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 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of World Wide Touch Technology (Holdings) Limited (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2011 together with the comparative figures for 2010.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Note	**2011**	2010
		HK$'000	*HK$'000*
Revenue	*4*	**1,164,122**	1,391,647
Cost of sales	*5*	**(950,492)**	(1,015,281)
Gross profit		**213,630**	376,366
Other income — net		**513**	1,273
Distribution costs	*5*	**(8,682)**	(10,190)
Administrative expenses	*5*	**(121,995)**	(105,380)
Operating profit		**83,466**	262,069
Finance income	*6*	**9,241**	105
Finance costs	*6*	**(11,438)**	(10,107)
Finance costs — net	*6*	**(2,197)**	(10,002)
Profit before income tax		**81,269**	252,067
Income tax expense	*7*	**(10,167)**	(38,400)
Profit attributable to equity holders of the Company during the year		**71,102**	213,667
Earnings per share for profit attributable to equity holders of the Company			
— basic (expressed in HK cents per share)	*8*	**2.43**	9.77
— diluted (expressed in HK cents per share)	*8*	**N/A**	N/A

No statement of comprehensive income is presented as there is no other comprehensive income during the year (2010: same).

Dividends	*9*	**21,309**	56,391

CONSOLIDATED BALANCE SHEET

As at 31 December 2011

	Note	**2011**	2010
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**557,750**	462,232
Land use right		**5,038**	5,154
Intangible assets		**33,696**	27,421
Available-for-sale financial assets		**39,007**	—
Deferred income tax assets		**2,192**	104
Prepayments		**54,581**	6,883
		692,264	501,794
Current assets			
Inventories		**176,296**	193,692
Trade receivables	*10*	**149,089**	225,549
Prepayments, deposits and other receivables		**40,922**	96,806
Financial assets at fair value through profit or loss		**926**	1,251
Pledged bank deposits		**—**	75,832
Cash and cash equivalents		**563,382**	550,311
		930,615	1,143,441
Total assets		**1,622,879**	1,645,235
EQUITY			
Owner's equity attributable to the Company's equity holders			
Share capital		**292,708**	287,000
Share premium		**565,489**	517,267
Other reserves and retained earnings		**258,172**	202,057
		1,116,369	1,006,324

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2011

	Note	**2011**	2010
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**13,759**	44,000
Deferred income tax liabilities		**320**	3,776
		14,079	47,776
Current liabilities			
Trade and bills payables	*11*	**135,412**	210,917
Accruals and other payables		**61,078**	95,835
Bank borrowings		**262,751**	223,181
Finance lease obligations		**17,446**	38,291
Current income tax liabilities		**15,744**	22,911
		492,431	591,135
Total liabilities		**506,510**	638,911
Total equity and liabilities		**1,622,879**	1,645,235
Net current assets		**438,184**	552,306
Total assets less current liabilities		**1,130,448**	1,054,100

NOTES

1 GENERAL INFORMATION

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 Group is principally engaged in the trading and manufacturing of electronic products.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 December 2010 pursuant to the global offering (the "Global Offering").

The consolidated financial statements are presented in thousands of units of Hong Kong dollars, unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and available-for-sale financial assets, which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3 ACCOUNTING POLICIES

(a) Amended standards and interpretations adopted by the Group

(i) The following amendments to standards are mandatory for accounting periods beginning on or after 1 January 2011. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group:

		Effective for accounting period beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2011
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HKAS 27 (Amendment)	Consolidated and separate financial statements	1 July 2010
HKAS 34 (Amendment)	Interim financial reporting	1 January 2011
HKFRS 3 (Amendment)	Business combinations	1 July 2010

(ii) The following amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 January 2011 but are not relevant to the Group's operations:

		Effective for accounting period beginning on or after
HKAS 32 (Amendment)	Classification of rights issues	1 February 2010
HKFRS 1 (Amendment)	First time adoption of Hong Kong Financial Reporting Standards	1 January 2011
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters	1 July 2010
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
HKFRS 7 (Amendment)	Financial instruments: Disclosures	1 January 2011
HK (IFRIC) — Int 13 (Amendment)	Customer loyalty programmes	1 January 2011
HK(IFRIC) — Int 14 (Amendment)	Prepayments of a minimum funding requirement	1 January 2011
HK(IFRIC) — Int 19 (Amendment)	Extinguishing financial liabilities with equity instruments	1 July 2010

(b) New standards and amendments to standards have been issued but not effective for the financial year beginning on or after 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
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Associates and joint ventures	1 January 2013
HKAS 32 (Amendment)	Offsetting financial assets and financial liabilities	1 January 2014
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
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 devices, communication devices, medical equipment products and mining and drilling machine system products. 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:

	2011	2010
	HK$'000	*HK$'000*
Revenue from external customers		
Capacitive touch products	**602,578**	766,907
Fingerprint biometric devices	**246,803**	151,849
Lighting source products	**70,688**	90,929
Wireless charging devices	**31,525**	234,860
Other segments	**212,528**	147,102
Segment revenue for reportable and other segments	**1,164,122**	1,391,647
Segment gross profit		
Capacitive touch products	**131,091**	183,769
Fingerprint biometric devices	**23,243**	54,564
Lighting source	**13,953**	33,436
Wireless charging devices	**4,838**	68,647
Other segments	**40,505**	35,950
Segment gross profit for reportable and other segments	**213,630**	376,366
Unallocated:		
Amortisation of intangible assets	**—**	(9,212)
Depreciation shared by various reportable segments	**(15,418)**	(9,688)
Amortisation of land use right	**(116)**	(116)
Other income — net	**513**	1,273
Other distribution costs and administrative expenses	**(115,143)**	(96,554)
Finance costs — net	**(2,197)**	(10,002)
	(132,361)	(124,299)
Profit before income tax	**81,269**	252,067
Other profit and loss disclosures by segment		
Depreciation		
Capacitive touch products	**(24,162)**	(20,662)
Fingerprint biometric devices	**(8,208)**	(4,091)
Lighting source	**(2,809)**	(2,450)
Wireless charging devices	**(1,668)**	(6,328)
Other segments	**(4,735)**	(3,963)
	(41,582)	(37,494)
Amortisation of intangible assets		
Fingerprint biometric devices	**(14,495)**	(5,795)
Lighting source	**(499)**	(1,372)
Wireless charging devices	**(1,981)**	(448)
Other segments	**—**	(1,597)
	(16,975)	(9,212)

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

The CEO assesses the performance of the operating segments based on a measure of gross profit margin, which is in a manner consistent with that of the consolidated financial statements.

Other income — net, distribution and administrative expenses are not allocated to segments, as they are inseparable for each product and not attributable to particular reportable segments.

Finance income and costs are not allocated to segments, as this type of activities are managed by the central finance and accounting function, which manages the working capital of the Group.

Reportable segments' assets are reconciled to total assets as follows:

	2011	2010
	HK$'000	*HK$'000*
Segment assets		
Capacitive touch products	**135,706**	218,726
Fingerprint biometric devices	**120,156**	98,934
Lighting source	**53,987**	89,323
Wireless charging devices	**32,359**	117,267
Other segments	**174,875**	70,098
Segment assets for reportable and other segments	**517,083**	594,348
Unallocated:		
Property, plant and equipment shared by various reportable segments	**306,026**	205,702
Land use right	**5,038**	5,154
Available-for-sale financial assets	**39,007**	—
Goodwill	**1,500**	—
Deferred income tax assets	**2,192**	104
Inventories shared by various reportable segments	**99,993**	108,844
Prepayments, deposits and other receivables	**87,732**	103,689
Financial assets at fair value through profit or loss	**926**	1,251
Pledged bank deposits	**—**	75,832
Cash and cash equivalents	**563,382**	550,311
Total assets	**1,622,879**	1,645,235

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. Segment assets represented property, plant and equipment attributable to various reportable segments, trade receivables, inventories and intangible assets attributable to various reportable segments.

Unallocated segment assets comprise property, plant and equipment and inventories shared by various reportable segments, land use right, deferred income tax assets, prepayments, deposits and other receivables, financial assets at fair value through profit or loss, available-for-sales financial assets, pledged bank deposits and cash and cash equivalents which are inseparable for each product and are not attributable to particular reportable segments.

Reportable segments liabilities are reconciled to total liabilities as follows:

	2011	2010
	HK$'000	*HK$'000*
Segment liabilities		
Capacitive touch products	**70,093**	116,232
Fingerprint biometric devices	**28,708**	23,014
Lighting source	**8,223**	13,781
Wireless charging devices	**3,667**	35,595
Other segments	**24,721**	22,295
Segment liabilities for reportable and other segments	**135,412**	210,917
Unallocated:		
Accruals and other payables	**61,078**	95,835
Bank borrowings	**276,510**	267,181
Finance leases obligations	**17,446**	38,291
Current income tax liabilities	**15,744**	22,911
Deferred income tax liabilities	**320**	3,776
Total liabilities	**506,510**	638,911

The amounts provided to the CEO with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements. Segment liabilities represented trade payables which are allocated based on the operations of the segment.

Unallocated segment liabilities comprise accruals and other payables, interest-bearing liabilities, current income tax liabilities and deferred income tax liabilities, which are inseparable for each product and not attributable to particular reportable segments.

Revenue from externals customers are derived from the sales of goods net of returns and rebates.

The Group's entities are mainly domiciled in Hong Kong and the PRC while its major customers are mainly located in the United States of America.

The result of its revenue from external customers located in the United States of America is HK$639,215,000 (2010: HK$992,740,000), while the remaining revenue are derived from customers located in other countries.

The total of non-current assets other than deferred income tax assets located in the PRC is HK$624,283,000, (2010: HK$475,508,000), and the total of these non-current assets located in other countries is HK$65,789,000 (2010: HK$26,182,000).

For the year ended 31 December 2011, revenue of approximately HK$595,183,000 (2010: HK$779,133,000) is derived from a customer in the capacitive touch products segment. For the year ended 31 December 2010, revenue of approximately HK$779,133,000 and HK$213,606,000 were derived from a customer in the capacitive touch products segment and another customer in the wireless charging devices segment, respectively.

5 EXPENSES BY NATURE

	2011	2010
	HK$'000	*HK$'000*
Employee benefit expenses	**162,398**	174,847
Cost of inventories	**766,475**	824,135
Auditor's remuneration	**2,000**	1,486
Depreciation of property, plant and equipment	**57,000**	47,182
Operating lease rentals — office premises, factory and warehouse	**7,861**	7,136
Amortisation of land use right	**116**	116
Consumables and factory supplies	**5,333**	5,827
Electricity, water and utilities expenses	**17,315**	19,732
Freight and transportation	**7,216**	7,715
Bank charges	**4,650**	5,381
Other tax levies	**4,880**	4,297
Research and development expenses		
— Employee benefit expenses	**4,052**	4,936
— Amortisation of intangible assets	**16,975**	9,212
Others	**24,898**	18,849
Total cost of sales, distribution costs and administrative expenses	**1,081,169**	1,130,851

6 FINANCE INCOME AND COSTS

	2011	2010
	HK$'000	*HK$'000*
Finance income:		
— Interest income on bank deposits	**9,241**	105
Finance costs:		
— Bank loans	**(6,614)**	(4,889)
— Finance lease obligations	**(904)**	(2,386)
— Bank overdrafts and trust receipt loans	**(3,920)**	(2,832)
	(11,438)	(10,107)
Net finance costs	**(2,197)**	(10,002)

7 INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**9,255**	17,569
— PRC enterprise income tax	**8,291**	16,881
— Overseas income tax	**110**	—
	17,656	34,450
Over-provision in prior years	**(1,945)**	—
Deferred income tax	**(5,544)**	3,950
	10,167	38,400

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year (2010: 16.5%).

The statutory income tax rate applicable to Heshan World Fair Electronics Technology Limited, a subsidiary, is 25% (2010: 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 Heshan World Fair Electronics Technology Limited is the year ended 31 December 2008.

Overseas income tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the country in which the Group operates.

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.

	2011	2010
Profit attributable to equity holders of the Company *(HK$'000)*	**71,102**	213,667
Weighted average number of ordinary shares in issue *(thousands)*	**2,926,547**	2,185,918
Basic earnings per share *(expressed in HK cents per share)*	**2.43**	9.77

(b) Diluted

As the Company had no dilutive ordinary shares for the year (2010: Nil), diluted earnings per share for the year is not presented.

9 DIVIDENDS

	2011 *HK$'000*	2010 *HK$'000*
Interim dividend paid of HK0.512 cents per share	**14,987**	56,391
Proposed final dividend of HK0.216 cents per share (2010: Nil)*(Note a)*	**6,322**	—
	21,309	56,391

Note:

(a) The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

10 TRADE RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**149,575**	225,549
Less: Provision for impairment of receivables	**(486)**	—
Trade receivables — net	**149,089**	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:

	2011	2010
	HK$'000	*HK$'000*
0 to 30 days	**63,964**	102,177
31 to 60 days	**50,182**	74,311
61 to 90 days	**28,480**	21,511
91 to 120 days	**6,368**	9,849
Over 120 days	**581**	17,701
	149,575	225,549

11 TRADE AND BILLS PAYABLES

The aging analysis of the trade and bills payables is as follows:

	2011	2010
	HK$'000	*HK$'000*
0 to 30 days	**78,326**	70,989
31 to 60 days	**39,162**	66,599
61 to 90 days	**14,111**	57,641
91 to 120 days	**839**	13,161
Over 120 days	**2,974**	2,527
	135,412	210,917

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The manufacturing and technology sectors encountered a difficult and challenging environment in 2011 due to a number of unfavorable economic factors, including the Eurozone debt crisis, fiscal woes in the United States, as well as increased raw material prices, appreciation of renminbi and high inflation in China. These factors, combined with a change in product mix, inevitably affected the Group's performance. The Group's revenue dropped by 16.3% to HK$1,164.1 million, and its profit dropped by 66.7% to HK$71.1 million. Nevertheless, the Group recorded strong growth in the sales of certain products, including fingerprint biometric devices, capacitive touch screen modules and communication products.

In 2011, the Group diversified its product portfolio, resulting in a more balanced revenue structure. Of the total revenue, capacitive touch products accounted for 51.8% (2010: 55.1%); fingerprint biometric devices accounted for 21.2% (2010: 10.9%); plasma lighting source products and wireless charging devices accounted for 8.8% (2010: 23.4%) while the remaining 18.2% (2010: 10.6%) came from other products including communication and automotive related products.

Business Review

Despite a decline of 21.4% in segment revenue, capacitive touch products continued to contribute the largest share of the Group's revenue in 2011. Sales of touch screen controllers and modules increased by 64.5% compared to the previous year, because of the strong demand from ODM/OEM partners for smart consumer devices, especially smartphones, which offset the 33.8% decline in the sales of capacitive touch pads in the same period. The Group believes that the demand for touch screen controllers and modules used in smart consumer devices will continue its strong upward trend.

Fingerprint biometric devices remained as the Group's growth driver in 2011, delivering excellent performance with revenue increased by 62.6% to HK$246.8 million compared to the previous year. Fingerprint biometric devices have huge growth potential. Their application can dispense with the uses of passwords and provide a higher level of security across different devices and applications. We expect fingerprint access will become more and more popular among consumers because of its unmatched convenience and security for identity recognition in high security transactions.

In 2011, the revenue from plasma lighting source products decreased by 22.2% to HK$70.7 million. In spite of this, the Group made great strides in the future of its plasma lighting source products segment in 2011. Plasma lighting, widely known for its high energy efficiency, is a revolutionary new lighting source that generates the full spectrum of natural white light with very little infrared and less than 1% ultraviolet light emission, making it ideal for high quality lighting applications like art galleries and museums. Its very high efficacy and long light throw makes it well suited for outdoor lighting. Because it consumes far less energy, generates less heat and magnetic interference, and as a result lasts much longer than comparable lighting solutions, it is well suited for use in high lumens outdoor street lightings and high ray lighting application. Unlike other high-efficiency lighting, plasma lighting contains no mercury or fluorescents and so does not pollute the environment on disposal. With these advantages and potential uses, the Group believes that the market for plasma lighting is set to develop significantly in the future as the technology continues to evolve.

Believing that its early participation in plasma lighting source segment provides it with a significant competitive advantage, the Group continued in 2011 to work hard at establishing a foundation for future growth by participating in six major green energy lighting exhibitions in Shanghai, Jiangmen, Guangzhou, Urumqi, Suzhou and Malaysia. In 2011, the inception of China's 12th Five Year Plan launched a comprehensive energy saving and emission reduction programme that encouraged the use of advanced technologies. The Group believes that this will boost the demand for plasma lighting in China. While still developing, the Group remains confident in the future growth of the plasma lighting segment, and has already secured several major orders in 2012.

The Group saw a decline of 86.6% in revenue from wireless charging products during the year under review. The creation of the Qi standard for wireless charging by the Wireless Power Consortium ("WPC") and its subsequent industry adoption have created a period of transition in the market that dampened the demand for the Group's products in 2011. The transition to the Qi standard by PowerMat Ltd. ("PowerMat"), the Group's main strategic partner in this segment which joined WPC in May 2011, further contributed to this temporary reduction in demand. The Group however remains optimistic about the outlook for the wireless charging segment as the industry emerges from its period of transition, and the assumption of a global standard helps drive device adoption.

In May 2011, Cyber Vision Technology Limited, a wholly-owned subsidiary of the Company, acquired a 2.35% stake in PowerMat for a consideration of approximately US$5 million. The Group believes this strategic investment in PowerMat, a technology and market leader in the wireless charging market, will strengthen its position in the segment. Since launching its products in 2009, PowerMat has sold millions of units and established itself as a leader in device compatibility, retail availability, technological advancement, consumer experience and brand. Recently, it entered into a joint venture with a global consumer goods company to leverage the Duracell brand and drive consumer adoption, and it has many partnerships with international consumer goods manufacturers to help it expand its product ubiquity. The Group believes its strategic partnership with PowerMat will create new relationships and opportunities that will facilitate growth in its wireless charging business.

Revenue from the communication-and automotives-related products grew by 47.9% to HK$160.1 million in 2011, and accounted for 13.8% of total revenue. The market for communication products used in wireless base stations is expected to continue to grow as wireless networks expand their capacity to handle increasing amount of data transmission. The demand for automotive GPS and security systems is also expected to grow as the global automotive industry recovers. The Group's expansion into automotive infotainment systems is expected to bolster the product line up for this segment and to drive growth further. Overall, communication products are expected to drive future revenue growth for the Group. Furthermore, these newer, with healthy growth horizons are expected to help balancing the Group's product portfolio and better insulate it from future demand shocks in any of its segments or from a general economic downturn.

Financial Review

Revenue

The revenue for the year ended 31 December 2011 amounted to HK$1,164.1 million (2010: HK$1,391.6 million), analysed by product category as follows:

	2011 *HK$ million*		2010 *HK$ million*		*% change*
Capacitive touch products	**602.6**	**51.8%**	766.9	55.1%	-21.4%
Fingerprint biometric devices	**246.8**	**21.2%**	151.8	10.9%	+62.6%
Lighting source	**70.7**	**6.1%**	90.9	6.5%	-22.2%
Wireless charging devices	**31.5**	**2.7%**	234.9	16.9%	-86.6%
Other segments	**212.5**	**18.2%**	147.1	10.6%	+44.5%
	1,164.1	**100.0%**	1,391.6	100.0%	-16.3%

During the year under review, the Group's revenue fell by 16.3% to HK$1,164.1 million as compared with last year. Such fall is mainly due to the decline in revenue from wireless charging devices due to the technological 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 year ended 31 December 2011 amounted to HK$213.6 million, a decrease of HK$162.8 million or 43.2% as compared with last year.

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

	2011 *HK$ million*		2010 *HK$ million*	
Capacitive touch products	**131.1**	**21.8%**	183.8	24.0%
Fingerprint biometric devices	**23.2**	**9.4%**	54.6	36.0%
Lighting source	**14.0**	**19.8%**	33.4	36.7%
Wireless charging devices	**4.8**	**15.2%**	68.6	29.2%
Other segments	**40.5**	**19.1%**	36.0	24.5%
	213.6	**18.3%**	376.4	27.0%

The overall gross profit margin for the year decreased from 27.0% to 18.3%, as a result of the change in product mix, decrease in the sales of the products, increase in production costs and the appreciation of renminbi.

Distribution Costs

Distribution cost for the year amounted to HK$8.7 million, accounting for 0.7% of the total revenue. This represents a year-on-year decrease of 14.8%, reflecting the decline in turnover, in particular of the wireless charging devices.

Administrative Expenses

During the year under review, administrative expenses increased to HK$122.0 million from HK$105.4 million, mainly attributable to the increase in rental and general depreciation as additional office space and fixed assets were rented and acquired since the second half of 2010, additional legal and professional fees for compliance and communication purposes, and the appreciation of Renminbi.

Finance Costs — net

The net finance costs decreased by HK$7.8 million or 78.0% as compared with last year. The decrease was primarily caused by increase in interest income.

Income Tax Expense

Income tax expense decreased by 73.5% to HK$10.2 million as compared with last year, which was due to the decline in profit for the year.

Profit for the Year

Profit for the year was HK$71.1 million, representing a decrease of HK$142.6 million or 66.7% as compared with last year.

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 31 December 2011, the Group's cash and cash equivalents and pledged bank deposits totalled HK$563.4 million (2010: HK$626.1 million). Working capital represented by net current assets amounted to HK$438.2 million (2010: HK$552.3 million). The Group's current ratio was 1.9 (2010: 1.9).

Bank borrowings included trust receipt loans amounting to HK$216.1 million (2010: HK$91.3 million) and term loans amounting to HK$60.4 million (2010: HK$175.9 million) and were secured by corporate guarantees provided by the Company and certain of its subsidiaries. As at 31 December 2011 and 2010, the Group was in a net cash position, representing the bank balances and cash exceeded total debts at the end of each reporting period.

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 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. By its letter dated 7 May 2010 the IRD granted an unconditional holdover of the above additional profits tax.

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 has 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 31 December 2011, which may arise from tax adjustments made as a result of the above tax audit. Mr. Wong Kwok Fong and Ms. Ching Pui Yi, the controlling shareholders of the Company, 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 31 December 2011, the Group had contracted but not provided for capital commitments of HK$59.3 million (2010: HK$3.7 million), and did not have any authorised but not contracted for capital commitments (2010: Nil).

Subsequent Events

In January 2012, the Group acquired the entire equity interest of Gallant Tech Limited for a consideration of approximately US$8,000,000 (equivalent to approximately HK$62,240,000) plus the net assets value as of the completion date. Please see the announcement of the Company dated 15 January 2012 for the particulars of this acquisition.

During February and March 2012, the Group acquired a 5% equity interest of DDS, Inc., a company listed on the Tokyo Stock Exchange in Japan for a consideration of approximately JPY48,263,000 (equivalent to approximately HK$4,900,000). Please see the announcement of the Company dated 26 January 2012 for the particulars of this acquisition.

In March 2012, the Group has entered into an agreement to acquire the entire equity interest of Celestix Networks Pte Ltd, a company incorporated in Singapore, which is engaged in the provision of network security technology solution services, for a consideration of approximately S$17,800,000 (equivalent to approximately HK$110,182,000). The acquisition is expected to be completed by 30 April 2012. Please see the announcement of the Company dated 12 March 2012 for the particulars of this acquisition.

Currency Exposure and Management

During the year, 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 are denominated in renminbi. Therefore, the appreciation of renminbi adversely has affected the Group's profitability. The Group will closely monitor the renminbi exchange rate 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 31 December 2011, the Group had total capital commitments of HK$53.1 million mainly for the purchase of machineries, and the construction of additional production plants and research and development centre.

Employees

As at 31 December 2011, the Group had approximately 2,335 (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. Qualified and experienced personnel are recruited with remuneration maintained at competitive levels.

Use of Proceeds from Initial Public Offering

The Company was listed on the Main Board of the Stock Exchange on 15 December 2010 and the proceeds raised by the placing and public offering, net of listing expenses, were approximately HK$642 million. During the period from the listing date to 31 December 2011, the net proceeds were utilised as follows:

		HK$' million
1	Purchase of equipment for the production of capacitive touch screen products and upgrading production capacity	101
2	Research and development costs on company products	41
3	Acquisitions of new technology or cooperation	0
4	Acquisitions for vertical integration	39
5	Construction of additional production plants	55
6	General working capital purpose	64
Total net proceeds utilised		300

The remaining balance of the net proceeds was deposited in banks in the PRC and Hong Kong and will be used for the intended uses as set out in the prospectus of the Company dated 2 December 2010.

Business Outlook

The global economy will remain clouded with uncertainty as developed economies continue to teeter on the verge of renewed recession. The debt crisis in Europe still threatens the Eurozone with a potential break-up. Fiscal worries and anemic growth in the United States and the United Kingdom continue to depress demand. Even developing economies, until now a bulwark of the global economy, are showing signs of cooling. The challenges facing any global enterprise in such an environment are substantial and daunting.

The electronics manufacturing industry faces substantial challenges of its own. The floods in Thailand in 2011 caused shortages and supply disruptions that will continue to be felt well into 2012. The devastating earthquake in Japan in 2011 worsened the appreciation of the yen that was then already underway, and seriously dented Japanese exports. Meanwhile the operating environment in China remains challenging with the steady appreciation of the renminbi and increases in labor and raw material costs well in excess of average consumer inflation.

Notwithstanding these global macro-economic uncertainties and industry-wide challenges, the Group remains optimistic that the strategies and measures it has implemented will allow it to deliver revenue growth. While profit pressure is expected be immense, the Group believes its cost controlling measures, portfolio rebalancing and growth initiatives will help it maintain its margins as much as possible. Overall, the Group believes its focus on "life-technologies", combined with its strategic and operational response to the current situation, positions it well for strong growth once the global economy begins to recover.

As a response to these global and local challenges, the Group will reorganize its business into three business units. This new structure will allow the Group to allocate and use its resources more efficiently, thereby helping control costs throughout the organization. The new structure will also allow the units to focus resources and effort on new products and market opportunities, including potential acquisitions and joint ventures. The three business units will be:

- Life-technology: combining the Group's various technology businesses into a single unit focused on cutting-edge technologies that facilitate and improve the daily life of users.

- i-manufacturing: expanding the Group's know-how in factory automation through acquisitions and joint ventures, and leveraging existing sales and customer networks to exploit growing opportunity in China and beyond.

- Electronic manufacturing services ("EMS"): combining the Group's electronics OEM and ODM services in existing touch and automotive segments as well as potential new markets.

The Group expects its life-technology business to provide solid revenue growth.

Fingerprint biometric devices are expected to remain solid drivers of growth as the demand for transactional security continues to rise. During the first quarter of 2012, the Group has purchased approximately 5% of the equity interest of DDS Inc., a Japanese company that designs, manufactures and markets, among other things, fingerprint authentication systems. The Group believes that this strategic investment will foster cooperation between the two companies and provide valuable new business opportunities in the fingerprint biometrics segment.

Increasing environmental awareness in China and the continuation of the comprehensive energy saving and emission reduction programme launched in 2011 is expected to present a considerable opportunity for the Group's plasma lighting products. In 2012, the Group will pursue joint ventures opportunities with property developers and government agencies across China to bring the many advantages of plasma lighting to market and increase its own market share.

The broader adoption of the Qi standard in the wireless charging industry, combined with the advantages the Group's strategic partnership with PowerMat, is expected to bring recovery and growth to the wireless charging segment in 2012.

The Group is prepared to capture the business opportunities in the expanding wireless and automotive GPS and security systems markets for organic growth of existing products. The Group has diversified its product base in this segment to boost overall competitiveness and further drive growth. In keeping with its overall strategy of pursuing creative technologies that improve everyday life, the Group has expanded the automotive products business to include infotainment systems that provide security, information and entertainment to car occupants. The Group has also branched out into the healthcare market with its unique patient monitoring products, which are due to be introduced in 2012.

In January 2012, the Group acquired Gallant Tech Limited, a company that supplies equipment and services for manufacturing automation in the printed circuit board assembly and semiconductor packaging market. The business of Gallant Tech Limited, combined with the Group's own manufacturing expertise, will form the basis of the new i-manufacturing business unit and will allow the Group to diversify its business portfolio into the automation equipment and service market. The Group believes that this new business will not only broaden its revenue base, but will become a significant driver of growth as manufacturers in China and elsewhere gradually turn to automation in response to rising labor costs.

The EMS business unit will work to solidify its existing business while striving to expand its client base and seek new OEM/ODM business both within its traditional products including capacitive touch, communication and automotive related products, as well as new potential electronic manufacturing markets.

Across all its businesses the Group has always emphasized the importance of its research and development ("R&D") activities. The Group has an established history of investing heavily in R&D, which it believes is a fundamental driver of future growth and performance. During the year under review, and in line with this corporate philosophy, the Group started the construction of a new, state-of-the-art R&D center, which is due to be opened in 2012. Once opened, the center is expected to support all business units within the Group to improve existing products and processes, and bring new products and innovations to market faster.

In addition to the individual activities of the business units, and their combined R&D efforts, the Group will continue to seek investment and business opportunities, including potential mergers and acquisitions, that are in line with its growth strategy to offer innovative technologies, particularly life-technologies. This, combined with the Group's ongoing activities to entrench existing businesses, pursue strong organic growth where possible, accelerate market leadership in new businesses, and continuously renew its business portfolio, will help the Group expand its margins, strengthen cash flow and maintain best-in-class returns on invested capital.

The Group will continue to focus on providing life-technologies that will make daily life easier, simpler and more secure. By ceaselessly improving both our product quality and management efficacy, and by seeking always to expand on this guiding principle with new investments and new research, the Group will strive to foster long-term growth and maintain its industry leadership.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK0.216 cents per ordinary share for the year ended 31 December 2011 (2010: Nil). The final dividend will be paid in cash on or around Friday, 18 May 2012 to shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 9 May 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 2 May 2012 to Friday, 4 May 2012 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the final dividend for the year ended 31 December 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 30 April 2012.

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 year ended 31 December 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 31 December 2011.

2. Mr. Tan Hui Kiat was appointed as a committee member of the Strategic Intellectual Property and Technology Committee of the Company on 31 December 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.

4. Mr. Chan Wai was appointed as the Chairman of the Remuneration Committee of the Company on 16 March 2012 in place of Mr. Wong Kwok Fong, whilst Mr. Wong Kwok Fong remains as a member of the Remuneration Committee.

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 Officer, 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 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 (the "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 year ended 31 December 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. The audit committee has reviewed the audited financial statements of the Group for the year ended 31 December 2011.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2011 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK"), to the amounts set out in the Group's audited consolidated financial statements. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 4 May 2012 at 11:00 a.m. at Taishan Room, Level 5, Island Shangri-la Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong. Notice of the annual general meeting will be published and issued to shareholders in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wwtt.hk). The 2011 Annual 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, 16 March 2012

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.