in any event result in any acceleration of the repayment of the loan facilities by Gallant Tech;
- (vii) the warranties in the Acquisition Agreement remain true and accurate and not misleading in any material respect at Completion;
- (viii) no material change with respect to the business, operations, assets, liabilities of each member of the Gallant Tech Group, including any asset transfer, indebtedness or liabilities (other than payables and obligations in the ordinary course of the above entities' business); and
- (xi) no dispute, litigation or contingent liability relating to each member of the Gallant Tech Group arising as a result of any action or failure to take action by Mr. Kam.

Each party to the Acquisition Agreement shall make its/his respective best efforts to achieve satisfaction of each condition in the Acquisition Agreement (including those set out above) as soon as practicable and in any event not later than 31 January 2012 (or such later date as Grand Sheen and Mr. Kam may agree to extend in writing).

Basis of Consideration

The Consideration was agreed after arm's length negotiations between Mr. Kam and Grand Sheen with reference to, among other things, the historical results, the financial status and the growth and prospects of Gallant Tech.

Completion

Completion shall take place on the Completion Date after fulfilment of all the conditions precedent in the Acquisition Agreement.

Deed of Non-competition

As one of the conditions precedent under the Acquisition Agreement, Mr. Kam will execute the Deed of Non-Competition in favour of Gallant Tech and Grand Sheen on the Completion Date, pursuant to which Mr. Kam irrevocably and unconditionally covenants with each of Gallant Tech and Grand Sheen that, among other things:

- (i) for a period from the date of the Deed of Non-competition until three years after Mr. Kam terminating all service or employment agreements with the Gallant Tech Group of his own accord, Mr. Kam will not and will procure his affiliates not to directly or indirectly: (a) be involved in any business or activity which competes or is likely to compete with the business of the Gallant Tech Group; and (b) procure or solicit orders from or entice away any person who has been a customer or supplier of the Gallant Tech Group at any time as of the date of the Deed of Non-competition or who is a customer or supplier of the Gallant Tech Group from time to time; and
- (ii) for a period from the date of the Deed of Non-competition until three years after Mr. Kam terminating all service or employment agreements with the Gallant Tech Group of his own accord, Mr. Kam will not and will procure his affiliates not to directly or indirectly, disclose any confidential information with respect to the Gallant Tech Group or any member thereof save as required by laws or orders of the court.

Ms. Lo Chung Mei Daphene, being a director of Gallant Tech who will resign from the directorship on the Completion Date, will also execute a deed of non-competition in favour of Gallant Tech and Grand Sheen, pursuant to which Ms. Lo will covenant, for a period from the date of the deed of non-competition until one year after her terminating all service or employment with the Gallant Tech Group, for substantially similar non-competition undertakings as that in the Deed of Non-competition.

Service Agreement

As one of the conditions precedent under the Acquisition Agreement, Mr. Kam and Gallant Tech will on Completion Date enter into the Service Agreement, pursuant to which Mr. Kam will be employed as the general manager of Gallant Tech for a fixed term of 3 years from the Completion Date. Under the Service Agreement, Mr. Kam shall be entitled to such salary, commission and discretionary bonus as the board of Gallant Tech may determine, the aggregate sum of which shall be subject to a cap of HK\$1,000,000 for each year of service.

INFORMATION ON GALLANT TECH

Business

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Gallant Tech is principally engaged in the business of equipment supply and services in the printed circuit board assembly and semiconductor packaging market. It provides, among other things, world class surface-mount technology assembly, test equipment and semiconductor packaging machines and the installation and application services. Currently, Gallant Tech owns a wholly-owned subsidiary in Shenzhen, the PRC which is engaged in the import and export of electronic products in the PRC.

Financial information

Based on the audited consolidated accounts of Gallant Tech prepared in accordance with HKFRS, the net assets value of Gallant Tech was HK\$11,745,766 as at 31 December 2010. Based on the unaudited consolidated accounts of Gallant Tech, the net assets value of Gallant Tech was HK\$20,709,892 as at 31 December 2011.

Based on the audited consolidated accounts of Gallant Tech for the year ended 31 December 2010 prepared in accordance with HKFRS and the unaudited consolidated accounts of Gallant Tech, the profits or losses of Gallant Tech for the two years ended 31 December 2011 are as follows:

	Financial year ended 31 December 2010 (audited)	Financial year ended 31 December 2011 (unaudited)
Profit/(loss) before tax	HK\$12,863,580	HK\$17,651,193
Profit/(loss) after tax	HK\$10,846,106	HK\$14,366,333

Reasons for and benefits of the Acquisition

The Company is an investment holding company and the Group is principally engaged in the manufacturing of capacitive touch pads mainly used in notebook computers. Since 2007, the Group has been actively diversifying its products to include capacitive touch screen controllers and modules, fingerprint biometric devices, wireless charging devices and plasma lighting source products. Grand Sheen is an investment holding company and a subsidiary of the Group.

In view of the rising trend of labour costs in the PRC in recent years, the Directors consider that the application of automation in the processing process of the manufacturing enterprises is crucial to the improvement of the production process and product quality and thus has been gaining importance among manufacturing enterprises in the PRC. As the products and services provided by Gallant Tech are capable of solving complex manufacturing problems and optimising production yield and speed which could fully enhance the added value in the value chain of the manufacturing industry, the Directors consider that the Acquisition provides an excellent opportunity to the Group for the expansion of its business and broadens its revenue base, and that the investment in Gallant Tech through the Acquisition will be of strategic significance to the Group.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Acquisition Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. The Acquisition will be funded by the proceeds from the listing of shares of the Company on the Stock Exchange, the usage of which is consistent with the disclosure in the prospectus of the Company dated 2 December 2010.

IMPLICATIONS OF THE LISTING RULES

As one or more of the percentage ratios for the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company within the meaning of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2012 Net Profit” the audited consolidated net profit after tax of the Gallant Tech Group for the year ending 31 December 2012, as stated in the audited consolidated financial statements of Gallant Tech prepared in accordance with HKFRS and issued by the auditors appointed by Grand Sheen;

“2013 Net Profit” the audited consolidated net profit after tax of the Gallant Tech Group for the year ending 31 December 2013, as stated in the audited consolidated financial statements of Gallant Tech prepared in accordance with HKFRS and issued by the auditors appointed by Grand Sheen;

“2014 Net Profit”	the audited consolidated net profit after tax of the Gallant Tech Group for the year ending 31 December 2014, as stated in the audited consolidated financial statements of Gallant Tech prepared in accordance with HKFRS and issued by the auditors appointed by Grand Sheen;
“Accounts”	the unaudited and consolidated financial statements (which includes the profit and loss accounts, balance sheets and cash flow statements) of Gallant Tech for the financial period ended on (or as at) 31 December 2011 uniformly and consistently prepared in accordance with HKFRS;
“Acquisition”	the acquisition of the entire issued share capital of Gallant Tech from Mr. Kam by Grand Sheen;
“Acquisition Agreement”	the acquisition agreement dated 14 January 2012 between Grand Sheen as purchaser, Mr. Kam as vendor, World Fair as guarantor and Gallant Tech in relation to the Acquisition;
“affiliate”	(i) any spouse, cohabitee, child, step-child, brother, sister, parent, grandparent, grandchild or descendent (natural, adopted or step) of the individual (together, his “family”); or (ii) the nominees of, and the trustees, acting in their capacity as such trustees, any trust of which he or any of his family is a beneficiary or, in the case of a discretionary trust, is a discretionary object from time to time (together, “relevant trustees”); or (iii) any company which he and/or his family and/or relevant trustees taken together control from time to time;
“Board”	the board of Directors;
“Business Day”	a day other than a Saturday or Sunday or public holidays, on which banks are open for general banking business in Hong Kong;
“Company”	World Wide Touch Technology (Holdings) Limited, a company incorporated on 17 July 2009 in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange;
“Completion”	completion of the Acquisition Agreement in accordance with its terms and conditions;
“Completion Accounts”	the audited and consolidated financial statements (which includes the profit and loss accounts, balance sheets and cash flow statements) of Gallant Tech for the period from 1 January 2012 to (or as at) the day prior to the Completion Date prepared in accordance with HKFRS;

“Completion Date”	16 January 2012 or such other date on which the conditions in the Acquisition Agreement to be satisfied are satisfied or waived by Grand Sheen, which shall not be later than 31 January 2012;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Consideration”	the consideration for the Acquisition, being US\$8,000,000 (equivalent to approximately HK\$62,240,000) (subject to adjustment) plus the NBV calculated based on the Completion Accounts as detailed in the paragraph headed “Consideration” in this announcement;
“Deed of Non-competition”	the deed of non-competition to be executed by Mr. Kam in favour of Grand Sheen and Gallant Tech on the Completion Date;
“Director(s)”	the director(s) of the Company;
“Final Accounts”	the audited and consolidated financial statements (which includes the profit and loss accounts, balance sheets and cash flow statements) of Gallant Tech for the financial period ended on (or as at) the 31 December 2011 prepared in accordance with HKFRS;
“First Instalment”	the first instalment of the Consideration;
“Fourth Instalment”	the fourth instalment of the Consideration;
“Gallant Tech”	Gallant Tech Limited, a company incorporated on 10 May 2007 in Hong Kong with limited liability;
“Gallant Tech Group”	Gallant Tech and its subsidiary(ies);
“Grand Sheen”	Grand Sheen Group Limited, an indirect wholly-owned subsidiary of the Company and the purchaser in the Acquisition;
“Group”	the Company and its subsidiaries;
“Guaranteed Base Sum”	an aggregate amount of HK\$46,400,000;
“HKFRS”	Hong Kong Financial Reporting Standards;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Kam”	Mr. Kam Yun Kwong, the vendor in the Acquisition and one of the two directors of Gallant Tech prior to Completion;

“NBV”	the value of the total assets less the total liabilities of Gallant Tech on a consolidated basis, less the Spare Parts Discount, calculated based on, and as at the date of, the balance sheets comprising the Accounts, the Final Accounts or the Completion Accounts (as the case may be);
“NBV Adjustment”	the NBV calculated based on the Completion Accounts less the NBV calculated based on the Accounts;
“PRC”	the People’s Republic of China, and for the purpose of this announcement and solely for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Second Instalment”	the second instalment of the Consideration;
“Service Agreement”	the service agreement to be executed by Gallant Tech and Mr. Kam on Completion;
“Spare Parts Discount”	5% of the value of spare parts (after deducting the relevant goods-in-transit) under the line item “inventory” in the balance sheet comprising the Accounts, the Final Accounts or the Completion Accounts (as the case may be);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules;
“Third Instalment”	the third instalment of the Consideration;
“US\$”	United States of America dollars, the lawful currency of the United States of America; and
“World Fair”	World Fair International Limited, an indirect wholly-owned subsidiary of the Company and the guarantor in the Acquisition.

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

Hong Kong, 15 January 2012

As at the date of this announcement, the executive Directors are Mr. WONG Kwok Fong, Ms. CHING Pui Yi, and Mr. TAN Hui Kiat and the independent non-executive Directors are Mr. WONG Chun Bong, Professor LEE Kwok On, Matthew and Mr. CHAN Wai.

In this announcement, for reference only, the translation of United States of America dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 = HK\$7.78