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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 SHARES IN DDS

On 27 December 2012, Cybertouch-Tech, a wholly-owned subsidiary of the Company, EST and Mr. Tokuda entered into the Stock Purchase Agreement pursuant to which Cybertouch-Tech agreed to acquire the Sale Shares from EST at a consideration of JPY28,539,000 (equivalent to approximately HK\$2,594,455). The Sale Shares represent approximately 2.24% of DDS's issued share capital as at the date of this announcement.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition, when aggregated with the DDS shares acquired or subscribed by the Group within the preceding twelve months, are over 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements set out in Chapter 14 of the Listing Rules.

THE PROPOSED ACQUISITION

Date of the Stock Purchase Agreement

27 December 2012

Parties to the Stock Purchase Agreement

- (A) Cybertouch-Tech, a wholly-owned subsidiary of the Company, as the purchaser;
- (B) EST, as the seller; and
- (C) Mr. Tokuda, the president of EST.

To the best knowledge of the Directors, after reasonable enquiry, each of EST and Mr. Tokuda is independent of and not connected with the Company or its connected persons.

The Acquisition

Pursuant to the terms of the Stock Purchase Agreement, Cybertouch-Tech has agreed to acquire from EST the Sale Shares at a consideration of JPY28,539,000 (equivalent to approximately HK\$2,594,455). The Sale Shares represents approximately 2.24% of DDS's issued share capital as at the date of this announcement.

The consideration represents a premium of approximately 15% over the average closing price of the DDS Shares over a 3-month period immediately preceding 15 November 2012, the date on which the parties agreed on the intention of the Proposed Acquisition, and was determined after arm's length negotiations between the parties taking into consideration the opportunity for the Group to increase its interest in DDS and the long-term strategic business cooperation potential with DDS.

The Company intends to fund the consideration through internally generated cashflows.

Mr. Tokuda, who is the president of EST, has provided an irrevocable and unconditional guarantee to Cybertouch-Tech on the punctual performance by EST of all its obligations under the Stock Purchase Agreement and will indemnify Cybertouch-Tech immediately on demand against any cost, loss or liability suffered as a result of a breach of its obligation by EST.

Conditions of the Stock Purchase Agreement

Completion of the Proposed Acquisition is conditional upon the satisfaction of the following conditions:

- (A) the representations, warranties contained in the Stock Purchase Agreement remain true and correct at the Closing Date, and all covenants of the parties have been performed or complied with prior to closing; and
- (B) no applicable law is in effect that prevents the consummation of the transaction contemplated under the Stock Purchase Agreement or makes the consummation of the transaction illegal, and there existing as at closing, no order from a governmental authority that restrains, enjoins or otherwise prohibits in any material respect the consummation of the transactions contemplated under the Stock Purchase Agreement.

Closing

Closing will take place on the Closing Date or such later date as the parties may mutually agree.

INFORMATION ON DDS

DDS is a Japanese corporation the issued and outstanding shares of which are traded on the Tokyo Stock Exchange Mothers Market. DDS designs, develops, manufactures and markets fingerprint verification equipment, as well as the entrusted development of software. DDS operates in three business divisions. The strategic business division deals with the design, development, and OEM manufacture of digital cameras, online karaoke equipment, etc. on a contract basis. The biometric business division pursues the research, development, and sales of information technology-related products such as fingerprint authentication systems for personal computers and cell phones using biometric authentication technology. The development division is engaged in the development of software.

According to the published financial statements of DDS, the unaudited net liability of DDS as at 30 September 2012 was approximately JPY80,104,000 (equivalent to approximately HK\$7.3 million). The financial results of DDS under Japanese accounting standards for the two years ended 31 December 2010 and 2011 are as follows:

	For the year ended 31 December	
	2011 (audited) <i>JPY/HK\$'000</i>	2010 (audited) <i>JPY/HK\$'000</i>
Net loss before tax	7,533/684.8	253,030/23,002.7
Net loss after tax	8,451/768.3	255,366/23,215.1

Before the Proposed Acquisition, Cybertouch-Tech was interested in approximately 22.88% of the existing issued share capital of DDS. Upon completion of the Proposed Acquisition, the interest of Cybertouch-Tech will increase to approximately 25.12% of the issued share capital of DDS.

REASON FOR THE PROPOSED ACQUISITION

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. Cybertouch-Tech is an investment holding company and a wholly-owned subsidiary of the Company.

Since both the Group and DDS are engaged in the development and sales of information technology-related products and in particular fingerprint biometric systems, the Directors believe that the Proposed Acquisition provides a valuable opportunity for the Group to increase its interests in DDS and develop a long-term strategic business cooperation with DDS.

The Directors (including the independent non-executive Directors) consider that the Proposed Acquisition was conducted under normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition, when aggregated with the DDS shares acquired or subscribed by the Group within the preceding twelve months, are over 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements set out in Chapter 14 of the Listing Rules.

The Proposed Acquisition is subject to closing. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“Company”	World Wide Touch Technology (Holdings) Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“Closing Date”	the date as agreed by the parties on which the sale and purchase of the Sale Shares shall take place, which is currently expected to be 11 January 2013, or such other date as may be agreed by the parties;
“Cybertouch-Tech”	Cybertouch-Tech Company Limited, a wholly-owned subsidiary of the Company;
“DDS”	DDS, Inc., a company incorporated in Japan, the shares of which are listed on the Tokyo Stock Exchange Mothers Market;
“DDS Shares”	ordinary shares in the issued share capital of DDS;
“Director(s)”	the director(s) of the Company;
“EST”	EST Corporation, a Japanese company which is principally engaged in investment holding;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“JPY”	Japanese Yen, the lawful currency of Japan;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Tokuda”	Mr. Masahiko Tokuda, the president of EST;
“Proposed Acquisition”	the acquisition of the Sale Shares by Cybertouch-Tech;
“Sale Shares”	7,000 DDS Shares to be sold by EST to Cybertouch-Tech pursuant to the terms of the Stock Purchase Agreement;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Stock Purchase Agreement”	the agreement dated 27 December 2012 between Cybertouch-Tech, EST and Mr. Tokuda.

In this announcement, exchange rates of HK\$1.00 to JPY 11.00 are used for illustration purpose only.

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

Hong Kong, 27 December 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.

* *for identification purpose only*