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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)

2015 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “Board”) of World Wide Touch Technology (Holdings) Limited (the “Company”) would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2015.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

| | Note | Six months ended 30 June | |
|---|------|---------------------------------|---------------------------------|
| | | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Revenue | 4 | 250,890 | 423,701 |
| Cost of sales | | (220,933) | (411,851) |
| Gross profit | | 29,957 | 11,850 |
| Other gain — net | | 3,347 | 18,846 |
| Other income | | 1,999 | 684 |
| Distribution costs | | (10,816) | (15,840) |
| Administrative expenses | | (57,911) | (75,443) |
| Operating loss | 5 | (33,424) | (59,903) |
| Finance costs — net | 6 | (2,108) | (469) |
| Share of losses of associates | | (389) | (3,216) |
| Provision for impairment on investments in associates | | (2,200) | (6,119) |
| Loss before income tax | | (38,121) | (69,707) |
| Income tax credit | 7 | 3,239 | 1,562 |
| Loss attributable to equity holders of the Company | | (34,882) | (68,145) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Fair value gain/(loss) on available-for-sale financial assets | | 87,813 | (55,930) |
| Other comprehensive income/(loss) for the period | | 87,813 | (55,930) |
| Total comprehensive income/(loss) for the period attributable to equity holders of the Company | | 52,931 | (124,075) |
| Loss per share for loss attributable to equity holders of the Company | | | |
| — basic (expressed in Hong Kong cents per share) | 8 | (1.19) | (2.33) |
| — diluted (expressed in Hong Kong cents per share) | 8 | (1.19) | (2.33) |
| Dividends | 9 | — | 11,708 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

| | | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|--|----|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 73,885 | 81,547 |
| Land use right | | 4,633 | 4,690 |
| Intangible assets | | 70,184 | 75,373 |
| Investments in associates | | 10,006 | 12,595 |
| Available-for-sale financial assets | 10 | 273,751 | 187,262 |
| Deferred income tax assets | | 9,490 | 5,992 |
| Trade receivables | 11 | — | 1,763 |
| Prepayments and other receivables | | 4,615 | 6,017 |
| | | 446,564 | 375,239 |
| Current assets | | | |
| Inventories | | 91,772 | 107,091 |
| Trade receivables | 11 | 112,453 | 134,073 |
| Prepayments, deposits and other receivables | | 13,222 | 17,238 |
| Amount due from a related party | | 2,517 | 2,684 |
| Financial assets at fair value through profit or loss | | 1,101 | 1,162 |
| Cash and cash equivalents | | 218,811 | 239,792 |
| | | 439,876 | 502,040 |
| Total assets | | 886,440 | 877,279 |
| EQUITY | | | |
| Owner's equity attributable to the Company's equity holders | | | |
| Share capital | 12 | 292,708 | 292,708 |
| Share premium | 12 | 565,489 | 565,489 |
| Other reserves and accumulated deficits | | (314,108) | (367,039) |
| | | 544,089 | 491,158 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2015

| | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|--|--|---|
| LIABILITIES | | |
| Non-current liabilities | | |
| Bank borrowings | 43,743 | 58,333 |
| Deferred income tax liabilities | 1,232 | 1,524 |
| | 44,975 | 59,857 |
| Current liabilities | | |
| Trade and bills payables | 71,820 | 69,584 |
| Accruals and other payables | 40,821 | 51,577 |
| Bank borrowings | 176,916 | 197,244 |
| Current income tax liabilities | 7,819 | 7,859 |
| | 297,376 | 326,264 |
| Total liabilities | 342,351 | 386,121 |
| Total equity and liabilities | 886,440 | 877,279 |
| Net current assets | 142,500 | 175,776 |
| Total assets less current liabilities | 589,064 | 551,015 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

| | Attributable to the equity holders of the Company | | | | | | | | | |
|--|---|----------------|------------------|-----------------|----------------------|-------------------|-------------------------------------|------------------|---|----------------|
| | Share capital | Share premium | Merger reserve | Capital reserve | Share option reserve | Statutory reserve | Available-for-sale financial assets | Exchange reserve | Retained earnings/ (Accumulated deficits) | Total |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| (Unaudited) | | | | | | | | | | |
| For the six months ended 30 June 2015 | | | | | | | | | | |
| At 1 January 2015 | 292,708 | 565,489 | (215,150) | 12,411 | 2,224 | 33,987 | (88,215) | (387) | (111,909) | 491,158 |
| Loss for the period | — | — | — | — | — | — | — | — | (34,882) | (34,882) |
| Other comprehensive income: | | | | | | | | | | |
| Fair value gain on available-for-sale financial assets | — | — | — | — | — | — | 87,813 | — | — | 87,813 |
| Total other comprehensive income | — | — | — | — | — | — | 87,813 | — | — | 87,813 |
| Total comprehensive income | — | — | — | — | — | — | 87,813 | — | (34,882) | 52,931 |
| At 30 June 2015 | 292,708 | 565,489 | (215,150) | 12,411 | 2,224 | 33,987 | (402) | (387) | (146,791) | 544,089 |
| (Unaudited) | | | | | | | | | | |
| For the six months ended 30 June 2014 | | | | | | | | | | |
| At 1 January 2014 | 292,708 | 565,489 | (215,150) | 12,411 | 2,224 | 33,545 | 29,078 | 22 | 483,393 | 1,203,720 |
| Loss for the period | — | — | — | — | — | — | — | — | (68,145) | (68,145) |
| Other comprehensive income: | | | | | | | | | | |
| Fair value loss on available-for-sale financial assets | — | — | — | — | — | — | (55,930) | — | — | (55,930) |
| Total other comprehensive loss | — | — | — | — | — | — | (55,930) | — | — | (55,930) |
| Total comprehensive loss | — | — | — | — | — | — | (55,930) | — | (68,145) | (124,075) |
| Dividend relating to 2013 paid during the period | — | — | — | — | — | — | — | — | (11,708) | (11,708) |
| Transfer to statutory reserve | — | — | — | — | — | 216 | — | — | (216) | — |
| At 30 June 2014 | 292,708 | 565,489 | (215,150) | 12,411 | 2,224 | 33,761 | (26,852) | 22 | 403,324 | 1,067,937 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

| | Six months ended 30 June | |
|---|---|---|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Cash flows from operating activities | | |
| Cash generated from operations | 15,993 | 2,855 |
| Interest paid | (4,085) | (2,806) |
| Profits tax paid | (590) | (1,800) |
| | <hr/> | <hr/> |
| Net cash generated from/(used in) operating activities | 11,318 | (1,751) |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (660) | (5,741) |
| Additions of intangible assets | (3,062) | (11,904) |
| Purchase of available-for-sale financial assets | — | (113,802) |
| Proceed received on disposal of property, plant and equipment and intangible assets | 51 | 9 |
| Proceed received on disposal of available-for-sale financial assets | 4,731 | 152,055 |
| Interest received | 2,067 | 2,922 |
| Prepayment for acquisition of property, plant and equipment and financial assets | (503) | — |
| Amount due from a related party | — | (2,572) |
| | <hr/> | <hr/> |
| Net cash generated from investing activities | 2,624 | 20,967 |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Cash flows from financing activities | | |
| Drawdown of bank borrowings | 169,285 | 207,027 |
| Repayments of bank borrowings | (204,236) | (294,404) |
| Capital repayment of finance lease obligations | — | (893) |
| Dividends paid | — | (11,708) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (34,951) | (99,978) |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Net decrease in cash and cash equivalents | (21,009) | (80,762) |
| Cash and cash equivalents at beginning of the period | 239,792 | 325,892 |
| Exchange gains/(losses) on cash and cash equivalents | 28 | (52) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of the period | 218,811 | 245,078 |
| | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are principally engaged in the manufacturing of a range of high-technology products, and the trading of and provision of services with respect to automation-related equipment.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 December 2010.

This condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information has been approved for issue on 21 August 2015.

This condensed consolidated interim financial information has been reviewed, not audited.

Key events

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors (the “Investors”) pursuant to which the Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 18,611,994,100 subscription shares at an aggregate consideration of HK\$3,350,158,138 at the subscription price of HK\$0.18 per subscription share (the “Transaction”). The Transaction was completed on 3 August 2015.

Upon completion of the Transaction, the Investors held 86.40% of the enlarged issued share capital of the Company assuming the share options granted by the Company have not yet been exercised and held 86.37% of the enlarged issued share capital of the Company assuming the share options granted by the Company have been exercised in full.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

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

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

The following amendments and interpretations to existing standards that have been issued and effective for annual periods beginning on or after 1 January 2015 with no material impact on the Group's result of operations and financial positions:

| | |
|----------------------------|---|
| HKAS 19 (2011) (Amendment) | Defined benefit plans: employee contributions |
| HKFRSs (Amendment) | Annual improvements to HKFRSs 2010–2012 cycle |
| HKFRSs (Amendment) | Annual improvements to HKFRSs 2011–2013 cycle |

The following new and amended standards and interpretations to the existing standards that have been issued but are not effective for the financial year beginning 1 January 2015 with no early adoption:

| | | Effective for annual periods beginning on or after |
|--|---|---|
| HKFRSs (Amendment) | Annual improvements to HKFRSs 2012–2014 cycle | 1 January 2016 |
| HKFRS 10 and HKAS 28 (Amendment) | Sale or contribution of assets between an investor and its associate or joint venture | 1 January 2016 |
| HKFRS 10, HKFRS 12 and HKAS 28 (Amendment) | Investment entities: applying the consolidation exception | 1 January 2016 |
| HKFRS 11 (Amendment) | Accounting for acquisitions of interests in joint operations | 1 January 2016 |
| HKAS 16 and 38 (Amendment) | Clarification of acceptance methods of depreciation and amortisation | 1 January 2016 |
| HKAS 16 and 41 (Amendment) | Agriculture: bearer plants | 1 January 2016 |
| HKAS 27 (Amendment) | Equity method in separate financial statements | 1 January 2016 |
| HKAS 1 (Amendment) | Disclosure initiative | 1 January 2016 |
| HKFRS 14 | Regulatory deferred accounts | 1 January 2016 |
| HKFRS 15 | Revenue from contracts with customers | 1 January 2017 |
| HKFRS 9 | Financial instruments | 1 January 2018 |

Management is in the process of making an assessment of the impact of these standards, amendments and interpretations to existing standards and is not yet in a position to state whether they will have a significant impact on the Group's result of operations and financial position.

4 SEGMENT INFORMATION

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

The CEO considered the business from a perspective of different product categories. The reportable operating segments were classified as Automation, Life Energy, Life Security and Life Touch.

Other products include mainly the communication- and automotives-related 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".

Sales between segments are carried out at arm's length. The Group's revenue by segment is as follows:

| | Six months ended 30 June 2015 | | | Six months ended 30 June 2014 | | |
|----------------|--|--|---|--|--|---|
| | Total segment revenue HK\$'000 (Unaudited) | Inter segment revenue HK\$'000 (Unaudited) | Revenue from external customers HK\$'000 (Unaudited) | Total segment revenue HK\$'000 (Unaudited) | Inter segment revenue HK\$'000 (Unaudited) | Revenue from external customers HK\$'000 (Unaudited) |
| Automation | 155,003 | (45) | 154,958 | 200,562 | (954) | 199,608 |
| Life Energy | 8,543 | — | 8,543 | 24,584 | — | 24,584 |
| Life Security | 74,145 | — | 74,145 | 88,671 | — | 88,671 |
| Life Touch | 1,026 | — | 1,026 | 53,432 | — | 53,432 |
| Other Segments | 12,218 | — | 12,218 | 57,406 | — | 57,406 |
| Total | <u>250,935</u> | <u>(45)</u> | <u>250,890</u> | <u>424,655</u> | <u>(954)</u> | <u>423,701</u> |

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

| | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Operating (loss)/profit | | |
| Automation | 408 | (607) |
| Life Energy | 88 | 30 |
| Life Security | 1,586 | 1,913 |
| Life Touch | (2,863) | (19,764) |
| Other Segments | (455) | 1,059 |
| Total | <u>(1,236)</u> | <u>(17,369)</u> |
| Unallocated | | |
| Depreciation shared by various reportable segments | (2,871) | (8,735) |
| Amortisation of land use right | (57) | (58) |
| Other gain — net | 3,347 | 18,846 |
| Other income | 1,999 | 684 |
| Other distribution costs and administrative expenses | (34,606) | (53,271) |
| Finance costs — net | (2,108) | (469) |
| Share of losses of associates | (389) | (3,216) |
| Provision for impairment on investments in associates | (2,200) | (6,119) |
| Loss before income tax | <u>(38,121)</u> | <u>(69,707)</u> |

During the period ended 30 June 2015, the Group recorded a provision for impairment of inventories of HK\$257,000 (2014: Nil) and HK\$743,000 (2014: Nil) in the segment results of Life Security and Other Segments respectively. No provision for impairment of inventories has been made for Life Touch, Life Energy and Automation.

The revenue from external parties reported to the CEO is measured in a manner consistent with that of the annual financial statements for the year ended 31 December 2014.

The CEO assesses the performance of the operating segments based on a measure of operating profit, which are in a manner consistent with that of the annual financial statements for the year ended 31 December 2014.

Other gain — net, other income, distribution and administrative expenses, depreciation and amortisation of land use right are not allocated to segments, as they are inseparable for each product and not attributable to particular reportable segments. Finance costs — net and share of losses and impairment provision of associates 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.

The assets attributable to different reportable segments are reconciled to total assets as follows:

| | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|--|--|---|
| Segment assets | | |
| Automation | 191,530 | 197,611 |
| Life Energy | 7,837 | 7,652 |
| Life Security | 72,424 | 91,425 |
| Life Touch | 5,522 | 9,091 |
| Other Segments | 17,176 | 22,843 |
| | <hr/> | <hr/> |
| Segment assets for reportable and other segments | 294,489 | 328,622 |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Unallocated: | | |
| Property, plant and equipment shared by various reportable segments | 42,473 | 45,278 |
| Land use right | 4,633 | 4,690 |
| Available-for-sale financial assets | 273,751 | 187,262 |
| Investments in associates | 10,006 | 12,595 |
| Deferred income tax assets | 9,490 | 5,992 |
| Inventories shared by various reportable segments | 52,338 | 61,939 |
| Prepayments, deposits and other receivables shared by various reportable segments | 15,070 | 20,780 |
| Financial assets at fair value through profit or loss | 1,101 | 1,162 |
| Cash and cash equivalents | 183,089 | 208,959 |
| | <hr/> | <hr/> |
| Total assets | 886,440 | 877,279 |
| | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the annual consolidated financial statements for the year ended 31 December 2014. Segment assets represented property, plant and equipment, intangible assets, trade receivables, prepayments, deposits and other receivables, amount due from a related party, cash and cash equivalents, goodwill and inventories attributable to various reportable segments.

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

5 OPERATING LOSS

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

| | Six months ended 30 June | |
|---|---------------------------------|-------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Amortisation of intangible assets | 8,256 | 7,833 |
| Amortisation of land use right | 57 | 58 |
| Depreciation of property, plant and equipment | 7,976 | 33,636 |
| Loss on disposal of property, plant and equipment | 295 | 78 |
| Provision for impairment on inventories | 1,000 | — |
| Provision for impairment on trade receivables | 3,042 | — |
| | 3,042 | — |

For the six months ended 30 June 2015, raw materials, work in progress and finished goods of HK\$1,000,000 (for the six months ended 30 June 2014: Nil) in total are considered as obsolete. The amount of provision for impairment has been included in "cost of sales" in the condensed consolidated statement of comprehensive income.

6 FINANCE COSTS — NET

| | Six months ended 30 June | |
|--|---------------------------------|-------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Finance income | | |
| — Interest income on bank deposits | 1,915 | 2,922 |
| Finance costs | | |
| — Bank loans | (2,983) | (2,374) |
| — Finance lease obligations | — | (6) |
| — Trust receipt loans | (701) | (426) |
| — Notional accretion of interest on contingent consideration payable | (339) | (585) |
| | (4,023) | (3,391) |
| Finance costs — net | (2,108) | (469) |

7 INCOME TAX CREDIT

| | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Current income tax | | |
| — Hong Kong profits tax | (158) | — |
| — People's Republic of China ("PRC") enterprise income tax | (392) | (1,985) |
| — Overprovision of PRC enterprise income tax in respect of prior year | — | 2,686 |
| | <u>(550)</u> | <u>701</u> |
| Deferred income tax | <u>3,789</u> | <u>861</u> |
| | <u><u>3,239</u></u> | <u><u>1,562</u></u> |

Provision for income tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2015 (For the six months ended 30 June 2014: 16.5%).

The statutory income tax rate applicable to entities operating in the PRC is 25% (For the six months ended 30 June 2014: 25%).

8 LOSS PER SHARE

(a) Basic

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

| | Six months ended 30 June | |
|---|--------------------------|---------------------|
| | 2015 (Unaudited) | 2014 (Unaudited) |
| Loss attributable to equity holders of the Company (HK\$'000) | <u>(34,882)</u> | <u>(68,145)</u> |
| Weighted average number of ordinary shares in issue (thousands) | <u>2,927,084</u> | <u>2,927,084</u> |
| Basic loss per share (Hong Kong cents) | <u>(1.19)</u> | <u>(2.33)</u> |

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average

annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted loss per share is the same as basic loss per share because the effect of the assumed conversion of the share options of the Company was anti-dilutive.

9 DIVIDENDS

| | Six months ended 30 June | |
|--|---------------------------------|---------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| 2013 final dividend paid — HK\$0.4 cents per share | <u>—</u> | <u>11,708</u> |

No interim dividend was declared by the board of directors for the six months ended 30 June 2015 (For the six months ended 30 June 2014: Nil per share).

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | As at | As at |
|-----------------|-----------------------|----------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Audited) |
| Listed shares | 169,842 | 83,353 |
| Unlisted shares | 103,909 | 103,909 |
| | <u>273,751</u> | <u>187,262</u> |

Certain unlisted shares of aggregated carrying amount of HK\$74,391,000 (2014: HK\$74,391,000) are measured at fair value determined by using discounted cash flow approaches which are not based on observable inputs.

Certain unlisted shares of aggregated carrying amount of HK\$29,518,000 (2014: HK\$29,518,000) are measured at cost.

The fair values of listed shares are determined on the basis of their quoted market prices at the end of reporting period.

At the end of reporting period, the Group's available-for-sale financial assets were individually reviewed for impairment by management. There was no provision for impairment recognised in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2015 and the six months ended 30 June 2014. The Group does not hold any collateral over these balances.

No available-for-sale financial assets were pledged as security for bank borrowings of the Group at the end of the reporting period.

11 TRADE RECEIVABLES

| | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|---|--|---|
| Trade receivables | 116,163 | 136,504 |
| Less: Provision for impairment on receivables | (3,710) | (668) |
| | <hr/> | <hr/> |
| Trade receivables — net | 112,453 | 135,836 |
| Loss: non-current portion | — | (1,763) |
| | <hr/> | <hr/> |
| Current portion | 112,453 | 134,073 |
| | <hr/> <hr/> | <hr/> <hr/> |

The Group generally grants a credit period of 30 days to 90 days to its customers. For customers of automation products, a credit period ranging from 30 days to 60 days after acceptance is granted. The ageing analysis of trade receivables based on invoice date is as follows:

| | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|----------------|--|---|
| 0 to 30 days | 47,099 | 58,365 |
| 31 to 60 days | 23,571 | 29,584 |
| 61 to 90 days | 19,006 | 23,758 |
| 91 to 120 days | 8,503 | 8,694 |
| Over 120 days | 17,984 | 16,103 |
| | <hr/> | <hr/> |
| | 116,163 | 136,504 |
| | <hr/> <hr/> | <hr/> <hr/> |

Movements on the provision for impairment of trade receivables are as follows:

| | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|--|--|---|
| At 1 January | 668 | 828 |
| Provision for impairment on trade receivables | 3,042 | 131 |
| Reversal of provision of impairment on trade receivables | — | (291) |
| | <hr/> | <hr/> |
| At 30 June/31 December | <u>3,710</u> | <u>668</u> |

12 SHARE CAPITAL AND PREMIUM

| | Number of shares (thousands) | Nominal value of ordinary shares HK\$'000 | Share premium HK\$'000 | Total HK\$'000 |
|---|---|--|---------------------------------------|---------------------------|
| At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015 | <u>2,927,084</u> | <u>292,708</u> | <u>565,489</u> | <u>858,197</u> |

13 TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables based on invoice date is as follows:

| | As at 30 June 2015 HK\$'000 (Unaudited) | As at 31 December 2014 HK\$'000 (Audited) |
|----------------|--|---|
| 0 to 30 days | 50,587 | 42,022 |
| 31 to 60 days | 14,551 | 14,253 |
| 61 to 90 days | 1,587 | 2,886 |
| 91 to 120 days | 58 | 3,317 |
| Over 120 days | 5,037 | 7,106 |
| | <hr/> | <hr/> |
| | <u>71,820</u> | <u>69,584</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The electronic manufacturing service (“EMS”) industry continued to be gloomy during the first half of 2015 and the Group continued to execute a range of strategic and transformative measures including elimination of low-margin and labor-intensive business segments, and effective allocation of resources to business segments with higher demand and greater growth potential such as biometric security technology.

During the first half of 2015, the Group’s revenue for Automation products accounted for 61.8% (corresponding period in 2014: 47.1%) of the Group’s total revenue; Life Energy products accounted for 3.4% (corresponding period in 2014: 5.8%); Life Security products accounted for 29.5% (corresponding period in 2014: 20.9%); Life Touch products accounted for 0.4% (corresponding period in 2014: 12.6%); and Other Segments accounted for 4.9% (corresponding period in 2014: 13.6%).

Automation

Gallant Tech Limited (“Gallant Tech”) has continued as a major source of revenue for the Group. In the first half of 2015, Gallant Tech recorded a revenue of HK\$155.0 million (corresponding period in 2014: HK\$199.6 million), accounting for 61.8% (corresponding period in 2014: 47.1%) of the Group’s total revenue.

Life Energy

The Life Energy product segment consists of wireless charging devices. Revenue from wireless charging devices recorded a decrease of 65.0% to HK\$8.6 million compared to the corresponding period in 2014. Notwithstanding the drop in the revenue in this sector, the Group expects wireless power solutions to continue to gain momentum. The two strategic investments made by the Group in PowerMat, an innovative leader in the global wireless charging industry in 2011 and 2012, have strengthened its presence in the fast-growing wireless charging market.

Life Security

The Life Security product segment consists mainly of biometric fingerprint modules used in notebook computers. In the first half of 2015, revenue from the Life Security segment decreased by 16.5% to HK\$74.1 million.

The Group continues to actively participate in major international exhibitions to promote its biometric security technology, strengthen the FingerQ brand, and explore partnership opportunities with leading industry players around the world. In particular, the Group continues to place effort in making its FingerQ platform more user-friendly by attracting more applications developers and strategic partners to integrate more features onto the secure platform, and supporting top-tier mainstream operating systems including iOS, Android and Windows for PCs.

Life Touch

In order to relocate its resources to higher margin segments and maximise investment returns, the Group continued to downsize its Life Touch business. During the review period, the Life Touch product segment contributed revenue of HK\$1.0 million to the Group.

Other Segments

The Group's other segments primarily consist of communications and automotive-related products. During the review period, revenue from communication and automotive-related products decreased by 99.3% and 90.3% to HK\$0.1 million and HK\$2.9 million, respectively.

Technology Investment and Partnership

The Group invests substantial resources in developing and enabling partnerships with a number of industry-leading companies specialising in biometric security, wireless data transmission and communication technologies. The goal of the Group is to provide users with a compelling experience through a diversified product and services portfolio, so as to provide the best secured technology solutions for both the consumer and enterprise markets.

Biometric Security Technology

Bio-Key International

Bio-Key International, Inc. ("Bio-Key") is a US public company that is listed and traded on the OTCQB. Bio Key develops and delivers advanced biometric finger identification solutions to commercial and government enterprises, systems integrators, and custom application developers. Their solutions are used in local embedded OEM products as well as in some of the world's largest identification deployments to improve security, guarantee identity, and help reduce identity theft. As at 30 June 2015, the Group held 1,066,500 shares of Bio-Key.

The Group intends to further invest in Bio-Key as the Board believes such strategic investment will enable it to actively participate in that company's business operations and further enhance its technology knowhow and capability in the biometric security arena.

Kili Corporation

Kili Corporation ("Kili") is a private technology company that is principally engaged in the authentication and secure payment software technology for the civilian market, including the development of fingerprint biometric systems for identification purposes servicing the electronic banking sector. As at 30 June 2015, the Group held 2,472,320 shares of Kili, representing 18.42% of Kili's total shares.

Electronic banking and payment transactions represent a market with huge growth potential due to the increasing demand for internet transactions and payments, while correspondingly the needs for security and data privacy by both individuals and corporations are becoming ever more critical. This strategic investment enhances the Group's technology expertise and capability in integrated circuits and security aspects.

IDEX ASA

IDEX ASA (“IDEX”) is a Norwegian public company listed on the Oslo Axess market of the Oslo Børs (“Oslo Stock Exchange”). As at 30 June 2015, the Group held a total of 21,673,299 IDEX ASA shares. As both the Group and IDEX are in the business of the development and sales of information technology-related products and in particular fingerprint biometric systems, the investment represents a valuable opportunity to strengthen long-term strategic business collaboration with IDEX and approach the European market.

Link Mobility Group

Link Mobility Group (“Link Mobility”) is a leading provider of mobile solutions and mobile services in the Nordic and Baltic countries which is listed on the Oslo Axess market of the Oslo Stock Exchange. As at 30 June 2015, the Group holds 680,081 shares at a value of approximately HK\$23.1 million. This investment enhances the Group’s partnership with Link Mobility to deliver leading-edge solutions for e-commerce and mobile payment services as well as to develop business in Europe.

Wireless Data Transmission Technology

Keyssa Inc. (“Keyssa”) is a US privately-held company whose principal business is developing wireless technology for data transfer. This investment is expected to strengthen the Group’s position in the wireless data transfer and mobile internet market. As at 30 June 2015, the Group held 2,511,954 Keyssa shares.

Communication Technology

Advanced Radio Device Technologies, Inc.

The principal business of Advanced Radio Device Technologies, Inc. (“ARDT”) is the research and development, sales and marketing of semiconductor solutions for communications and related equipment. As at 30 June 2015, the Group held a total of 143,333 shares, representing a 43% stake in ARDT.

Due to the poor financial performance of ARDT, the Group decided to make an impairment provision for its interest in ARDT in the amount of HK\$2.2 million during the period under review (corresponding period in 2014: Nil).

Tekmar, Inc.

Tekmar, Inc specialises in the development, manufacturing and sale of carrier-grade wireless telecommunication systems and components, including RF filters for 4G LTE FDD and TDD infrastructure. As at 30 June 2015, the Group held a total of 666,667 Tekmar shares, representing at 37.78% stake in that company.

As a result of the continued loss sustained and the financial difficulties currently faced by Tekmar, the Group, after strategic consideration, has made the provision for the impairment of all its interest in Tekmar during 2014.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 30 June 2015 amounted to HK\$250.9 million (corresponding period in 2014: HK\$423.7 million), analysed by business segment as follows:

| | For the six months ended 30 June | | | | <i>% change</i> |
|----------------|---|--------------|---------------------|-------|-----------------|
| | 2015 | | 2014 | | |
| | HK\$ million | | <i>HK\$ million</i> | | |
| Automation | 155.0 | 61.8% | 199.6 | 47.1% | (22.3)% |
| Life Energy | 8.6 | 3.4% | 24.6 | 5.8% | (65.0)% |
| Life Security | 74.1 | 29.5% | 88.7 | 20.9% | (16.5)% |
| Life Touch | 1.0 | 0.4% | 53.4 | 12.6% | (98.1)% |
| Other Segments | 12.2 | 4.9% | 57.4 | 13.6% | (78.7)% |
| | 250.9 | 100% | 423.7 | 100% | (40.8)% |

During the period under review, the Group's revenue fell by 40.8% to HK\$250.9 million as compared with the corresponding period in 2014.

Gross Profit and Margin

The gross profit for the six months ended 30 June 2015 amounted to HK\$30.0 million, an increase of HK\$18.1 million as compared with the corresponding period in 2014. The increase was mainly due to a decrease in depreciation caused by the impairment losses made on the carrying amounts of certain assets of the Group such as machineries in 2014.

Other Gain — Net

The net other gain decreased by HK\$15.5 million as compared with the corresponding period in 2014 mainly due to the decrease in gain from the disposals of shares in investee companies by the Group compared to the same period in 2014.

Distribution Costs

During the period under review, distribution costs decreased to HK\$10.8 million from HK\$15.8 million. The decrease was mainly caused by the (i) decrease in data storage fee for FingerQ and PrivacQ, (ii) decrease in the promotional activities for FingerQ and PrivacQ and (iii) decrease in commission arising from decrease in revenue at Automation.

Administrative Expenses

During the period under review, administrative expenses decreased to HK\$57.9 million from HK\$75.4 million mainly due to the decrease in depreciation caused by the impairment losses made on the carrying amounts of certain assets of the Group in 2014 and the reduction in staff costs.

Finance Costs — net

The net finance costs increased by HK\$1.6 million as compared with the corresponding period in 2014 mainly due to the new term loans of HK\$50 million and revolving loans of HK\$34.8 million borrowed from Bank of China Limited in December 2014 and April 2015 respectively.

Loss for the Period

Loss for the period was HK\$34.9 million, as compared to a loss of HK\$68.1 million during the corresponding period in 2014.

FINANCIAL RESOURCES REVIEW

Liquidity Financial Resources and Debt Structure

Adhering to a conservative financial management system, the Group continued to maintain a healthy and solid liquidity position. As at 30 June 2015, the Group's cash and cash equivalents totalled HK\$218.8 million (31 December 2014: HK\$239.8 million). Working capital represented by net current assets amounted to HK\$142.5 million (31 December 2014: HK\$175.8 million). The Group's current ratio was 1.5 (31 December 2014: 1.5).

Bank borrowings are mainly denominated in US Dollars and Hong Kong Dollars and carry LIBOR or HIBOR plus rates, which included trust receipt loans amounting to HK\$71.2 million (31 December 2014: HK\$97.5 million) and bank loans amounting to HK\$149.4 million (31 December 2014: HK\$158.1 million). These bank borrowings were secured by corporate guarantees provided by the Company and certain of its subsidiaries. As at 30 June 2015, the Group was in a net cash deficit position of HK\$1.8 million (31 December 2014: net cash deficit position of HK\$15.8 million), representing total debts exceeded the bank balances and cash at the end of the reporting period.

Capital Commitments

At 30 June 2015, the Group did not have any contracted but not provided for capital commitments (31 December 2014: Nil) and authorised but not contracted for capital commitments (31 December 2014: Nil).

Currency Exposure and Management

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

In respect of the Renminbi, as the Group's production plant is located in the PRC, most of the labour costs and manufacturing overheads were denominated in Renminbi. Therefore, the appreciation of Renminbi will adversely affect the Group's profitability. The Group will closely monitor the trend of Renminbi and, if necessary, consider entering into foreign exchange forward contracts with reputable financial institutions to reduce potential exposure to currency fluctuations.

During the period under review, the Group has not entered into any foreign exchange forward contracts.

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.

EMPLOYEES

As of 30 June 2015, the Group employed approximately 600 (31 December 2014: 700) full-time staff principally in Hong Kong and the PRC.

The Group remunerates and provides benefits for its employees based on current industry practice. Discretionary bonuses are awarded to staff based on the financial performance of the Group and performance of individual staff.

In addition, share options are granted to eligible employees in accordance with the terms of the Company's share option scheme adopted on 24 November 2010.

BUSINESS OUTLOOK

Biometrics security technology has been at the center of converging market forces driving the digital identity revolution. Consumers are increasingly reliant on biometric security as mobile and digital device penetration deepens in our work as well as our daily life. As a global biometric security technology provider, the Group is committed to create innovative and secure hardware, software and technological solutions for both the consumer and enterprise markets.

In the first half of 2015, the Group has actively utilised top-tier industry events across the world to explore and form business partnerships with industry players to expand its product portfolio and market reach. Notable here is the Group's participation in the 2015 International Consumer Electronics Show in Las Vegas, 2015 Mobile World Congress in Barcelona and 2015 GSMA Mobile World Congress in Shanghai.

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi, has entered into a subscription agreement with eight investors. The share subscription represents a significant milestone in its development. Since the beginning of 2014, the Group has commenced its transformation plan to wind down as a labor intensive manufacturing focused enterprise and develop into a value-added, innovative biometrics security technology provider. Upon the

completion of the Share Subscription, the Group will have more financial resources to prudently explore the deployment of biometric security technology in mobile payment and healthcare services, and strengthen its position as the leading provider of patented biometric security solutions internationally.

In addition to the biometric security technology business, the Group intends to tap the energy-saving lighting industry through the acquisition of Shenzhen-based Optoelectronic Enterprise, a company engaged in research, development and manufacturing of crystal semiconductors and carbon electrodes. The Group believes this represents a lucrative investment opportunity as the demand for energy-saving products in China increases apace with economic development, improved quality of life and higher priority of environmental protection. The Group also plans to allocate resources to acquire equity interest in a domestic financial enterprise to diversify and extend the Group's business into the booming financial sector in China.

The Share Subscription has broadened the Group's shareholder base, and it will strengthen the capital base and support future business development. Looking ahead, the Group will continue to push the frontiers of product innovation and create technological solutions that anticipate the changing demand of consumers, market trends and competitive forces. The Group will continue to leverage its competitive advantages to thrive in these dynamic industries, delivering value-added products to enrich people's lives and maximise shareholder returns.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: HK\$nil cents per share).

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

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors pursuant to which the investors agreed to subscribe for 18,611,994,100 new shares at an aggregate consideration of HK\$3,350,158,138. Save for such share subscription, neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015. As at 30 June 2015, the share subscription has not been completed.

UPDATE OF DIRECTORS' AND CHIEF EXECUTIVES' INFORMATION

The changes in information of directors and the chief executives of the Company subsequent to the date of the Annual Report 2014 are set out as below:

- (1) Mr. Wong Kwok Fong has resigned as an executive Director, the Chief Executive Officer of the Company, the chairman of the Board, the chairman of each of the nomination committee and strategic intellectual property and technology committee, a member of the remuneration committee of the Board and an authorised representative of the Company for the purpose

of Rule 3.05 of the Listing Rules and for accepting service of process and notice on behalf of the Company under Part 16 of the Companies Ordinance with effect from 3 August 2015, and he has been redesignated as the Chief Technology Officer of the Company;

- (2) Ms. Ching Pui Yi has resigned as an executive Director and Chief Operating Officer of the Company with effect from 3 August 2015, and she has been redesignated as the Operation Director of the Company;
- (3) Mr. Tan Hui Kiat has resigned as an executive Director, the Corporate Affairs Officer and a member of strategic intellectual property and technology committee with effect from 3 August 2015, and he has been redesignated as the Project Management Director of the Company;
- (4) Mr. Yao Jianhui has been appointed as an executive Director, the Chief Executive Officer of the Company, the chairman of the Board and the chairman of the nomination committee and strategic intellectual property and technology committee, a member of the remuneration committee of the Board and an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules with effect from 3 August 2015;
- (5) Mr. Huang Wei has been appointed as an executive Director with effect from 3 August 2015;
- (6) Mr. Zhang Bowen has been appointed as an executive Director and a member of the strategic intellectual property and technology committee with effect from 3 August 2015;
- (7) Mr. Li Minbin has been appointed as a non-executive Director with effect from 3 August 2015; and
- (8) Ms. Kwok Ling Yee, Pearl Elizabeth, Chief Financial Officer and Company Secretary, has been appointed as an authorised representative of the Company for accepting service of process and notice on behalf of the Company under Part 16 of the Companies Ordinance with effect from 3 August 2015.

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 as 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 Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that there is no separation of the roles of Chairman and Chief Executive Officer as stipulated in the code provision A.2.1 of the CG Code. Mr. Wong Kwok Fong ("Mr. Wong") currently assumes the roles of both the Chairman and the Chief Executive Officer of the Company. Mr. Wong is one of the founders of the Group and has extensive experience in manufacturing, supply chain and marketing functions in electronics and technologies. The Board believes that by

holding both roles, Mr. Wong will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company's present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will be maintained.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the directors of the Company. All directors of the Company have confirmed that throughout the six months ended 30 June 2015, 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 unaudited financial results for the six months ended 30 June 2015 have been reviewed by the audit committee and the external auditors of the Company.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

(1) Share subscription agreement

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors (the "Investors") pursuant to which the Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 18,611,994,100 subscription shares at an aggregate consideration of HK\$3,350,158,138 at the subscription price of HK\$0.18 per subscription share (the "Transaction").

Upon completion of the Transaction on 3 August 2015, the Investors held 86.40% of the enlarged issued share capital of the Company assuming the share options granted by the Company have not yet been exercised and held 86.37% of the enlarged issued share capital of the Company assuming the share options granted by the Company have been exercised in full.

(2) Change of company name

Pursuant to the announcement dated 5 August 2015 and the circular dated 14 August 2015, the Company proposed to change its name to Bao Neng Financial and Technology Limited (寶能金科有限公司). The Company further announced on 20 August 2015 that the Board is considering to propose another English name and dual foreign name for the shareholders' consideration. Further information in relation to the proposed change of the name of the Company will be announced and communicated to the shareholders in due course.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wvtt.hk). The 2015 Interim Report will be dispatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

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

By order of the Board

World Wide Touch Technology (Holdings) Limited
Yao Jianhui

Chairman and Chief Executive Officer

Hong Kong, 21 August 2015

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Zhang Bowen and Mr. Huang Wei; one non-executive director, namely Mr. Li Minbin; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Chan Wai.