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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** **CELESTIX NETWORKS PTE LTD**

### **THE ACQUISITION**

The Board is pleased to announce that on 9 March 2012, Ever Firm, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors A, pursuant to which Ever Firm has agreed to purchase, and the Vendors A have agreed to sell and to procure the Vendors B to sell, the entire issued share capital of Celestix Networks for a consideration of S\$17,800,000 (equivalent to approximately HK\$110,182,000) (subject to adjustment).

As conditions precedent to the Acquisition Agreement, the Vendors A will execute the Deed of Non-competition, and the Key Employees will enter into the Service Agreements with Celestix Networks before Completion.

### **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: 9 March 2012

Parties: The Vendors A as the vendors; and

Ever Firm (or its nominee) as the purchaser

The names of the Vendors A and the numbers of shares in the share capital of Celestix Networks and Options held by each of them are set forth in the table below:

Name	Number of shares held	Number of shares to be issued upon exercise of Options held	Total number of shares to be held assuming all Options are exercised
Chia Kok Hua	10,717,688	250,000	10,967,688
Lin Yong Thye	18,157,088	401,250	18,558,338
Michael Joseph Altamirano	8,598,151	231,250	8,829,401
Neil Logan Metz	8,364,801	—	8,364,801
Ravi Lingarkar	17,299,834	62,500	17,362,334
Timothy Andrew Ager	1,500,000	5,500,000	7,000,000
Windswept Pte. Ltd.	16,639,629	—	16,639,629
Yong Sen (Bobby) Chen	1,714,837	389,969	2,104,806
<b>Total</b>	<u>82,992,028</u>	<u>6,834,969</u>	<u>89,826,997</u>

In addition, each of the Vendors A undertakes and procures that each of the Vendors B shall accede to and ratify the Acquisition Agreement and covenant and agree to be bound by the terms of the Acquisition Agreement as if it had been a party to it from the outset. Then the Vendors B should agree to sell the Sale Shares owned by them to Ever Firm, but only the Vendors A but not the Vendors B are providing the warranties and undertakings under the Acquisition Agreement. None of the information supplied by Celestix Networks, the Vendors A or its professional advisers to Ever Firm or its agents, representatives or advisers in connection with the representations and the warranties or otherwise in relation to the business or affairs of Celestix Networks shall be deemed a representation, warranty or guarantee of its accuracy by the Vendors B, and Ever Firm waives any claims against the Vendors B which it might otherwise have in respect of the above (except to the extent specifically set forth in the Acquisition Agreement).

The names of the Vendors B and the number of shares in the share capital of Celestix Networks and Options held by each of them are set forth in the table below:

Name	Number of shares held	Number of shares to be issued upon exercise of Options held	Total number of shares to be held assuming all Options are exercised
Au Sai Chuen	4,017,454	—	4,017,454
Choo Boon Tat, David	13,333	16,667	30,000
Christopher Junior Chukka	—	25,000	25,000
Doc Richard Miller	6,945	—	6,945
Edward Wu	—	100,000	100,000
Geoffrey Kenneth A. Hernandez	—	10,000	10,000
George Alberto Lopez	166,978	—	166,978
Goh Kian Hui, Andrew	—	30,000	30,000
Henry Kenneth Cohen	13,001	—	13,001
Huang Shufen	5,334	—	5,334
Ian L. Fox	5,866	—	5,866
James L. Gaither	907,855	—	907,855
Jayaraman Thiruvady	—	40,000	40,000
John Allan Mac Intosh IV	556	29,444	30,000
Koh Swee Thye, Alex	40,000	105,208	145,208
Lee Puay Hoon, Patricia	—	10,000	10,000
Lee Quee Heng, Richard	50,000	218,656	268,656
Lin Yong Ping	444,167	45,833	490,000
Malavika Srikanth Balagatte	—	25,000	25,000
Matthew Cannon Henderson	67,858	—	67,858
Michael Rodriguez	—	9,000	9,000
Michelle Lawson	—	20,000	20,000
Mohd Wari Bin Wahab	—	346,260	346,260
Neil Foxley	—	350,000	350,000
Paul Fearn	—	25,000	25,000
Richard Michael Hicks	—	50,000	50,000
Robert Bruce Hom	—	25,000	25,000
Robert Bruce Matlow	52,500	—	52,500
Robert John Nagy	—	25,000	25,000
Ryan Milbrath	—	25,000	25,000
Tan How Hwa, Agnes	56,531	18,000	74,531
Tan Jin Kiat, John	—	40,000	40,000
Wong Ngee Eng	150,000	315,531	465,531
<b>Total</b>	<u>5,998,378</u>	<u>1,904,599</u>	<u>7,902,977</u>

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of the Company and its connected persons.

**Subject of the Acquisition:** The Sale Shares, being the entire issued share capital of Celestix Networks. As at the date of the Acquisition Agreement, Celestix Networks has 88,990,406 shares in issue. Assuming that all Options are exercised before Completion, the aggregate number of issued shares of Celestix Networks will be increased to 97,729,974.

**Consideration:** S\$17,800,000 (equivalent to approximately HK\$110,182,000), which is subject to adjustment as provided in the paragraph "Adjustments to the Consideration" below, payable by way of banker's drafts in the following manner:

- (i) 75% of the Consideration (S\$13,350,000) shall be payable on the Completion Date; and
- (ii) the remaining 25% of the Consideration (S\$4,450,000, subject to adjustment) shall be payable within three days from the date Ever Firm receives the Final Accounts.

The Vendors shall be entitled to the Consideration in proportion to their holdings of the shares in Celestix Networks, rounded to the nearest dollar.

**Adjustments to the Consideration:** If the Net Book Value as evidenced in the Final Accounts (after taking into consideration the increase in valuation of the Property) is less than 95% of the Net Book Value as at the Balance Sheet Date, the Purchase Price shall be adjusted correspondingly so that for each S\$1 decrease in the Net Book Value in the Final Accounts (after taking into consideration the increase in valuation of the Property) as compared against the Net Book Value as at the Balance Sheet Date, the Purchase Price shall be reduced by S\$1.

If the Net Book Value as evidenced in the Final Accounts (after taking into consideration the increase in valuation of the Property) is more than the Net Book Value as at the Balance Sheet Date, there will not be any adjustment to the Consideration.

**Conditions precedent:** The purchase of the Sale Shares is conditional on, among other things, the following conditions:

- (i) Ever Firm being satisfied in all respects with the results of its enquiries into the financial and other affairs of the Celestix Networks Group and with the results of the financial, tax and legal due diligence reports prepared by Ever Firm's financial and legal advisers for Ever Firm in respect of the Celestix Networks Group;

- (ii) Ever Firm obtaining
  - (a) the requisite approval and/or consent from Ever Firm's board of directors and/or Ever Firm's shareholders (where required);
  - (b) the requisite approval and/or consent (if any) from the relevant governmental, regulatory and/or administrative authorities in Singapore or elsewhere having jurisdiction and/or control over the transactions contemplated by the Acquisition Agreement; and
  - (c) the requisite approval and/or consent from any existing financiers of Celestix Networks, which approval and/or consent is necessary in the light of the transactions contemplated by the Acquisition Agreement;
- (iii) the Vendors A:
  - (a) obtaining the requisite approval and/or consent from any existing financiers and/or insurers of the Celestix Networks Group, which approval and/or consent is necessary in the light of the transactions contemplated by the Acquisition Agreement;
  - (b) having procured that each of the Key Employees enter into the Service Agreements with Celestix Networks;
  - (c) having delivered a duly executed Deed of Non-competition;
- (iv) the Vendors A having procured that each of the Vendors B accedes to and ratifies the Acquisition Agreement;
- (v) the regularisation of all irregularities, if any, relating to the construction, ownership and use of the Property in compliance with all laws;
- (vi) the Final Accounts and Audited Accounts having been verified by Ever Firm's auditors;
- (vii) the Vendors A having procured that Celestix Networks exercises its conversion rights under the Convertible Loan Agreement resulting in Celestix Networks holding 40% of the total paid up and issued share capital of Celestix Japan;
- (viii) there being no material adverse change in the business, operations and liabilities of the Celestix Networks Group prior to and on Completion;

- (ix) there being no material litigation, arbitration or administrative proceedings, and no dispute with any statutory or governmental authority, prior to and on Completion, that may have a material adverse effect on the business, assets or financial condition of the Celestix Networks Group;
- (x) there being no change in Singaporean laws, rules or regulations prior to and on Completion which would make it impracticable, inexpedient or not commercially viable for Ever Firm to proceed with the Acquisition;
- (xi) there being no material change to any contractual agreements and/or arrangements entered into by the Celestix Networks Group with, inter alia, its suppliers and/or corporate clients prior to and on Completion;
- (xii) there being no change in the composition and strength of the employees of the Celestix Networks Group prior to Completion that would adversely affect the business and financial conditions of the Celestix Networks Group in a material manner;
- (xiii) there is and at Completion will be no material adverse change to the operations and business of the Celestix Networks Group, in particular, its facilities, and management team; and
- (xiv) there is no material change to existing arrangements with the corporate clients of the Celestix Networks Group on and prior to Completion,

The parties to the Acquisition Agreement shall use their respective best endeavours to ensure that the Acquisition Agreement becomes unconditional by 30 April 2012. If any of the conditions precedent above is not fulfilled by that day, Ever Firm shall have the right (but shall not be obliged) to rescind the Acquisition Agreement by notice in writing to the Vendors and each party shall have no claim under it against the other, save in respect of any prior breach.

Restrictive agreement: Each of the Vendors holding more than 5% of the shares of Celestix Networks undertakes that it will not for five years after Completion either on its own account or for any other person directly or indirectly solicit, interfere with or endeavour to entice away from the Celestix Networks Group any person who to its knowledge is, or has during the past five years been, a client, customer, top executives of the Celestix Networks Group, or in the habit of dealing with the Celestix Networks Group;

Vendors A's warranty regarding outstanding Options: Among other warranties contained in the Acquisition Agreement, the Vendors A jointly and severally warrant to Ever Firm that (i) as at the date of the Acquisition Agreement, there are 8,739,568 Options granted over the unissued shares of Celestix Networks; (ii) in the event that the Options are not exercised prior to Completion, the Options shall lapse; (iii) in the event that the Options are exercised, shares of Celestix Networks issued upon the exercise of the Options shall form part of the Sale Shares.

## **Basis of Consideration**

The Consideration was agreed upon after arm's length negotiations between the Vendors and Ever Firm with reference to, among other things, the historical results, the financial status and the growth and prospects of the Celestix Networks Group.

## **Completion**

Completion shall take place on the Completion Date.

## **Service Agreements**

As one of the conditions precedent under the Acquisition Agreement, the Vendors shall procure that each of the Key Employees enter into the Service Agreements with Celestix Networks, pursuant to which the Key Employees will be employed by Celestix Networks for a term of up to three years. The form of the Service Agreement will be prescribed by Ever Firm. In the event that the Vendors are unable to deliver the Service Agreements on or before Completion, the Vendors A shall undertake to deliver such Service Agreements as soon as possible and by no later than 31 July 2012.

## **INFORMATION ON CELESTIX NETWORKS**

### **Business**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Celestix Networks Group is a network security technology solution provider, which provides, among other things, appliances for unified threat management, secure application access and secure data exchange. Currently, Celestix Networks owns two subsidiaries, namely Celestix Networks, Inc. (a company incorporated in California, USA, being a wholly-owned subsidiary of Celestix Networks) and Celestix Networks India Pvt Ltd (a company incorporated in India, being owned as to 51% by Celestix Networks). Celestix Networks India Pvt Ltd has been dormant since September 2011.

As one of the conditions precedent under the Acquisition Agreement, the Vendors shall procure that Celestix Networks exercises its conversion rights under the Convertible Loan Agreement resulting in Celestix Networks holding 40% of the total paid up and issued share capital of Celestix Japan. Celestix Japan is principally engaged in the same line of business as the Celestix Networks Group.

## Financial information

Based on the audited consolidated accounts of Celestix Networks prepared in accordance with the Singapore Financial Reporting Standards, the net assets value of Celestix Networks was S\$4,100,397 as at 31 December 2010. Based on the unaudited consolidated accounts of Celestix Networks, the net assets value of Celestix Networks was S\$4,162,102 as at 31 December 2011.

Based on the audited consolidated accounts of Celestix Networks for the year ended 31 December 2010 prepared in accordance with the Singapore Financial Reporting Standards and the unaudited consolidated accounts of Celestix Networks, the profits or losses of Celestix Networks for the two years ended 31 December 2011 are as follows:

	<b>Financial year ended 31 December</b>	
	<b>2010</b>	<b>2011</b>
	<b>(audited)</b>	<b>(unaudited)</b>
Profit/(loss) before tax	S\$(1,135,164)	S\$85,876
Profit/(loss) after tax	S\$(1,148,203)	S\$13,522

## 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. Ever Firm is an investment holding company and a subsidiary of the Group.

In view of the growing internet penetration and the increasing amount of confidential data exchange, we consider that the demand for security solutions in network communications applications will continue to rise. Celestix Networks is specialised in providing security solutions such as threat management gateways, remote access security and data protection over the past 10 years, with established reputation and distribution channels in the security solutions markets in the United States and Europe. Moreover, Celestix Networks has been a security technology partner of a multinational computer software manufacturer since 2003, and has a solid foundation in end protection devices and applications. The Directors consider that the Acquisition provide an excellent opportunity to the Group for further diversifying its portfolio of security-related products, and that the investment in Celestix Networks 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 Group's internally generated cashflows.



## 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:

<b>“Acquisition”</b>	the acquisition of the entire issued share capital of Celestix Networks from the Vendors by Ever Firm;
<b>“Acquisition Agreement”</b>	the acquisition agreement dated 9 March 2012 between Ever Firm as purchaser and the Vendors as vendors in relation to the Acquisition;
<b>“Audited Accounts”</b>	the consolidated audited accounts of each member of the Celestix Networks Group and its subsidiaries (if any) for the financial period ended on the Balance Sheet Date as prepared by the auditors of the respective member of the Celestix Networks Group on a consistent basis in accordance with accounting principles, standards and practices generally accepted as at the date of the Acquisition Agreement in the jurisdiction which such member of the Celestix Networks Group may be subject to the laws of;
<b>“Balance Sheet Date”</b>	31 December 2011;
<b>“Board”</b>	the board of Directors;
<b>“Celestix Japan”</b>	Custom Technology Celestix Corporation, a company incorporated under the laws of Japan;
<b>“Celestix Networks”</b>	Celestix Networks Pte Ltd, a company incorporated in Singapore with limited liability;
<b>“Celestix Networks Group”</b>	Celestix Networks and its subsidiary(ies);
<b>“Company”</b>	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;
<b>“Completion”</b>	completion of the Acquisition Agreement in accordance with its terms and conditions;

<b>“Completion Date”</b>	30 April 2012, or a date within seven days after the Acquisition Agreement has ceased to be conditional when the Completion shall take place, which shall not be later than the Long Stop Date;
<b>“connected person(s)”</b>	has the meaning ascribed thereto under the Listing Rules;
<b>“Consideration”</b>	the consideration for the Acquisition, being S\$17,800,000 (equivalent to approximately HK\$110,182,000) (subject to adjustment);
<b>“Convertible Loan Agreement”</b>	the loan agreement dated 1 October 2010 entered into between Celestix Networks and Celestix Japan;
<b>“Deed of Non-competition”</b>	the deed of non-competition to be executed by the Vendors A in such form as Ever Firm may prescribe;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“Ever Firm”</b>	Ever Firm Limited, an indirect wholly-owned subsidiary of the Company and the purchaser in the Acquisition;
<b>“Final Accounts”</b>	the consolidated audited accounts of each member of the Celestix Networks Group and its subsidiaries (if any) for the financial period ended on the Final Accounts Date as prepared by the auditors of the respective member of the Celestix Networks Group on a consistent basis in accordance with accounting principles, standards and practices generally accepted as at the date of the Acquisition Agreement in the jurisdiction which such member of the Celestix Networks Group may be subject to the laws of;
<b>“Final Accounts Date”</b>	30 April 2012;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Key Employees”</b>	certain employees of the Celestix Networks Group, namely Timothy Andrew Ager (Chief Executive Officer), Lin Yong Thye (President) and Rangan Doreswamy (Chief Technical Officer);
<b>“Long Stop Date”</b>	31 May 2012 or such other date as Ever Firm and the Vendors A may agree to extend in writing;

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Net Book Value”</b>	the value of the total assets of Celestix Networks less its total liabilities, as reflected in the Audited Accounts and/or the Final Accounts, as the case may be;
<b>“Options”</b>	the options which entitle holders thereof to subscribe for an aggregate of 8,739,568 shares in Celestix Networks;
<b>“Property”</b>	the freehold property owned by Celestix Networks which is located at Unit Nos. #04–12, #04–22 and #04–23, No. 9 Tagore Lane, “9@Tagore” Singapore 787472;
<b>“S\$”</b>	Singapore dollars, the lawful currency of Singapore;
<b>“Sale Shares”</b>	such number of ordinary shares in the share capital of Celestix Networks constituting 100% of the total issued and paid-up shares thereof;
<b>“Service Agreements”</b>	the service agreements to be executed by the Key Employees with Celestix Networks in such form as Ever Firm may prescribe for terms of up to three years;
<b>“Singapore”</b>	The Republic of Singapore;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“subsidiary(ies)”</b>	has the meaning ascribed thereto under the Listing Rules;
<b>“Vendors”</b>	the Vendors A and the Vendors B;
<b>“Vendors A”</b>	the 8 vendors in the Acquisition who collectively own approximately 91.9% of the issued share capital of Celestix Networks (on a fully-diluted basis assuming that all outstanding Options will be exercised before Completion), whose names and their respective shareholding in Celestix Networks are detailed in the paragraph headed “The Acquisition — The Acquisition Agreement” in this announcement; and

**“Vendors B”**

the 33 vendors in the Acquisition who collectively own approximately 8.1% of the issued share capital of Celestix Networks (on a fully-diluted basis assuming that all outstanding Options will be exercised before Completion), whose names and their respective shareholding in Celestix Networks are detailed in the paragraph headed “The Acquisition — The Acquisition Agreement” in this announcement.

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

Hong Kong, 12 March 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 Singapore dollars into Hong Kong dollars is based on the exchange rate of S\$1.00 = HK\$6.19*