

The directors herein present their report and the audited financial statements of the Company and the Group for the period ended 31 December 2000.

Change of name

Pursuant to a special resolution passed on 15 September 2000, the name of the Company was changed from Wiltec Holdings Limited to CCT Multimedia Holdings Limited.

Change of financial year end date

The Group changed its financial year end date from 31 March to 31 December with effect from 1 April 2000. The current accounting period covers a period of nine months from 1 April 2000 to 31 December 2000.

Principal activities

The principal activity of the Company is investment holding.

During the period, the Group continued to be engaged in the business of the manufacturing, sourcing and sale of baby care products. In addition, the Group acquired 100% equity interests in Natural Winner Investment Limited and Wellfit Multi Media Group Limited. The principal activity of Natural Winner Investment Limited, Wellfit Multi Media Group Limited and their subsidiaries is the provision of multimedia contents and services.

Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements.

Results and dividends

The Group's profit for the period ended 31 December 2000 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 26 to 51.

The directors do not recommend payment of a dividend in respect of the period.

Summary of financial information

A summary of the published results and of the assets and liabilities of the Group for the last five financial period/years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 52. This summary is not part of the audited financial statements.

Fixed assets and investment property

Further details of movements in the fixed assets and investment property of the Group are set out in notes 13 and 14 to the financial statements, respectively.

Subsidiaries

Particulars of the Company's principal subsidiaries are set out in note 17 to the financial statements.

Share capital and share options

Further details of movements in the Company's share capital and share options during the period, together with the reasons therefor, are set out in note 23 to the financial statements.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of listed securities of the Company

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

Reserves

Further details of movements in the reserves of the Company and the Group are set out in note 24 to the financial statements. Under the Companies Act 1998 of Bermuda (as amended), the contributed surplus is distributable to shareholders in certain circumstances.

Distributable reserves

At 31 December 2000, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to HK\$1,267,195,000 (Year ended 31 March 2000: HK\$68,748,000). In addition, the Company's share premium account, in the amount of HK\$29,861,000 (Year ended 31 March 2000: HK\$29,861,000), may be distributed in the form of fully paid bonus shares.

Directors

The directors of the Company during the period and up to the date of this report are:

Executive directors:

Mak Shiu Tong Clement (Chairman)

Cheng Yuk Ching Flora (Vice Chairman)

Tsoi Tong Hoo Tony

Tam Ngai Hung Terry

(resigned on 29 September 2000,
and re-appointed on 26 March 2001)

Leung Wilson

(resigned on 2 April 2001)

Chen Shouson

(resigned on 2 April 2001)

Lo Kin Cheung

Lam Chung Ming Paul

Lam Hau Yee Resand

(appointed on 29 September 2000
and resigned on 26 March 2001)

Siu Chiu Shun Patrick

(appointed on 29 November 2000)

Tse Chi Kai Tilypse

(appointed on 29 November 2000)

Kwok Wai Kin Kenneth

(appointed on 1 February 2001)

Non-executive directors:

Fung Hoi Wing Henry (independent)

(appointed on 7 April 2000)

Lam Kin Kau Mark (independent)

(appointed on 7 April 2000)

Leung Ngai

(resigned on 7 April 2000)

Heng Kwo Seng (independent)

(resigned on 7 April 2000)

Yick Shiu Cheong James (independent)

(resigned on 7 April 2000)

In accordance with the Company's bye-laws, Tam Ngai Hung Terry, Siu Chiu Shun Patrick, Tse Chi Kai Tilypse, Kwok Wai Kin Kenneth, Lo Kin Cheung and Lam Chung Ming Paul, will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The non-executive directors are not appointed for specific terms and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws.

Biographical details of directors and senior management

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 10 to 11 of this Annual Report.

Emoluments of directors and the five highest paid individuals

Further details of the emoluments of the directors of the Company and of the five highest paid individuals of the Group are set out in notes 7 and 8 to the financial statements, respectively.

Major customers and suppliers

In the period under review, sales to the Group's five largest customers accounted for approximately 91% (Year ended 31 March 2000: 96%) of the total sales for the period and sales to the largest customer included therein amounted to approximately 57% (Year ended 31 March 2000: 47%).

Purchases from the Group's five largest suppliers accounted for approximately 73% (Year ended 31 March 2000: 70%) of the total purchases for the period and purchases from the largest supplier included therein amounted to approximately 29% (Year ended 31 March 2000: 39%).

None of the directors of the Company or any of their associates or any shareholders (which to the best knowledge of the directors own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

Directors' service contracts

No director had a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

Directors' interests in contracts

No director had a material interest in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries, holding companies and fellow subsidiaries was a party during the period.

Directors' rights to acquire shares**(i) The Company**

Pursuant to the Company's share option scheme, as further detailed in note 23 to the financial statements, the Company has granted to certain directors of the Company the right to subscribe for ordinary shares in the share capital of the Company. Details of the movements in the share options granted to the directors of the Company during the period were as follows:-

Name of director	Number of share options as at 31 March 2000	Number of share options granted during the period	Number of share options exercised during the period	Number of share options outstanding as at 31 December 2000	Notes	Exercise price per share HK\$
Mak Shiu Tong Clement	–	10,000,000	–	10,000,000	(a)	0.167
Cheng Yuk Ching Flora	–	5,000,000	–	5,000,000	(a)	0.167
Tsoi Tong Hoo Tony	–	5,000,000	–	5,000,000	(a)	0.167
Lam Hau Yee Resand*	–	3,000,000	–	3,000,000	(a)	0.167
Siu Chiu Shun Patrick	–	12,000,000	–	12,000,000	(b)	0.167
	–	35,000,000	–	35,000,000		

Notes:

(a) *Exercisable from 9 May 2001 to 8 November 2002.*

(b) *Exercisable from 31 January 2001 to 30 January 2003.*

* *Lam Hau Yee Resand resigned as an executive director of the Company on 26 March 2001.*

Directors' rights to acquire shares (continued)**(ii) Associated corporation - CCT Telecom Holdings Limited ("CCT Telecom")**

Name of director	Number of share options as at 31 March 2000	Number of share options granted during the period	Number of share options exercised during the period	Number of share options cancelled during the period	Number of share options outstanding as at 31 December 2000	Notes	Exercise price per share HK\$
Cheng Yuk Ching Flora	–	10,250,000	(10,250,000)	–	–	(a)	1.31*
Tsoi Tong Hoo Tony	5,000,000	–	(5,000,000)	–	–	(b)	1.20*
Tam Ngai Hung Terry**	2,000,000	–	–	2,000,000	–	(c)	2.89*
	7,000,000	10,250,000	(15,250,000)	2,000,000	–		

Notes:

(a) Exercisable from 10 May 2000 to 9 May 2002.

(b) Exercisable from 6 October 1999 to 5 October 2001.

(c) Exercisable from 15 February 2000 to 14 February 2002.

* adjusted on 29 September 2000 to take into account the special dividend paid by CCT Telecom.

** Tam Ngai Hung Terry resigned as an executive director of CCT Telecom on 29 September 2000 and was re-appointed as an executive director of CCT Telecom on 26 March 2001.

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or its associated corporation granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its subsidiaries, holding companies and fellow subsidiaries or its associated corporation a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in shares

As at 31 December 2000, the interests of the directors or their respective associates in the share capital of the Company and its associated corporation, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

(i) The Company

Name of director	Notes	Number of shares beneficially held		
		Personal	Family	Corporate
Mak Shiu Tong Clement	(a)	574,412*	1,150,391*	85,103,220 *
Cheng Yuk Ching Flora		9,312,498*	–	–
Tsoi Tong Hoo Tony		1,305,483*	–	–
Leung Wilson**	(b)	1,000,000	–	20,410,000
Chen Shouson**	(b)	1,000,000	–	20,410,000
Lam Hau Yee Resand****		2,610***	–	–
Siu Chiu Shun Patrick		8,000,000	–	–
Tse Chi Kai Tilypse	(c)	2,610,000	16,000	–

Directors' interests in shares (continued)**(i) The Company (continued)**

Notes:

- (a) The family interest of Mak Shiu Tong Clement in 1,150,391 shares is held by his wife, Yiu Yu Ying. The corporate interest of Mak Shiu Tong Clement in 85,103,220 shares is held by Capital Interest Limited, the issued share capital of which his wife and his two sons have beneficial interest, pursuant to Section 31 and Clause 5 of Part 1 of the Schedule of the SDI Ordinance.
- (b) These shares are held through Pulteney Group Limited, a company in which Leung Wilson and Chen Shouson each have beneficial interests of 50%.
- (c) The family interest of Tse Chi Kai Tilype in 16,000 shares is held by his wife, Wong Yuen Fan, pursuant to Section 31 of the SDI Ordinance.
- * Allotted on 29 September 2000 as special dividend of CCT Telecom, an associated corporation of the Company, the share certificates of which were received on 4 October 2000.
- ** Leung Wilson and Chen Shouson resigned as executive directors of the Company on 2 April 2001.
- *** Allotted on 29 September 2000 as special dividend of CCT Telecom, an associated corporation of the Company, the share certificates of which were received on 5 October 2000.
- **** Lam Hau Yee Resand resigned as an executive director of the Company on 26 March 2001.

(ii) Associated Corporation - CCT Telecom

Name of director	Number of CCT Telecom shares beneficially held		
	Personal	Family	Corporate
Mak Shiu Tong Clement (<i>Note</i>)	2,200,000	4,406,000	325,945,797
Cheng Yuk Ching Flora	35,666,875	–	–
Tsoi Tong Hoo Tony	5,000,000	–	–
Lam Hau Yee Resand*	10,000	–	–

Note: The family interest of Mak Shiu Tong, Clement in 4,406,000 CCT Telecom shares is held by his wife, Yiu Yu Ying and the corporate interest of Mak Shiu Tong, Clement in 325,945,797 CCT Telecom shares is held by Capital Interest Limited, the issued share capital of which his wife and his two sons have beneficial interest, pursuant to Section 31 and Clause 5 of Part I of the Schedule of the SDI Ordinance.

* Lam Hau Yee Resand resigned as an executive director of the Company on 26 March 2001.

In addition to the above, three directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 31 December 2000, none of the directors or their respective associates had any personal, family, corporate or other interest in the securities of the Company, its subsidiaries or any of its associated corporations, as defined in the SDI Ordinance, as recorded in the register required to be kept under Section 29 of the SDI Ordinance.

Substantial shareholders

As at 31 December 2000, the following parties were interested in 10% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name of shareholder	Notes	Number of shares held
Greatway International Corp.		857,762,486
Soaring Profit Holdings Limited	(1)	917,762,486
CCT Capital Holdings Limited	(2)	951,362,486
CCT Telecom Holdings Limited	(3)	951,362,486

Notes:

- (1) *The interest disclosed includes the 857,762,486 shares held by Greatway International Corp. The balance of 60,000,000 shares are held by Info-net International Corp. and Clear Access Agents Limited. Info-net International Corp., Greatway International Corp. and Clear Access Agents Limited are wholly-owned subsidiaries of Soaring Profit Holdings Limited.*
- (2) *The interest disclosed includes the 917,762,486 shares held by Soaring Profit Holdings Limited. The balance of 33,600,000 shares is held by Super Control Investments Limited. Soaring Profit Holdings Limited and Super Control Investments Limited are wholly-owned subsidiaries of CCT Capital Holdings Limited.*
- (3) *The interest disclosed includes the 951,362,486 shares held by CCT Capital Holdings Limited. CCT Capital Holdings Limited is a wholly-owned subsidiary of CCT Telecom Holdings Limited.*

Save as disclosed above, as at 31 December 2000, no other parties, other than the directors of the Company and their respective associates, whose interests are set out above, had registered as having an interest of 10% or more in the share capital of the Company as recorded in the register kept by the Company under Section 16(1) of the SDI Ordinance.

Post balance sheet events

Further details of the significant post balance sheet events are set out in note 29 to the financial statements.

Pension scheme

Further details of the pension scheme of the Group and the Group's pension costs charged to the profit and loss account for the period are set out in notes 3 and 5 to the financial statements, respectively.

Connected transactions

- (i) On 21 July 2000, the Company and CCT Telecom entered into an acquisition agreement relating to the purchase of Natural Winner Investment Limited ("Natural Winner"), an indirect wholly-owned subsidiary of CCT Telecom, which holds the entire interest in e-club International Limited ("E-club") pursuant to which the Company agreed to acquire the entire equity interest of E-club from CCT Telecom. The aggregate consideration for the E-club acquisition was HK\$1,200,000,000 and the Company agreed to issue 1,200,000,000 new shares of HK\$0.10 each in the capital of the Company to CCT Telecom in lieu of cash. The transaction was completed on 29 September 2000.

CCT Telecom is the ultimate holding company of the Company.

- (ii) On 5 October 2000, the Company entered into a sale and purchase agreement to acquire the entire issued share capital of Wellfit Multi Media Group Limited from Super Control Investments Limited and Lucky Club Management Limited for a consideration of HK\$134,400,000 which was determined after what the directors considered to be arms' length negotiations between the relevant parties. The consideration was satisfied by the issue of 134,400,000 ordinary shares at HK\$1.00 each of the Company. The transaction was completed on 29 November 2000.

Super Control Investments Limited is an indirect wholly-owned subsidiary of CCT Telecom.

Compliance with the Code of Best Practice

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the accounting period covered by the Annual Report of the Company, save that the independent non-executive directors of the Company are not appointed for specific terms, but are subject to retirement by rotation at the annual general meeting in accordance with the bye-laws of the Company.

Audit Committee

Pursuant to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company has established an audit committee comprising two independent non-executive directors. A written terms of reference, which described the authority and duties of the audit committee, was also adopted by the directors.

The audit committee is answerable to the Board and the principal duties of the committee include the review and supervision of the Company's financial reporting process and internal control.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Mak Shiu Tong Clement

Chairman

Hong Kong
19 April 2001