

FINANCIAL HIGHLIGHTS

	Six months ended		Increase
	30 June 2001	30 September 2000	
	HK\$'000	HK\$'000	
Turnover	99,919	69,784	43%
Operating profit	4,381	2,434	80%
Profit attributable to shareholders	3,155	1,653	91%

CHAIRMAN'S LETTER

On behalf of the Board of Directors of CCT Multimedia Holdings Ltd ("CCT Multimedia", or the "Group"), I am pleased to report that for the six months ended 30 June 2001, total turnover amounted to HK\$99.9 million. There is an increase of 43% as compared to HK\$69.7 million for the six months ended 30 September 2000. Net profit attributable to shareholders amounted to HK\$3.1 million, representing a surge of 91% as compared to the HK\$1.6 million recorded for the six-month period of last year.

The Directors do not recommend payment of an interim dividend.

Review of Operations

Baby Care Product Business

During the period under review, the baby care product business remained as the major source of revenue for the Group. Due to an enhanced operation in the supply chain, cost efficiency was significantly improved. Our target is to further improve profit margin by producing more high-end products in our own facility.

Multimedia Production

As one of the leading multimedia content producers in Hong Kong, Wellfit Group, which is wholly owned by CCT Multimedia, is engaged in the production of videos, concerts, variety shows, magazine publishing as well as organization and production of corporate functions, promotion events and television programs.

During the period under review, the Wellfit Group demonstrated its innovative spirit and produced some of the most popular programs in the local TV scene. One such program is “Primary Success”, starring the famous creative veteran, Mr. James Wong. The program is the first for TVB, leader of the broadcasting industry, to cooperate with an independent production house to produce non-drama TV programs. The popularity of ‘Primary Success’ helps pave the way for long-term cooperation opportunities.

With a successful head start, Wellfit Group is currently co-producing another infotainment TV program “Super Celebrity Talk Show” with ATV. Wellfit Group’s close relationship with local TV channels and its extensive business network in both the entertainment and commercial fields serve as an advantage in exploring new business opportunities and revenue sources.

E-commerce Business

For the six months ended 30 June 2001, the e-commerce business of CCT Multimedia, the key that facilitates integration and operation of the diversified businesses within the Group, continued to develop at a steady pace.

Amidst the competitive commercial market, the Group decided to concentrate its resources on building a centralized component and material e-procurement platform to facilitate manufacturing, internal operation and also to enhance the overall efficiency of the Group.

Latest Development and Prospects

An important step has been taken recently to transform CCT Multimedia into a group of companies focusing on the development of mobile phone manufacturing and distribution. By entering into an agreement with its parent company, CCT Telecom and the largest household electrical appliance manufacturer in the PRC, Haier Group, the mobile phone business jointly owned by CCT Telecom and Haier Group will soon be injected into CCT Multimedia. At the same time, the Wellfit Group and its investment, mingpao.com, will be transferred to CCT Telecom; while the baby care product and e-commerce business will remain in CCT Multimedia. To reflect the new strategic alliance, the name of CCT Multimedia will be changed to “Haier-CCT Holdings Limited”.

As such, Haier-CCT's mobile phone business will acquire an immediate listing status and represents an added strength for its already sizeable operation. The Directors of CCT Multimedia believe that CCT Multimedia's e-procurement platform can facilitate the material sourcing and export functions of the mobile phone business, and this business has an enormous potential due to its double revenue sources from mobile phone export and domestic distribution in the PRC market. Furthermore, the original designs and R&D technology of mobile phones available from Sendo, an UK mobile phone developer and distributor partially owned by CCT Telecom, serve as competitive advantages for Haier-CCT to excel amongst other domestic manufacturers in China. Hence, the acquisition of Haier-CCT's mobile phone business will broaden the earnings base of the Group in the future.

It is worthy to note that the acquisition marks the first for Haier Group as a substantial shareholder of a Hong Kong-listed company. The strategic partnership between Haier Group and CCT Multimedia will further create significant growth opportunities for CCT Multimedia, while the globally renowned brand name of Haier will certainly enhance the overall value of the Group.

Haier-CCT's proprietary products, "Kai Yun Xing" (model 1000 and 2000) and "Xi Duo Xing" (model 1000 and 2000), that incorporate state-of-the-art technologies from UK's Sendo, have recently been launched throughout the PRC and received warm response. Other series of handsets with imported technologies and designs will be launched in 2001. Considering the rapidly growing mobile phone market in the PRC, this stream of business will become a major revenue source and driving force for the restructured CCT Multimedia and will improve the long-term profitability of the enlarged Group accordingly.

The first half of 2001 has been an eventful period for CCT Multimedia. The Group is now embarking on a new phase of development, ready to flex its muscles and realize its full potential. Well aware that such accomplishments could not have been possible without the efforts and motivation of every team member, the Board of Directors would like to express its deepest thanks to the staff and shareholders of CCT Multimedia for their dedication and support.

■ FINANCIAL REVIEW

Summary of Results

The result for the six months period ended 30 June 2001 was satisfactory. The unaudited profit of the Group amounted to HK\$3.1 million, an increase of 91% over the previous interim period of last year, and turnover reached HK\$99.9 million, an increase of 43% over the previous interim period. Administrative expenses increased from HK\$17.9 million to HK\$30.3 million mainly due to the newly acquired multimedia business.

Analysis by Business Segment

The Group's turnover was derived from the manufacturing and sale of baby care products, and the provision of multimedia contents and services. The increase in Group's turnover of HK\$30.1 million was mainly attributable to the multimedia business, which was acquired and established during last year.

During the period under review, the business environment remained largely the same as the second half of last financial year. The baby care product business, represented the Group's major source of revenue, performed well amid tough market conditions and contributed HK\$6.2 million to operating profit, an increase of 155% from previous period. Newly acquired multimedia business contributed HK\$27.9 million revenue (last period: nil) and HK\$1.9 million profit (last period: nil).

Analysis by Geographical Segment

USA continued to be the major market for the Group and accounted for 70% (last period: 96%) of total turnover during the period. Operating profit from USA was HK\$6 million (last period: HK\$2.3 million). With the addition of the multimedia business, the turnover from Hong Kong and other countries jumped to HK\$30 million (last period: HK\$2.8 million), represented 30% (last period: 4%) of the total turnover. Taking into account the HK\$3.7 million unallocated head office expenses, net loss of HK\$1.6 million was attributable to Hong Kong and other countries.

Liquidity and Financial Resources

The Group's financial position is healthy as current ratio (current assets / current liabilities) remained high at 7 times at the period end with no significant change from last year end date.

Besides, the Group did not have any bank loan or long term debt with gearing ratio (debt / equity) remained at zero at the balance sheet date. The Group's existing operation and future expansion cash flow needs will continue to be funded by internal resources and will not depend on external financing.

With healthy liquidity position, the Group had cash on hand amounted to HK\$19 million at the balance sheet date. Taking into account the bank facilities of HK\$43 million which had not been utilized, the Group had immediate available cash over HK\$60 million at the period end. The Group adopts a conservative approach to cash management and risk controls. The Group's treasury activities are centralised. Almost 100% of the Group's receipts and payments are in Hong Kong dollars or United States dollars. Cash is generally placed in short term deposits denominated in either Hong Kong or United States dollars.

The Group does not have any significant foreign currency or interest rate risk.

Pledge of Fixed Assets

At the balance sheet date, certain assets of the Group with net book value of HK\$8 million and time deposits amounted to HK\$2.6 million were pledged to secure general banking facilities granted to the Group for its baby care product business. There is no significant change from last year end date.

Contingent Liabilities

Apart from the HK\$43 million guarantees given to banks for general facilities granted to the Group for its baby care product business, the Group did not have any other significant contingent liabilities as at 30 June 2001. There is no significant change from last year end date.

Employees and Remuneration Policy

The total number of employees in the Group as at 30 June 2001 was around 340.

Remuneration packages are normally reviewed annually. Apart from salary payments, other staff benefits include provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees of the Group. As at balance sheet date, there were approximately 94 million (Year ended 31 December 2000: 70 million) share options outstanding.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board of directors of CCT Multimedia Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2001.

Condensed Consolidated Profit and Loss Account

Six-month period from 1 January 2001 to 30 June 2001

	Notes	Six months ended	
		30 June 2001	30 September 2000
		(UNAUDITED) HK\$'000	(UNAUDITED) HK\$'000
TURNOVER	3	99,919	69,784
Cost of sales		(68,309)	(52,842)
Gross profit		31,610	16,942
Other revenue		4,228	3,416
Administrative expenses		(30,340)	(17,924)
Other operating expenses		(1,117)	–
PROFIT FROM OPERATING ACTIVITIES		4,381	2,434
Finance costs		(114)	–
PROFIT BEFORE TAX		4,267	2,434
Tax	5	(1,112)	(781)
NET PROFIT FROM ORDINARY ACTIVITIES			
ATTRIBUTABLE TO SHAREHOLDERS		3,155	1,653
EARNINGS PER SHARE	7		
Basic		0.20 cents	0.77 cents
Diluted		0.20 cents	N/A

There were no recognised gains or losses other than the profit for the period.

Condensed Consolidated Balance Sheet

At 30 June 2001

	Notes	30 June 2001 (UNAUDITED) HK\$'000	31 December 2000 (AUDITED) HK\$'000
NON-CURRENT ASSETS			
Fixed assets	8	25,732	29,891
Investment property		5,200	5,200
Club memberships, at cost		13,739	13,739
Deposit for acquisition of a subsidiary		–	10,000
Intangible assets	9	14,097	–
		58,768	58,830
CURRENT ASSETS			
Short term investment		120,000	120,000
Inventories		3,683	3,402
Trade receivables	10	55,829	41,764
Prepayments, deposits and other receivables		16,333	11,845
Tax recoverable		–	840
Pledged bank deposits		2,592	2,539
Cash and cash equivalents		19,162	25,504
		217,599	205,894
CURRENT LIABILITIES			
Trade payables	11	19,250	14,305
Tax payables		258	–
Other payables and accruals		10,229	10,403
Current portion of finance lease payables		572	1,080
		30,309	25,788
NET CURRENT ASSETS		187,290	180,106
TOTAL ASSETS LESS CURRENT LIABILITIES		246,058	238,936
NON-CURRENT LIABILITIES			
Finance lease payables		1,215	1,248
Deferred tax		240	240
		244,603	237,448
CAPITAL AND RESERVES			
Issued capital	12	158,891	154,891
Reserves	13	85,712	82,557
		244,603	237,448

Condensed Consolidated Cash Flow Statement

Six-month period from 1 January 2001 to 30 June 2001

	Six months ended	
	30 June 2001 (UNAUDITED) HK\$'000	30 September 2000 (UNAUDITED) HK\$'000
NET CASH OUTFLOW FROM		
OPERATING ACTIVITIES	(7,735)	(27,925)
RETURNS ON INVESTMENTS AND		
SERVICING OF FINANCE	256	2,625
TAX PAID	(14)	–
INVESTING ACTIVITIES	(2,308)	3,706
NET CASH OUTFLOW BEFORE		
FINANCING ACTIVITIES	(9,801)	(21,594)
FINANCING ACTIVITIES	3,459	–
DECREASE IN CASH AND		
CASH EQUIVALENTS	(6,342)	(21,594)
Cash and cash equivalents at beginning of period	25,504	102,252
CASH AND CASH EQUIVALENTS		
AT END OF PERIOD	19,162	80,658
ANALYSIS OF BALANCES OF CASH		
AND CASH EQUIVALENTS		
Cash and cash equivalents	19,162	80,658

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CHANGE OF FINANCIAL YEAR END DATE

In order to be coterminous with the financial year end date of the Company's ultimate holding company, the financial year end date of the Company was changed from 31 March to 31 December with effect from 1 April 2000. Accordingly, current interim period for profit and loss account and cash flow statement covered six months from 1 January 2001 to 30 June 2001 as compared to previous interim period of six months from 1 April 2000 to 30 September 2000.

2. PRINCIPAL ACCOUNTING POLICES

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" and the principal accounting policies adopted in these condensed financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2000.

3. SEGMENT INFORMATION

The Group's turnover and contribution to profit from operating activities, analyzed by business segments and geographical segments, were as follows:

Business Segments

	Turnover		Profit/(loss) from operating activities	
	Six months ended		Six months ended	
	30 June 2001	30 September 2000	30 June 2001	30 September 2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Manufacturing and sale				
of baby care products	71,999	69,784	6,229	2,434
Provision of multimedia contents				
and services	27,920	–	1,898	–
Unallocated head office expenses	–	–	(3,746)	–
	99,919	69,784	4,381	2,434

3. SEGMENT INFORMATION (continued)

Geographical Segments

	Turnover		Profit/(loss) from operating activities	
	Six months ended		Six months ended	
	30 June 2001	30 September 2000	30 June 2001	30 September 2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
USA	69,470	66,952	6,010	2,335
Hong Kong	20,174	1,155	(2,541)	40
Others	10,275	1,677	912	59
	99,919	69,784	4,381	2,434

4. DEPRECIATION AND AMORTISATION

	Six months ended	
	30 June 2001	30 September 2000
	HK\$'000	HK\$'000
Depreciation	4,293	1,969
Amortisation		
– Publishing right	33	–
– Goodwill	207	–

5. TAXATION

Hong Kong profits tax has been provided at the rate of 16% (Period ended 30 September 2000: 16%) on the estimated assessable profits arising in Hong Kong during the period.

6. DIVIDENDS

The directors do not recommend payment of an interim dividend for the six months period ended 30 June 2001 (Period ended 30 September 2000: Nil).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Note	Six months ended	
		30 June 2001 HK\$'000	30 September 2000 HK\$'000
Earnings			
Earnings for the purposes of basic and diluted earnings per share (net profit attributable to shareholders)		3,155	1,653
Number of shares (in thousand)			
Weighted average number of ordinary shares for the purpose of basic earnings per share	(a)	1,566,816	214,516
Effect of dilutive share options		3,264	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share		1,570,080	214,516

(a) The calculation of number of shares for the previous interim period from 1 April 2000 to 30 September 2000 did not include 1,200,000,000 shares issued on 29 September 2000.

(b) No diluted earnings per share for the six months ended 30 September 2000 had been presented as the Company had no dilutive potential ordinary shares for that period.

8. FIXED ASSETS

During the six months ended 30 June 2001, the Group acquired fixed assets of HK\$2,444,000 (Year ended 31 December 2000: HK\$2,543,000) and disposed fixed assets of HK\$3,810,000 (Year ended 31 December 2000: HK\$707,000).

9. INTANGIBLE ASSETS

	30 June 2001 HK\$'000	31 December 2000 HK\$'000
Publishing right	1,908	-
Goodwill	12,189	-
At net book value	14,097	-

9. INTANGIBLE ASSETS (continued)

During the period, the Group acquired a publishing business for a consideration of HK\$15,000,000 with net underlying assets at the date of acquisition amounted to HK\$2,604,000 including publishing right of HK\$1,942,000.

Publishing right and goodwill arising on acquisition, representing the excess of the purchase consideration paid over the net underlying assets acquired, are amortised on a straight line basis over 20 years.

10. TRADE RECEIVABLES

The Group normally allows an average credit period of 60 to 90 days to its trade customers. The aged analysis of trade receivables was as follows:

	30 June 2001		31 December 2000	
	HK\$'000	Percentage	HK\$'000	Percentage
0-1 month	16,521	30%	19,946	48%
1-2 months	13,658	24%	11,762	28%
2-3 months	17,009	30%	8,297	20%
Over 3 months	8,641	16%	1,759	4%
Total	55,829	100%	41,764	100%

11. TRADE PAYABLES

The aged analysis of trade payables was as follows:

	30 June 2001		31 December 2000	
	HK\$'000	Percentage	HK\$'000	Percentage
0-1 month	8,974	47%	8,554	60%
1-2 months	4,051	21%	3,242	23%
2-3 months	1,855	9%	939	6%
Over 3 months	4,370	23%	1,570	11%
Total	19,250	100%	14,305	100%

12. SHARE CAPITAL

	30 June 2001	31 December 2000
	HK\$'000	HK\$'000
Authorised:		
3,000,000,000 shares of HK\$0.10 each	300,000	300,000
Issued and fully paid:		
1,588,916,000 (Year ended 31 December 2000:		
1,548,916,000) shares of HK\$0.10 each	158,891	154,891

Movements in the issued and fully paid ordinary shares during the period were as follows:

	Carrying amount	Number of shares
	HK\$'000	'000
At 31 December 2001	154,891	1,548,916
Issue upon private placement	4,000	40,000
At 30 June 2001	158,891	1,588,916

On 10 April 2001, the Company allotted and issued 40,000,000 ordinary shares of HK\$0.1 each for cash to a private investor at HK\$0.1 per ordinary share.

13. RESERVES

	Share premium account	Investment property revaluation reserve	Contributed surplus	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December and beginning of period	29,861	200	890	51,606	82,557
Profit for the period	-	-	-	3,155	3,155
At 30 June 2001	29,861	200	890	54,761	85,712

14. CONTINGENT LIABILITIES

At 30 June 2001, the Company had given guarantees of HK\$43,000,000 (Year ended 31 December 2000: HK\$42,000,000) to banks for general facilities granted to a subsidiary, which were not utilised at the balance sheet date. In addition, the Company had executed unlimited guarantees to financial institutions for foreign exchange, securities and futures trading facilities granted to a subsidiary, which were not utilised at the balance sheet date.

15. COMMITMENTS

At 30 June 2001, the Group had commitments under non-cancellable operating leases in respect of land and buildings to make payments in the following year as follows:

	30 June 2001	31 December 2000
	HK\$'000	HK\$'000
Leases expiring:		
Within one year	4,378	35
In the second to fifth years, inclusive	762	4,528
	5,140	4,563

At the balance sheet date, the Company did not have any significant capital commitments.

16. PLEDGE OF ASSETS

At the balance sheet date, certain of the Group's fixed assets with net book value of HK\$8,068,000 (Year ended 31 December 2000: HK\$8,107,000) and time deposits of HK\$2,592,000 (Year ended 31 December 2000: HK\$2,539,000) were pledged to secure general banking facilities granted to the Group.

17. POST BALANCE SHEET EVENTS

The Company entered into a conditional agreement on 4 July 2001 and a supplemental agreement on 11 July 2001 with CCT Telecom Holdings Limited ("CCT Telecom"), the ultimate holding company of the Company, and Orient Rich (H.K.) Limited ("Orient Rich"), a wholly-owned subsidiary of Haier Group Company. Pursuant to which, the Company has agreed to acquire (1) 100% of Foreland Agent Limited (and the relevant shareholder's loan), which holds 51% of the issued share capital in Haier CCT (H.K.) Telecom Co., Limited, from CCT Telecom and (2) 49% of the issued share capital of Haier CCT (H.K.) Telecom Co., Limited from Orient Rich for an aggregate consideration of HK\$1,446,800,000. The consideration shall be satisfied by the transfer of the Consideration Business (which comprises the Company's investment in Wellfit Group and Mingpao.com), the shareholder's loan relating to the Consideration Business, the issue of the Loan Notes and the issue of the Consideration Shares. The transaction shall be completed no later than 31 October 2001 subject to certain conditions being fulfilled.

The name of the Company was also proposed by the directors to change to Haier-CCT Holdings Limited upon completion of the transaction.

Further details of this transaction are set out in the Company's circular dated 29 August 2001.

18. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with the current period's presentation.

■ DISCLOSURE OF INTERESTS

Substantial Shareholders' Interests

At 30 June 2001, 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 Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"):

Name of shareholder	Notes	Number of ordinary shares held
Greatway International Corp.		880,172,486
Soaring Profit Holdings Limited	(1)	973,772,486
CCT Telecom Holdings Limited	(2)	973,772,486

Notes:

- (1) The interest disclosed includes the 880,172,486 shares held by Greatway International Corp., 50,000,000 shares held by Info-net International Corp., 33,600,000 shares held by Super Control Investments Limited and 10,000,000 shares held by Clear Access Agents Limited. Greatway International Corp., Info-net International Corp., Super Control Investments Limited and Clear Access Agents Limited are wholly-owned subsidiaries of Soaring Profit Holdings Limited.
- (2) The interest disclosed includes the 973,772,486 shares held by Soaring Profit Holdings Limited. Soaring Profit Holdings Limited is a wholly-owned subsidiary of CCT Telecom Holdings Limited.

Save as disclosed above, as at 30 June 2001, no other parties, other than the Directors of the Company and their respective associates, whose interests are set out below, 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.

Directors' Interests

At 30 June 2001, the interests of the Directors of the Company and their respective associates in the securities of the Company and 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 were as follows:

1. Interests In Ordinary Shares

(i) The Company

Name of director	Notes	Number of ordinary shares beneficially held		
		Personal interest	Family interest	Corporate interest
Mak Shiu Tong Clement	(1)	574,412	1,150,391	85,103,220
Cheng Yuk Ching		9,312,498	–	–
Tsoi Tong Hoo Tony		1,305,483	–	–
Tse Chi Kai Tilypse ***	(2)	2,610,000	16,000	–
Siu Chiu Shun Patrick ***		8,000,000	–	–

Notes:

- (1) The family interest of Mak Shiu Tong Clement in 1,150,391 shares is held by his wife, Yiu Yu Ying and the corporate interest of Mak Shiu Tong Clement in 85,103,220 shares is held by Capital Interest Limited, the issued share capital in 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.
- (2) The family interest of Tse Chi Kai Tilypse in 16,000 shares is held by his wife, Wong Yuen Fan, pursuant to Section 31 of the SDI Ordinance.

*** Tse Chi Kai Tilypse and Siu Chiu Shun Patrick resigned as executive directors of the Company on 16 July 2001.

(ii) Associated Corporation - CCT Telecom Holdings Limited (“CCT”)

Name of director	Number of ordinary shares beneficially held		
	Personal interest	Family interest	Corporate interest
Mak Shiu Tong Clement (Note)	2,200,000	4,406,000	332,945,797
Cheng Yuk Ching	38,666,875	–	–
Tsoi Tong Hoo Tony	10,000,000	–	–

Note: The family interest of Mak Shiu Tong Clement in 4,406,000 CCT shares is held by his wife, Yiu Yu Ying and the corporate interest of Mak Shiu Tong Clement in 332,945,797 CCT shares is held by Capital Interest Limited, the issued share capital in 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.

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.

2. Rights To Acquire Ordinary Shares

(i) The Company

Name of director	Notes	Exercise period	Exercise price (HK\$)	Number of share options outstanding as at 30 June 2001
Mak Shiu Tong Clement		9/5/2001 - 8/11/2002	0.167	10,000,000
Cheng Yuk Ching		9/5/2001 - 8/11/2002	0.167	5,000,000
Tsoi Tong Hoo Tony		9/5/2001 - 8/11/2002	0.167	5,000,000
Tam Ngai Hung		29/6/2001 - 28/6/2003	0.170	5,000,000
Siu Chiu Shun Patrick	(1)	31/1/2001 - 30/1/2003	0.167	12,000,000
Kwok Wai Kin Kenneth	(2)	29/12/2001 - 28/6/2003	0.170	1,000,000

Notes :

(1) Siu Chiu Shun Patrick resigned as an executive director of the Company on 16 July 2001.

(2) Kwok Wai Kin Kenneth resigned as an executive director of the Company on 16 July 2001.

(ii) Associated Corporation - CCT Telecom Holdings Limited ("CCT")

Name of director	Exercise period	Exercise price (HK\$)	Number of share options outstanding as at 30 June 2001
Tam Ngai Hung	13/6/2001 - 12/6/2003	0.750	3,000,000
Kwok Wai Kin Kenneth (Note)	29/12/2001 - 28/6/2003	0.714	2,500,000

Note : Kwok Wai Kin Kenneth resigned as an executive director of the Company on 16 July 2001.

Save as disclosed above, none of the Directors or their respective associates had any personal, family, corporate or other interests in the securities of the Company, its subsidiaries or any of its associated corporations as defined in the SDI Ordinance nor any right to subscribe for the securities of the Company, its subsidiaries or any of its associated corporations as at 30 June 2001 as recorded in the register kept by the Company under Section 29 of the SDI Ordinance.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2001.

■ AUDIT COMMITTEE

The Audit Committee had reviewed with the management the accounting principles and practices adopted by the Group and discussed financial and accounting matters including the review of the unaudited condensed interim financial statements.

■ COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of six months ended 30 June 2001, in compliance 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 except that the non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation at the annual general meeting in accordance with the Bye-laws of the Company.

By Order of the Board
Mak Shiu Tong Clement
Chairman

Hong Kong, 18 September 2001