CCT TECH

中建科技國際有限公司

2009 Interim Report

Stock Code : 261

chairman's letter

I am pleased to announce the interim results of CCT Tech International Limited and its subsidiaries for the six months ended 30 June 2009.

In the first half of 2009, the Group achieved encouraging improvement in results, despite a decrease in revenue. The Group's operations managed to contribute positive EBITDA (earnings before interest, tax, depreciation and amortization) of approximately HK$10 million for the current period compared to LBITDA (loss before interest, tax, depreciation and amortization) of approximately HK$51 million for the last corresponding period. Loss attributable to owners of the parent has also narrowed substantially from HK$123 million for the six months ended 30 June 2008 to only HK$26 million for the six months ended 30 June 2009, which demonstrates strong signs of recovery of our manufacturing operations.

INTERIM DIVIDEND

In order to conserve cash for ongoing business operations and future growth, the directors do not recommend payment of an interim dividend for the six months ended 30 June 2009 (30 June 2008: nil).

REVIEW OF OPERATIONS

In the first half of 2009, the turnover of the Group's telecom product operations was adversely affected by the combined impact of the discontinuation by its largest single customer of its retail telephony business in North America in November 2008 (the "Discontinuation") and the shrinking global consumer demand for telecom products as a result of the unprecedented financial tsunami. The Group's turnover in the first half of 2009 dropped by 54.2% to HK$620 million due mainly to the substantial decrease in sales to our previous largest market, the United States of America (the "US"). European market accounted for 62.6% of the Group's turnover in the current period and has replaced the US to become the largest market of the Group. The Group has dedicated itself to expanding its market share in Europe. It is encouraging to see that some of our European customers have outsourced more production to us in search for lower costs and good quality products. The Group has also made good progress in penetrating into the rest of the world markets including Latin America, Middle East, Australia and the Asian Pacific countries. The result of these measures is positive and has successfully reduced our reliance in any one single country and increased our market diversification.

In response to the weak market condition, the Group has modified its business strategies by adopting more proactive and flexible marketing strategy and strengthening the marketing development. The Group has dedicated more resources in product development to modify products by strengthening the product structure and enhancing the research and production ability. In addition to developing innovative and advanced telecom and electronic products, our R&D team has placed effort in re-engineering products structure in order to improve products competitiveness. In products pricing aspect, the Group has adopted a more proactive business strategy in positioning its products and has been able to improve the gross margin of its telecom products during the period under review.

To combat the difficult and complex business environment, our Group has taken decisive and swift actions toward cost optimization and enhancing efficiency. These measures to restructure and streamline our operations have been implemented in all levels and to all our business locations and have successfully reduced production costs and improved production efficiency and as a result improved the profit margin significantly. In addition, the Group has continued to adopt a series of proactive, decisive and effective initiatives to strengthen the internal control, to improve the internal operational efficiency and to reduce production cost and administrative expenses. Achievements have been made through these measures and both the overall profitability and efficiency of the operations have been improved. The improvement in the financial performance is encouraging as the Group managed to achieve improvement in gross margin and a positive EBITDA in the first half of the year.

OUTLOOK

There is little doubt that the consumer demand will continue to be weak in the second half of the year. With the support of the governments of different countries and the implementation of certain decisive fiscal policies from these governments, the economic contraction in the US and European economies has become stabilized. Based on the recent economic data, more and more people believe that the global economy has hit bottom and has shown signs of recovery. We are optimistic about the future outlook of our telecom product business. With our resilient management team and healthy financial position, the Group is well positioned to pull itself out of the storm and is placed to enter into next cycle of growth.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express our appreciation and gratitude to the senior management and all staff for their support, hard work and dedication over the years. We would also like to express our sincere thanks to our shareholders, bankers, investors, customers and suppliers for their continued encouragement and strong support to the Group.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 18 September 2009

financial review

HIGHLIGHTS ON FINANCIAL RESULTS

HK$ million	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)	% decrease
Turnover	**620**	1,354	(54.2%)
EBITDA/(LBITDA)	**10**	(51)	N/A
Depreciation and amortization	**(33)**	(64)	(48.4%)
Finance costs	**(2)**	(4)	(50.0%)
Tax	**(1)**	(4)	(75.0%)
Loss for the period	**(26)**	(123)	(78.9%)

Discussion on financial results

The significant decrease in the Group's turnover for the six months ended 30 June 2009 was primarily caused by the Discontinuation and the weak global consumer market. The Group's results, however, have shown significant improvement due to the implementation by the Group of decisive and swift actions to restructure operations, trim costs and improve efficiency. During the period, the Group posted a positive EBITDA of HK$10 million turnaround from a LBITDA of HK$51 million for the last corresponding period. The depreciation and amortization charges decreased significantly by approximately 48.4% over the last corresponding period to HK$33 million, due to the provision for impairment loss of non-current assets arising from the Discontinuation made in last year, which has reduced the annual charges for depreciation and amortization of these non-current assets since 1 January 2009. The remarkable improvement in financial performance of the Group led to a significant reduction in loss for the period by approximately 78.9% to only HK$26 million, reflecting that the Group's manufacturing operations are in the course of recovery.

Analysis by Business Segment

	Turnover (including bank interest income) Six months ended 30 June		Loss before tax Six months ended 30 June	
HK$ million	**2009 (Unaudited)**	2008 (Unaudited)	**2009 (Unaudited)**	2008 (Unaudited)
Telecom and electronic products	**620**	1,354	**(19)**	(111)

The Group's turnover and operating results was derived from one single business segment which is the manufacture and sale of telecom and electronic products. The significant drop in turnover of the telecom product business was caused primarily by the Discontinuation and lower sales due to the financial turmoil. The significant decrease in the operating loss of the business segment from HK$111 million in the first half of 2008 to HK$19 million in the first half of 2009 was resulted from the Group's strategy and actions to revitalize its manufacturing operations.

Analysis by Geographical Segment

	Turnover (including bank interest income) Six months ended 30 June				
	2009		2008		
HK$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited)	Relative %	% decrease
Europe	**388**	**62.6%**	469	34.7%	(17.3%)
US	**118**	**19.0%**	714	52.7%	(83.5%)
Asia Pacific and others	**114**	**18.4%**	171	12.6%	(33.3%)
Total	**620**	**100.0%**	1,354	100.0%	(54.2%)

As a result of the Discontinuation, the Group's turnover from the US market fell by 83.5% in the current financial period to only HK$118 million. Sales to Europe and Asia Pacific and others also dropped (to a less extent than the US market) in the period as global consumer demand fell due to the financial turmoil. The Group's sales to the European market amounted to approximately HK$388 million, accounting for approximately 62.6% of the Group's total turnover during the period under review. As a result of the market change, Europe has overtaken US to become the largest market of the Group. The Group has adopted the market diversification strategy to reduce its reliance on any single country or customer. This strategy has proven to be successful. The Group will continue to dedicate resources in gaining market share in Europe and the emerging markets.

HIGHLIGHTS ON FINANCIAL POSITION

HK$ million	30 June 2009 (Unaudited)	31 December 2008 (Audited)	% decrease
Non-current assets	**667**	696	(4.2%)
Inventories	**80**	106	(24.5%)
Trade and bills receivables	**184**	402	(54.2%)
Cash and cash equivalents	**252**	455	(44.6%)
Bank and other borrowings	**167**	265	(37.0%)
Other current liabilities	**430**	775	(44.5%)
Shareholders' funds	**709**	735	(3.5%)

Discussion on financial position

The amount of the total non-current assets represents the carrying values of fixed assets, prepaid land lease payments and goodwill. The balance of the total non-current assets decreased by approximately 4.2% to HK$667 million as at 30 June 2009, attributable mainly to the depreciation of fixed assets and the amortisation of the prepaid land lease payments during the period.

As at 30 June 2009, the level of inventories of the Group declined to HK$80 million, represented a drop of 24.5% from HK$106 million as at 31 December 2008. The drop in inventories level is in line with the decrease in the Group's turnover and also reflects further improvement in inventory control during the period under review.

Trade and bills receivables of the Group amounted to HK$184 million as at 30 June 2009, a 54.2% decrease from HK$402 million as at 31 December 2008. The drop in the amount of trade and bills receivables is in line with the decrease in the Group's turnover and also reflects the good creditability and payment records of our customers.

As at 30 June 2009, cash and cash equivalents amounted to approximately HK$252 million. The decrease in cash and cash equivalents by approximately 44.6% was primarily attributable to net cash outflow from operating activities due primarily to repayment of trade and other payables and the net cash outflow for repayment of bank and other borrowings during the six months ended 30 June 2009.

The amount of bank and other borrowings decreased from approximately HK$265 million as at 31 December 2008 to approximately HK$167 million as at 30 June 2009, represented a decrease of 37.0%. The decrease was mainly caused by the repayment of some of the bank and other borrowings during the six months ended 30 June 2009, which lowers the gearing ratio of the Group from 26.5% as at 31 December 2008 to 19.1% as at 30 June 2009.

The amount of other current liabilities represents mainly trade and bills payables. The decrease in trade and bills payables is in line with the decrease in the Group's turnover.

Shareholders' funds decreased by approximately 3.5% from HK$735 million as at 31 December 2008 to HK$709 million as at 30 June 2009 due primarily to the loss attributable to owners of the parent during the first half of the financial year.

CAPITAL STRUCTURE AND GEARING RATIO

HK$ million	**30 June 2009** Amount (Unaudited)	**30 June 2009** Relative %	31 December 2008 Amount (Audited)	31 December 2008 Relative %
Total borrowings	**167**	**19.1%**	265	26.5%
Equity	**709**	**80.9%**	735	73.5%
Total capital employed	**876**	**100.0%**	1,000	100.0%

The Group's gearing ratio decreased to approximately 19.1% as at 30 June 2009 (31 December 2008: 26.5%) as a result of the repayment of some of the bank loans during the period under review. After taking into account the cash on hand, the Group did not have any net borrowings.

The Group's outstanding bank borrowings amounted to approximately HK$167 million as at 30 June 2009 (31 December 2008: HK$265 million). As at 30 June 2009, the maturity profile of the bank and other borrowings of the Group falling due within one year and in the second to the fifth year amounted to HK$111 million and HK$56 million respectively (31 December 2008: HK$184 million and HK$81 million respectively). All the Group's bank borrowings were borrowed to finance the ordinary business of the Group. There is no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Current assets	**641**	1,081
Current liabilities	**597**	1,040
Current ratio	**107.4%**	103.9%

The Group continues to maintain a strong and healthy financial position. The current ratio of the Group improved to 107.4% as at 30 June 2009 from 103.9% as at 31 December 2008. As at 30 June 2009, the Group's cash balance amounted to HK$338 million (31 December 2008: HK$541 million), of which HK$86 million (31 December 2008: HK$86 million) was pledged for general banking facilities. Almost all the Group's cash was placed on deposits with licensed banks in Hong Kong.

In view of the Group's current cash position, funds generated from the operations and the unutilized banking facilities available, the Group is maintaining in a sound financial position and have sufficient resources to finance its operations even under the uncertain business environment.

CAPITAL COMMITMENTS

As at 30 June 2009, capital commitment of the Group amounted to approximately HK$3 million (31 December 2008: HK$2 million). The capital commitment will be funded partly by internal resources and partly by bank borrowings.

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

During the period under review, the Group's receipts were mainly denominated in US dollars, with some in Hong Kong dollars and the Euros. Payments were mainly made in Hong Kong dollars, US dollars and Renminbi and some made in Euros. Cash was generally placed in short-term deposits denominated in Hong Kong dollars and US dollars. The Group's borrowings were principally made on floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels.

In terms of foreign exchange exposures, the Group is principally exposed to two major currencies, namely the US dollar in terms of receipts and the Renminbi in terms of the production costs (including mainly wages and overheads) in China. For US dollar exposure, since the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation is not expected to be significant. In addition, as most of the Group's purchases are also made in US dollars, which are to be paid out of our sales receipts in US dollars, the management considers that the foreign exchange exposure risk for the US dollar is not material.

For Renminbi exposure, as our wages and overheads in our factories in China are paid in Renminbi, our production costs will rise due to the possible further appreciation of Renminbi. The Group will continue to explore ways and methods to hedge future appreciation of Renminbi and will only consider entering into any forward contracts at appropriate costs and pricing.

ACQUISITIONS AND DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

The Group did not acquire or dispose of any material subsidiaries and associates during the period under review.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment as at 30 June 2009 (31 December 2008: Nil).

PLEDGE OF ASSETS

As at 30 June 2009, certain of the Group's assets with net book value of HK$466 million (31 December 2008: HK$475 million) and time deposits of approximately HK$86 million (31 December 2008: HK$86 million) were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2009, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2009 was 4,930 (31 December 2008: 7,892). The Group's remuneration policy is built on the principle of equitable, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses. Share options may also be granted to eligible employees and persons of the Group. As at 30 June 2009, there were no outstanding share options granted by the Company (31 December 2008: Nil).

interim results

The Board of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2009 together with the comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2009

		Six months ended 30 June	
HK$ million	Notes	**2009 (Unaudited)**	2008 (Unaudited)
REVENUE	3	**620**	1,354
Cost of sales*		**(555)**	(1,341)
Gross profits*		**65**	13
Other income and gains		**16**	25
Selling and distribution costs		**(10)**	(16)
Administrative expenses		**(50)**	(57)
Other expenses		**(11)**	(16)
Earnings/(loss) before interest, tax, depreciation and amortisation (EBITDA/(LBITDA))		**10**	(51)
Depreciation and amortization		**(33)**	(64)
Finance costs		**(2)**	(4)
LOSS BEFORE TAX	4	**(25)**	(119)
Tax	5	**(1)**	(4)
LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT		**(26)**	(123)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	7		
— Basic		**(0.04 cent)**	(0.188 cent)
— Diluted		**N/A**	N/A

(* excluding depreciation and amortisation)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

HK$ million	Six months ended 30 June **2009** **(Unaudited)**	 2008 (Unaudited)
Loss for the period	**(26)**	(123)
Other comprehensive gain, after tax:		
Exchange difference on translating foreign operations	**–**	1
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(26)**	(122)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2009

HK$ million	Notes	30 June 2009 (Unaudited)	31 December 2008 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**421**	449
Investment properties		**178**	178
Prepaid land lease payments		**46**	47
Goodwill		**22**	22
Total non-current assets		**667**	696
Current assets			
Inventories		**80**	106
Trade and bills receivables	9	**184**	402
Prepayments, deposits and other receivables		**39**	32
Pledged time deposits		**86**	86
Cash and cash equivalents		**252**	455
Total current assets		**641**	1,081
Total assets		**1,308**	1,777
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital	11	**654**	654
Reserves		**55**	81
Total equity		**709**	735
Non-current liabilities			
Deferred tax liabilities		**2**	2
Total non-current liabilities		**2**	2
Current liabilities			
Trade and bills payables	10	**299**	610
Tax payable		**7**	9
Other payables and accruals		**124**	156
Interest-bearing bank loans and other borrowings		**167**	265
Total current liabilities		**597**	1,040
Total Liabilities		**599**	1,042
Total equity and liabilities		**1,308**	1,777

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to owners of the parent						
HK$ million	Issued capital (Unaudited)	Share premium account (Unaudited)	Capital reserve (Unaudited)	Share option reserve (Unaudited)	Exchange fluctuation reserve (Unaudited)	Accumulated losses (Unaudited)	Total (Unaudited)
At 1 January 2009	654	238	733	4	1	(895)	735
Loss for the period	–	–	–	–	–	(26)	(26)
At 30 June 2009	654	238	733	4	1	(921)	709
At 1 January 2008	654	238	733	4	–	(578)	1,051
Loss for the period	–	–	–	–	–	(123)	(123)
Other comprehensive gain	–	–	–	–	1	–	1
At 30 June 2008	654	238	733	4	1	(701)	929

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2009

HK$ million	Six months ended 30 June 2009 (Unaudited)	2008 (Unaudited)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(101)**	(88)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(4)**	(14)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**(98)**	66
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(203)**	(36)
Cash and cash equivalents at beginning of period	**455**	476
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**252**	440
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**192**	345
Non-pledged time deposits with original maturity of less than three months when acquired	**60**	95
	252	440

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standards ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2008 (the "2008 Annual Report").

2. Principal Accounting Policies

The accounting policies adopted are consistent with those of the consolidated financial statements for the year ended 31 December 2008.

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's 2008 Annual Report, except for the impact of the adoption of the Standards and Interpretation described below.

HKAS 1 (Revised) Presentation of Financial Statements *(effective for annual periods beginning on or after 1 January 2009)*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present in two statements (a separate income statement and a statement of comprehensive income).

HKFRS 8 Operating Segments *(effective for annual periods beginning on or after 1 January 2009)*

HKFRS 8 is a disclosure standard that has resulted in a re-designation of the Group's reportable segments and disclosure of information about business segments, but has no impact on the results or financial positions of the Group.

2. Principal Accounting Policies *(Continued)*

The following amendments and interpretations issued by the HKICPA which are or have become effective and did not have any significant impact on the accounting policies of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs
HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*

3. Segment Information

The Group has adopted HKFRS 8 "*Operating Segments*" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. HKFRS 8 replaces the requirement under HKAS 14 to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of HKFRS 8 did not have any effect on the Group's results of operations or financial position.

The Group determines that it has only one single reportable segment which is the manufacture and sale of telecom and electronic products.

3. Segment Information *(Continued)*

Segment information about the single business segment of the Group for the period ended 30 June 2009 and 2008 is presented as below:

HK$ million	Telecom and electronic products **2009 (Unaudited)**	Telecom and electronic products 2008 (Unaudited)	Reconciliations **2009 (Unaudited)**	Reconciliations 2008 (Unaudited)	Group Totals **2009 (Unaudited)**	Group Totals 2008 (Unaudited)
Revenues	**620**	1,354	**–**	–	**620**	1,354
Operating loss	**(17)**	(110)	**–**	–	**(17)**	(110)
Interest income	**–**	3	**–**	–	**–**	3
Finance costs	**(2)**	(4)	**–**	–	**(2)**	(4)
Reconciled item:						
Unallocated corporate head office income/(expenses)	**–**	–	**(6)**	(8)	**(6)**	(8)
Loss before tax	**(19)**	(111)	**(6)**	(8)	**(25)**	(119)
Expenditure for non-current assets	**4**	41	**–**	–	**4**	41
Depreciation and amortisation	**33**	64	**–**	–	**33**	64
Other material non-cash items:						
Net impairment of trade receivables	**11**	2	**–**	–	**11**	2
Write off of deferred development costs	**–**	13	**–**	–	**–**	13

HK$ million	Telecom and electronic products **30 June 2009 (Unaudited)**	Telecom and electronic products 31 December 2008 (Audited)	Reconciliations **30 June 2009 (Unaudited)**	Reconciliations 31 December 2008 (Audited)	Group Totals **30 June 2009 (Unaudited)**	Group Totals 31 December 2008 (Audited)
Segment assets	**1,299**	1,760	**–**	–	**1,299**	1,760
Reconciled item:						
Unallocated corporate assets	**–**	–	**9**	17	**9**	17
Total assets	**1,299**	1,760	**9**	17	**1,308**	1,777
Segment liabilities	**590**	1,030	**–**	–	**590**	1,030
Reconciled items:						
Unallocated corporate liabilities	**–**	–	**–**	1	**–**	1
Tax payable	**–**	–	**7**	9	**7**	9
Deferred tax liabilities	**–**	–	**2**	2	**2**	2
Total liabilities	**590**	1,030	**9**	12	**599**	1,042

The accounting policies of the reportable segment are the same as the Group's accounting policies. Central corporate office income and expenses and assets and liabilities that are not directly related to operations have not been allocated to the operating segment. Performance is evaluated on the basis of profit or loss from operations before taxation. Taxation charge/(credit) is not allocated to reportable segment.

3. **Segment Information** *(Continued)*

Additional disclosures on segment information by geographical location for the period ended 30 June 2009 and 2008 are shown below:

2009

HK$ million	**Europe (Unaudited)**	**US (Unaudited)**	**Asia Pacific and others (Unaudited)**	**Group totals (Unaudited)**
Revenue	**388**	**118**	**114**	**620**

2008

HK$ million	Europe (Unaudited)	US (Unaudited)	Asia Pacific and others (Unaudited)	Group totals (Unaudited)
Revenue	469	714	171	1,354

Revenues are attributed to regions with reference to the final locations where the Group's products were sold to consumers. The geographical information for the prior period which allocated revenues to regions where the Group's customers were incorporated has been restated to conform with the current period's basis of allocation.

For the six months ended 30 June 2009, revenues from each of four major customers of the telecom and electronic products segment represent HK$145 million, HK$144 million, HK$89 million and HK$66 million of the Group's total revenues, respectively.

For the six months ended 30 June 2008, revenues from each of three major customers of the telecom and electronic products segment represent HK$625 million, HK$164 million and HK$134 million of the Group's total revenues, respectively.

4. Loss Before Tax

The Group's loss before tax is arrived at after charging:

HK$ million	Six months ended 30 June 2009 (Unaudited)	2008 (Unaudited)
Cost of inventories sold	**584**	1,401
Depreciation	**32**	46
Amortisation of prepaid land lease payments	**1**	1
Amortisation of deferred development costs	**—**	17
Write off of deferred development costs	**—**	13

5. Tax

HK$ million	Six months ended 30 June 2009 (Unaudited)	2008 (Unaudited)
Current — Hong Kong	**—**	1
Current — Elsewhere	**1**	3
Total tax charge for the period	**1**	4

No Hong Kong profits tax has been provided for the six months ended 30 June 2009 as the Group had no profits chargeable to Hong Kong profits tax during the period whereas Hong Kong profits tax was provided at the rate of 16.5% for the corresponding period in 2008. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

There were no income tax relating to the other comprehensive income during the period (2008: Nil).

6. Dividend

The directors do not recommend payment of an interim dividend for the six months ended 30 June 2009 (30 June 2008: nil).

7. Loss Per Share Attributable to Owners of the Parent

The calculation of basic loss per share attributable to owners of the parent for the six months ended 30 June 2009 is based on the loss attributable to owners of the parent for the six months ended 30 June 2009 of HK$26 million (2008: HK$123 million), and the weighted average number of 65,413,993,990 ordinary shares in issue (2008: 65,413,993,990 ordinary shares) during the period.

The calculation of the basic loss per share is based on:

	Six months ended 30 June	
HK$ million	**2009 (Unaudited)**	2008 (Unaudited)
Loss		
Loss attributable to owners of the parent	**(26)**	(123)
Shares	Number of shares	
Weighted average number of ordinary shares in issue during the period	**65,413,993,990**	65,413,993,990

Dilutive loss per share amount for the period ended 30 June 2009 and 2008 has not been disclosed as no diluting events existed during the periods.

8. Property, Plant and Equipment

During the six months ended 30 June 2009, the Group acquired fixed assets of approximately HK$4 million (six months ended 30 June 2008: approximately HK$14 million) and there was no disposal of fixed assets during the period under review (six months ended 30 June 2008: nil).

9. Trade and Bills Receivables

An aged analysis of the trade and bills receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

	30 June 2009 (Unaudited)		31 December 2008 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**87**	**47**	136	34
31 to 60 days	**78**	**42**	112	28
61 to 90 days	**16**	**9**	139	34
Over 90 days	**3**	**2**	15	4
Total	**184**	**100**	402	100

The Group allows an average credit period of 30 to 90 days to its trade customers.

10. Trade and Bills Payables

An aged analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2009 (Unaudited)		31 December 2008 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**110**	**37**	111	18
31 to 60 days	**57**	**19**	82	14
61 to 90 days	**71**	**24**	159	26
Over 90 days	**61**	**20**	258	42
Total	**299**	**100**	610	100

Included in trade and bills payables are trade payables of HK$32 million (31 December 2008: HK$108 million) due to Neptune Holding Limited ("Neptune") and Electronic Sales Limited ("ESL"), being wholly-owned subsidiaries of CCT Telecom, which are repayable within 90 days from invoice date.

11. Share Capital

HK$ million	30 June 2009 (Unaudited)	31 December 2008 (Audited)
Authorised:		
120,000,000,000 ordinary shares of HK$0.01 each	**1,200**	1,200
Issued and fully paid:		
65,413,993,990 (31 December 2008: 65,413,993,990) ordinary shares of HK$0.01 each	**654**	654

There was no change in the Company's issued ordinary share capital during the period ended 30 June 2009.

12. Contingent Liabilities

As at 30 June 2009, the Group did not have any significant contingent liabilities.

13. Pledge of Assets

At 30 June 2009, the Group's bank borrowings were secured by:

(i) pledge of the Group's fixed deposits amounted to approximately HK$86 million (31 December 2008: HK$86 million); and

(ii) fixed charges over certain of the Group's leasehold land and buildings and investment property with an aggregate net book value amounting to approximately HK$466 million (31 December 2008: HK$475 million).

14. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties to a fellow subsidiary under operating lease arrangements with leases negotiated for terms for three years.

At 30 June 2009, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

HK$ million	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Within one year	**6**	6
In the second to the fifth year, inclusive	**9**	12
	15	18

(b) As lessee

The Group leases certain of its office properties from a fellow subsidiary under operating lease arrangements, with leases negotiated for terms ranging from one to three years.

At 30 June 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

HK$ million	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Within one year	**6**	7
In the second to the fifth year, inclusive	**5**	9
	11	16

15. Commitments

In addition to the operating lease commitments detailed in note 14(b) above, the Group had the following capital commitments at the balance sheet date:

HK$ million	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Contracted, but not provided for:		
Construction in progress	**2**	2
Purchase of plant, machinery and equipment	**1**	—
	3	2

16. Related Party Transactions

(a) During the current period, the Group had the following transactions with the CCT Telecom Remaining Group:

HK$ million		**Six months ended 30 June 2009 (Unaudited)**	2008 (Unaudited)
Fellow subsidiaries:			
Purchase of components	(i)	**105**	212
Factory rental income	(ii)	**3**	3
Factory rental expenses	(iii)	**—**	3
Office rental expenses	(iv)	**1**	2
Sale of consumer electronic products	(v)	**—**	13
Ultimate holding company:			
Management information system service fee	(vi)	**3**	2

Notes:

(i) The power supply components, transformers and plastic casings and components and toolings for the production of telecom and electronic products for the Group were purchased by the subsidiaries of the Company from fellow subsidiaries within the CCT Telecom Remaining Group at prices mutually agreed between the relevant parties.

(ii) The factory rental income was charged to a fellow subsidiary within the CCT Telecom Remaining Group for the provision of factory space in Huiyang, at a rate determined in accordance with terms and conditions set out in a tenancy agreement.

16. **Related Party Transactions** *(Continued)*

(a) *(Continued)*

Notes *(Continued)*:

(iii) The factory rental expenses were charged to the Group by a fellow subsidiary within the CCT Telecom Remaining Group for the provision of factory spaces in Dongguan, at rates determined in accordance with the terms and conditions set out in the tenancy agreement. As at 31 December 2008, both CCT Telecom and the Company mutually agreed to early terminate the tenancy agreement for the provision of factory spaces in Dongguan and therefore no factory rental expenses was charged to the Company in 2009.

(iv) The office rental expenses were charged to the Group by a fellow subsidiary within the CCT Telecom Remaining Group for the provision of office space in Hong Kong, at rates determined in accordance with the terms and conditions set out in the tenancy agreements.

(v) The consumer electronic products were sold to fellow subsidiaries within the CCT Telecom Remaining Group from the Group at prices determined in accordance with terms and conditions set out in a consumer electronic products manufacturing agreement ("CEP Manufacturing Agreement"). The CEP Manufacturing Agreement was expired on 31 December 2008 and therefore no such sale was made in 2009.

(vi) The management information system service fee was charged to CCT Telecom for the provision of general management information system support, network and software consultation and hardware maintenance services. The rate was determined in accordance with the terms and conditions set out in MIS agreements.

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
HK$ million	**2009 (Unaudited)**	2008 (Unaudited)
Short term employee benefits	**5**	11
Post-employment benefits	**—**	—
Total compensation paid to key management personnel	**5**	11

17. **Comparative Figures**

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

disclosure of interests

DIRECTORS' INTERESTS

As at 30 June 2009, the Directors and the chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company:

(a) Interests and short positions in the Shares and the underlying Shares as at 30 June 2009

Long positions in the Shares:

Name of the Directors	Number of the Shares interested and nature of interest Personal	Corporate	Total	Approximate percentage of the total issued share capital of the Company
				(%)
Mak Shiu Tong, Clement (Note)	120,000,000	33,026,391,124	33,146,391,124	50.67
Cheng Yuk Ching, Flora	18,000,000	–	18,000,000	0.03
Tam Ngai Hung, Terry	20,000,000	–	20,000,000	0.03
Chen Li	10,000,000	–	10,000,000	0.02

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 33,026,391,124 Shares were held by CCT Telecom through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement is deemed to be interested in such Shares under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom through his interest in the shareholdings of 45.11% of the total issued share capital in CCT Telecom as at 30 June 2009.

(b) Interests and short positions in the shares and the underlying shares of an associated corporation — CCT Telecom as at 30 June 2009

Long positions in the shares of CCT Telecom:

Name of the Directors	Number of the shares interested and nature of interest Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital of CCT Telecom
					(%)
Mak Shiu Tong, Clement (Note 1)	715,652	—	294,775,079	295,490,731	45.11
Cheng Yuk Ching, Flora (Note 2)	14,076,713	160,000	—	14,236,713	2.17
Tam Ngai Hung, Terry	500,000	—	—	500,000	0.08
William Donald Putt	591,500	—	—	591,500	0.09

Notes:

1. Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 294,775,079 shares of CCT Telecom were beneficially held by Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited, all of which are corporations wholly-owned by him, his spouse and his two sons. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Telecom under the SFO as he controls the exercise of one-third or more of the voting power at general meetings of Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited.

2. Included in the shareholdings in which Ms. Cheng Yuk Ching, Flora was interested, 160,000 shares of CCT Telecom were beneficially owned by the spouse of Ms. Cheng Yuk Ching, Flora, who is deemed to be interested in such shares of CCT Telecom under the provisions of Part XV of the SFO.

(c) Interests and short positions in the shares and the underlying shares of the share options of an associated corporation — CCT Resources as at 30 June 2009

(i) Long positions in the shares of CCT Resources:

Name of the Directors	Number of the shares interested and nature of interest Personal	Corporate	Total	Approximate percentage of the total issued share capital of CCT Resources
				(%)
Mak Shiu Tong, Clement (Note)	19,344,000	2,031,764,070	2,051,108,070	48.80
Tam Ngai Hung, Terry	7,500,000	–	7,500,000	0.18

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 shares of CCT Resources were beneficially held by Manistar Enterprises Limited (an indirect wholly-owned subsidiary of CCT Telecom). Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Resources under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom through his interest in the shareholdings of 45.11% of the total issued share capital in CCT Telecom as at 30 June 2009.

(ii) Long positions in the underlying shares of the share options granted under the share option scheme of CCT Resources:

Name of the Directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of CCT Resources
			HK$			(%)
Mak Shiu Tong, Clement	5/7/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.54
Cheng Yuk Ching, Flora	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.12
Tam Ngai Hung, Terry	5/7/2006	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.43
William Donald Putt	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.12

Save as disclosed above, as at 30 June 2009, none of the Directors and the chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the section headed "Directors' Interests" above, at no time during the period for the six months ended 30 June 2009 was the Company, or any of its holding company, subsidiaries or associated corporations, a party to any arrangement to enable the Directors and the chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2009, the following persons (not being the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Shares as at 30 June 2009:

Name of the Shareholders	Notes	**Number of the Shares held**	**Approximate percentage of the total issued share capital of the Company**
			(%)
CCT Telecom	1	33,026,391,124	50.49
CCT Technology Investment Limited	2	33,026,391,124	50.49
Jade Assets Company Limited		29,326,391,124	44.83

Notes:

1. The interest disclosed represents 33,026,391,124 Shares indirectly owned by CCT Technology Investment Limited through the subsidiaries stated in Note 2 below. CCT Technology Investment Limited is a wholly-owned subsidiary of CCT Telecom.

2. The interest disclosed represents 29,326,391,124 Shares beneficially held by Jade Assets Company Limited, 1,350,000,000 Shares beneficially held by CCT Assets Management Limited and 2,350,000,000 Shares beneficially held by Expert Success International Limited, all of them are wholly-owned subsidiaries of CCT Technology Investment Limited.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 30 June 2009, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

share option scheme

The current Share Option Scheme was effective on 7 November 2002. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. As at 30 June 2009, there were no share options outstanding under the Share Option Scheme. No share options has been granted, exercised, lapsed and cancelled under the Share Option Scheme during the period for the six months ended 30 June 2009.

Subsequent to 30 June 2009, a total of 600,000,000 share options with the exercise price of HK$0.01 per Share were granted by the Company to the Directors and a director of certain subsidiaries of the Company on 23 July 2009. All of these share options have not been exercised up to the date of this 2009 Interim Report.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Corporate Governance Practices

In the opinion of the Directors, the Company has complied with the code provisions under the Code set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 June 2009, except for the following deviations from the code provisions of the Code:

Code Provision A.2.1

There is no separation of the roles of chairman and chief executive officer as set out in the Code Provision A.2.1.

Mr. Mak Shiu Tong, Clement currently assumes the roles of both the Chairman and the CEO. Mr. Mak has substantial experience and a firmly established reputation in the telecom industry that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has the appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board is composed of four executive directors (including the Chairman) and three INEDs with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the roles of the managing director and the general managers of the Company's major operating subsidiaries are performed by other individuals. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. The Board does not believe that the separation of the roles of the Chairman and the CEO will improve the corporate performance.

Code Provision A.4.1

The Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing INEDs of the Company is appointed for a specific term. However, all INEDs of the Company are subject to retirement by rotation and re-election at the AGM of the Company in accordance with the bye-laws of the Company.

Code Provision A.4.2

The Code Provision A.4.2 provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the bye-laws of the Company, any Director appointed to fill a casual vacancy shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM of the Company is less than one year and is considered to be short.

Pursuant to the bye-laws of the Company, the Chairman and the managing Director shall not be subject to retirement by rotation or also not be taken into account in determining the number of Directors to retire in each year. The Board considers that the continuity of the Chairman and his leadership will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the Directors other than the Chairman will rotate at least once every three years in order to comply with the Code Provision A.4.2.

Other information on the corporate governance practices of the Company has been disclosed in the corporate governance report contained in the 2008 Annual Report of the Company issued in April 2009.

Audit Committee

The Company has established the Audit Committee with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. The Audit Committee consists of three members comprising the three INEDs of the Company, namely Mr. Lau Ho Kit, Ivan, Mr. Chow Siu Ngor and Mr. Chen Li, one of whom is a qualified accountant and has extensive experience in accounting and financial matters. The Audit Committee is chaired by an INED who is subject to rotation each year.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2009 and the 2009 Interim Report of the Company.

Remuneration Committee

The Company has established the Remuneration Committee with specific written terms of reference in line with the code provisions under the Code. The Remuneration Committee consists of five members comprising the three INEDs of the Company, namely Mr. Lau Ho Kit, Ivan, Mr. Chow Siu Ngor and Mr. Chen Li, and the two executive Directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is chaired by an INED who is subject to rotation each year.

Model Code for Securities Transactions by the Directors

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the period for the six months ended 30 June 2009.

Independent Non-executive Directors

The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications, or accounting or related financial management expertise throughout the period for the six months ended 30 June 2009. The Board comprises the three INEDs of the Company, one of whom has accounting and financial expertise and brings strong independent judgement, knowledge and experience to the Board.

BOARD OF DIRECTORS

As at the date of the 2009 Interim Report, the executive Directors are Mr. Mak Shiu Tong, Clement, Ms. Cheng Yuk Ching, Flora, Mr. Tam Ngai Hung, Terry and Dr. William Donald Putt and the INEDs of the Company are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Chen Li.

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 18 September 2009

glossary of terms

GENERAL TERMS

AGM	Annual general meeting
Audit Committee	The audit committee of the Company
Board	The board of Directors
CCT Resources	CCT Resources Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange and an associated corporation of the Company
CCT Telecom	CCT Telecom Holdings Limited, a company listed on the Main Board of the Stock Exchange and the ultimate holding company of the Company
CCT Telecom Remaining Group	CCT Telecom and its subsidiaries other than the Group
CEO	The chief executive officer of the Company
Chairman	The chairman of the Company
Code	The Code on Corporate Governance Practices under the Listing Rules
Company	CCT Tech International Limited
Director(s)	The director(s) of the Company
Group	The Company and its subsidiaries
HK or Hong Kong	The Hong Kong Special Administrative Region of PRC
HK$	Hong Kong dollar(s), the lawful currency of Hong Kong
INED(s)	Independent non-executive director(s)
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules
N/A	Not applicable

Percentage Ratios	The assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio as defined under Rule 14.07 of the Listing Rules
PRC	The People's Republic of China
Remuneration Committee	The remuneration committee of the Company
RMB	Renminbi, the lawful currency of PRC
R&D	Research and development
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	The ordinary share(s) of HK$0.01 each in the share capital of the Company
Shareholder(s)	Holder(s) of the Share(s)
Share Option Scheme	A share option scheme adopted by the Company on 17 September 2002 and took effect on 7 November 2002
Stock Exchange	The Stock Exchange of Hong Kong Limited
US	The United States of America
US$	United States dollar(s), the lawful currency of US
%	Per cent.

FINANCIAL TERMS

Gearing Ratio	Total borrowings (representing bank & other borrowings) divided by total capital employed (i.e. total Shareholders' fund plus total borrowings)
Loss Per Share	Loss attributable to owners of the parent divided by weighted average number of Shares in issue during the period
Current Ratio	Current assets divided by current liabilities