CCT LAND

中 建 置 地 集 團 有 限 公 司

Stock Code : 261

2017

chairman's statement

On behalf of the Board, I present the interim results of the Group for the six months ended 30 June 2017.

The Group's net loss attributable to owners of the parent for the six months ended 30 June 2017 was HK$149 million, as compared with the net loss of HK$32 million for the last corresponding period. The increase in net loss was mainly due to (i) an equity-settled share-based payments was recorded as a result of the granting of 5,940 million share options during the six months ended 30 June 2017; (ii) the increase in loss of the Telecom Products Business; and (iii) the impairment provisions against the property development projects and fair value loss of the investment properties of the Group in the PRC.

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2017 (30 June 2016: nil).

BUSINESS REVIEW

Telecom Products Business

During the reporting period, revenue of the Telecom Products Business was HK$168 million, fell by 35.6% as compared with the revenue of HK$261 million in the last comparable period.

The decreasing revenue of the Telecom Products Business was the result of the slow economy in the eurozone, declining demand of cordless phones and keen market competition of the cordless phone market. The performance of the Telecom Products Business has further been dampened by the increasing operating cost in Mainland China. Shortage of labour and the rising wages and manufacturing costs has rendered the manufacturing operations in China difficult, especially when there was no more advantages and preferential treatments given by the Chinese government to foreign enterprises engaging in manufacturing operations as in the past. It is noticed that most of the operating loss of the Telecom Products Business in recent years was attributable to the manufacturing operations of the Group, as a result of the deteriorating manufacturing environment in the Mainland China.

The management has taken initiatives to restructure and reform the Telecom Products Business, in order to combat the current difficult operating environment faced by this business. During 2016, the Company disposed of the Child Products Trading Business to the CCT Fortis Group, as the Company found it difficult to grow that business. The disposal of the Child Products Trading Business was completed in October 2016. After the disposal, the Group continues to supply the Child Products to the CCT Fortis Group. On 11 August 2017, the Company took further action to restructure the Telecom Products Business by entering into the Agreement with the Subscriber in order to transfer the Products Manufacturing Operations to the Subscriber. Completion of the Agreement took place on 11 August 2017. After completion of the Agreement, members of the Enterprise Group have ceased to be subsidiaries of the Company. Pursuant to the Agreement, the Subscriber together with CCT Enterprise have undertaken to manufacture the Products and the Child Products on an outsource basis for the Remaining Group for a period of three years after completion of the Agreement, at reasonable market price acceptable to the Remaining Group. After completion of the Agreement, the Remaining Group will cease to be engaged in the Products Manufacturing Operations and will focus in the Products Trading Business.

In the first half of 2017, the Telecom Products Business recorded an operating loss of HK$36 million (2016: HK$6 million), of which HK$35 million (2016: HK$12 million) was attributable to the Products Manufacturing Operations.

Mainland Property Business

During the period under review, we strived to increase the sales of our Anshan property projects. The Group sold a total of 192 units of the Landmark City and Evian Villa projects in the six months ended 30 June 2017 (2016: 103 units), and generated revenue of HK$93 million for the period, increased 89.8% as compared with HK$49 million for the corresponding period in 2016.

In Anshan, the progress of destocking of property inventory is slow. The market sentiment was also affected by the cooling measures introduced by the Central Government to curb speculation. Due to high inventory level in Anshan and the cut-price strategies adopted by some local developers, the unit selling prices for Landmark City and Evian Villa continued to be under pressure during the period under review. As a result, the Mainland Property Business recorded an operating loss of HK$81 million in the current period, as compared with HK$23 million in the comparable period last year. The increase in loss was partly because of the weak selling prices and partly of the impairment loss of approximately HK$55 million on our Anshan projects due to the difficult market environment in Anshan.

The property demand in Anshan is driven mainly by end users with little investment needs. Furthermore, the cold season in this north-eastern city of China is long and usually lasts for five to six months every year, during which property sales are slow and construction work has to come to a complete stop due to the cold weather. Our development and sales strategies have been designed to suit the market environment in Anshan and these strategies have proven to be effective as our Landmark City and Evian Villa Projects are one of the best-selling projects in the local districts.

As for the land site DN1 located in the High-tech Development Zone in Anshan, we plan to develop the land lot into a high-end luxury residential project entitling the name "Evian Garden". During the period, we have streamlined our development plan to build low-rise apartments and offer more units with a wide range of sizes to first time home buyers and existing house owners who wish to change house to improve their living environment. The changes in the development plan will allow us to develop Evian Garden with an increased plot ratio and hence will increase the gross sales area to 166,000 square meters from the previous plan of 100,000 square meters. The Evian Garden Project will be developed by phases. Construction commenced in the first half of 2017.

Finance Business

The PRC subsidiary in which the Group has 51% equity interest has commenced its finance business since the first half of 2016. In the meantime, the operating and regulatory environment surrounding the online finance business in the Mainland China has been evolving and changing. Our PRC finance company is trying to adapt to the changing environment in the development of its finance business. In the first half of 2017, the PRC subsidiary recorded revenue of HK$5 million and contributed an operating profit of HK$4 million from its offline finance business, as compared with an operating profit of HK$2 million against revenue of HK$3 million for the last corresponding period. In view of the satisfactory performance of the Finance Business, we intend to grow the offline finance business in order to increase our revenue and improve our profitability.

OUTLOOK

The process for United Kingdom preparing to leave the European Union will undoubtedly be complex and time-consuming. The essential questions that have to be addressed are whether, at the conclusion of the negotiations, there will be undue fluctuation to the economies of Europe and hence, the economies of the rest of the world. In addition, the possible interest rate hike in the second half of the year is expected to create uncertainties to the global economy. Furthermore, geopolitical tensions may also pose risks to the global economic outlook. The management will monitor the development and assess the potential impact to the Group.

Following completion of the Agreement, the Group has ceased to be engaged in the loss-making Products Manufacturing Operations. Following the Transactions, the Group intends to continue to be engaged in the Products Trading Business. The Transactions have enabled the Group to further reform and transform its Telecom Products Business by focusing on the development and trading of products, with a view to streamline its cost structure and to improve its efficiency. This is expected to enhance the competitiveness of the Group in the telecom product market. As the global economy has bottomed out, and there is solid demand for consumer electronic products in general, we are cautiously optimistic with the Products Trading Business in the long run. We will continue to enhance our products and will continue to seek new customers and expand our customer base by leveraging our solid experience in the telecom and electronic industry.

The Central Economic Work Conference in the PRC has made it clear that “Houses are for living, not for flipping” (房子是用來住的，不是用來炒的). This new policy has set a clear tone for housing market control in 2017, with focus on curbing speculation. However, we are optimistic in the property market in China in the long term as demand for housing is expected to continue to grow in line with the growth of income and wealth of the Chinese people. We will strive to increase sales of our Anshan projects and improve our profit margin. We anticipate that the PRC property market will be prosperous in the long run. We will keep exploring expansion of our property business in other parts of China, including the south-east China. We may replenish our land bank and acquire property projects should suitable opportunities arise.

We have been proactively exploring and seeking new business opportunities in order to broaden our revenue and improve our profitability. On 6 March 2017, an agreement (as amended by the supplemental agreement dated 16 June 2017) (the "**Acquisition Agreement**") was entered into by the Company, under which the Company has conditionally agreed to acquire 51% equity interest in Sino Partner Global Limited (the "**Target Company**"). The Target Company and its subsidiaries (the "**Target Group**") owns the well-established European supercar brand "Apollo" and is engaged in the design, development, manufacturing and sale of supercars in the PRC, Europe and internationally. The Target Group also has plan to develop its own electric vehicles and enter into the electric vehicle market. A circular relating to the proposed acquisition under the Acquisition Agreement is being prepared and as announced in the Company's announcement dated 28 June 2017, the dispatch date of the circular will be further postponed to the date falling on or before 15 September 2017.

The Group's financial position is strong and our gearing ratio remains at a low level. The Group is well positioned to meet future challenges and grasp new business opportunities to enhance shareholders' value.

APPRECIATION

On behalf of the Board, I wish to thank the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the period. I also want to thank our shareholders, investors, bankers, customers and suppliers for their continued encouragement and strong support to the Group.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 29 August 2017

financial review

REVIEW OF FINANCIAL RESULTS

HK$ million	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited) (Restated)	% increase/ (decrease)
Continuing operations			
Revenue	**266**	313	(15.0%)
Other income and gains	**21**	17	23.5%
Finance costs	**9**	3	200.0%
Loss before tax from continuing operations	**(150)**	(33)	354.5%
Tax credit	**3**	2	50.0%
Loss for the period from continuing operations	**(147)**	(31)	374.2%
Discontinued operation			
Profit for the period from a discontinued operation	**–**	–*	N/A
Loss for the period	**(147)**	(31)	374.2%
Attributable to:			
Owners of the parent	**(149)**	(32)	365.6%
Non-controlling interest	**2**	1	100.0%
Loss for the period	**(147)**	(31)	374.2%

* less than HK$1 million

The Group's revenue was HK$266 million for the six months ended 30 June 2017, decreased by 15.0% as compared with HK$313 million for the corresponding period in 2016. The decrease in the Group's revenue was due to the net change of (i) the increase in revenue by HK$44 million from the Mainland Property Business (ii) the decrease in revenue by HK$93 million from the Telecom Products Business; and (iii) the increase in revenue of the Finance Business.

During the six months ended 30 June 2017, the loss attributable to owners of the parent was HK$149 million (2016: HK$32 million). The increase in loss was mainly due to: (i) share option expenses of HK$24 million; (ii) the increase in loss of the manufacturing operations and the Mainland Property Business due to difficult operating environment; and (iii) the impairment provisions against the property development projects and fair value loss of the investment properties in Mainland China of total amount of HK$83 million, as a result of current market situation and tightening policies and measures imposed by the Chinese Government.

Net profit attributable to non-controlling interest represented share of net profit by the minority shareholder of the PRC subsidiary engaged in the Finance Business.

The discontinued operation, representing the Child Products Trading Business disposed of to the CCT Fortis Group in October 2016, was break-even for the six months ended 30 June 2016.

ANALYSIS BY BUSINESS SEGMENT

Revenue of continuing operations
Six months ended 30 June

HK$ million	**2017** Amount (Unaudited)	**2017** Relative %	2016 Amount (Unaudited) (Restated)	2016 Relative %	% increase/ (decrease)
Telecom Products Business	**168**	**63.1%**	261	83.3%	(35.6%)
Mainland Property Business	**93**	**35.0%**	49	15.7%	89.8%
Finance Business	**5**	**1.9%**	3	1.0%	66.7%
Total	**266**	**100%**	313	100.0%	(15.0%)

HK$ million	**Operating (loss)/profit of continuing operations for the six months ended 30 June**		
	2017 (Unaudited)	2016 (Unaudited) (Restated)	% increase/ (decrease)
Telecom Products Business	**(36)**	(6)	500.0%
Mainland Property Business	**(81)**	(23)	252.2%
Finance Business	**4**	2	100.0%
Total	**(113)**	(27)	318.5%

The segmental operating (loss)/profit represented operating result of each segment before taking into account of finance costs and taxation.

Telecom Products Business

In the first half of 2017, the Telecom Products Business continued to be the Group's largest segment in terms of revenue contribution, contributing 63.1% (2016: 83.3%) of the total revenue of the Group. During the six months ended 30 June 2017, revenue of the Telecom Products Business was HK$168 million, decreased by 35.6% as compared with the revenue of HK$261 million in the corresponding period of last year. It recorded an operating loss of HK$36 million for the six months ended 30 June 2017, surged by HK$30 million or 500% as compared with an operating loss of HK$6 million in the comparable period of 2016. Of the operating loss of HK$36 million for the current period, an operating loss of HK$35 million (2016: operating loss of HK$12 million) was attributable to the Products Manufacturing Operations and operating loss of HK$1 million (2016: operating profit of HK$6 million) was attributable to the Products Trading Business.

Mainland Property Business

During the six months ended 30 June 2017, revenue of the Mainland Property Business was HK$93 million, increased by HK$44 million or 89.8% as compared with the corresponding period last year as the sales of our Anshan projects was speeding up. However, loss before interest and tax for this segment increased to HK$81 million by HK$58 million as compared with the loss of HK$23 million in the comparable period last year. The increase in loss was mainly due to weak selling prices and the impairment loss of our property projects in Anshan, amidst the current difficult market situation.

Finance Business

Operating profit of the Finance Business was HK$4 million, which doubled the profit of HK$2 million in the corresponding period in 2016, mainly due to increase in interest income the offline finance business.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Revenue of continuing operations Six months ended 30 June				
	2017		2016		
HK$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited) (Restated)	Relative %	% increase/ (decrease)
Mainland China and Hong Kong	**123**	**46.2%**	84	26.8%	46.4%
Europe	**68**	**25.6%**	146	46.7%	(53.4%)
North America and others	**75**	**28.2%**	83	26.5%	(9.6%)
Total	**266**	**100.0%**	313	100.0%	(15.0%)

In the first half of the year, Mainland China and Hong Kong became the largest market regions of the Group, contributing HK$123 million or 46.2% of the Group's total revenue, as compared with HK$84 million or 26.8% of the last comparable period, mainly as a result of the increase in sales of the property units in Anshan. Europe dropped to the second place in terms of the Group's market regions, contributing HK$68 million or 25.6% of the Group's total revenue in the current period, as compared with HK$146 million or 46.7% in the last comparable period, mainly as a result of less shipments of telecom products to the regions. Revenue from North America and others also dropped by 9.6% to HK$75 million, due to decreased sales of products to these market regions.

CAPITAL STRUCTURE AND GEARING RATIO

	30 June 2017		31 December 2016	
HK$ million	**Amount (Unaudited)**	**Relative %**	Amount (Audited)	Relative %
Bank borrowings	**263**	**17.0%**	359	20.5%
Finance lease payable	**2**	**0.1%**	1	0.1%
Total borrowings	**265**	**17.1%**	360	20.6%
Equity	**1,280**	**82.9%**	1,386	79.4%
Total capital employed	**1,545**	**100.0%**	1,746	100.0%

The Group's gearing ratio was 17.1% as at 30 June 2017 (31 December 2016: 20.6%). The marginal change in the gearing ratio was caused by the combined net effect of decrease of the Group's bank borrowings and equity during the period.

As at 30 June 2017, the maturity profile of the bank and other borrowings of the Group falling due within one year, in the second to the fifth years amounted to HK$194 million and HK$71 million, respectively (31 December 2016: HK$278 million and HK$82 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	**30 June 2017 (Unaudited)**	31 December 2016 (Audited)
Current assets	**1,438**	1,617
Current liabilities	**449**	550
Net current assets	**989**	1,067
Current ratio	**320.3%**	294.0%

The Group's current ratio was 320.3% as at 30 June 2017 (31 December 2016: 294.0%), reflecting strong liquidity of the Group's financial position. Among the total cash balance of HK$187 million (31 December 2016: HK$238 million), deposits with an aggregate amount of HK$95 million (31 December 2016: HK$107 million) were pledged for banking facilities.

In view of the Group's current cash position and the unutilised banking facilities available, the Group continued to maintain a sound financial position and has sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2017, there was no material capital commitment of the Group (31 December 2016: nil).

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 six months ended 30 June 2017, the Group's receipts were mainly denominated in US dollar and RMB. Payments were mainly made in HK$, US dollar and RMB. Cash was generally placed in short-term deposits denominated in HK$ and RMB. In the first half of 2017, the Group's borrowings were mainly denominated in HK$ and RMB and interest on the borrowing was principally determined on a 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 at present as the interest rates currently remain at low level. In terms of foreign exchange exposures, the Group is principally exposed to two major currencies, namely the US dollar and RMB in terms of receipts and the RMB in terms of expenditures. Since the HK$ remains pegged to the US dollar, the exchange exposure to US currency is minimal. As for RMB exposure, the exchange rate of RMB was stabilised during the first half of 2017 and it is not expected that there will be major fluctuation of RMB in the near future.

Our current exposure to foreign exchange risk is not significant. We will continue to monitor the currency exposure but we have no intention to enter into any high-risk exchange derivatives.

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 purchase, sell or hold any significant investment during the six months ended 30 June 2017.

PLEDGE OF ASSETS

As at 30 June 2017, certain of the Group's assets with a net book value of HK$1,456 million (31 December 2016: HK$1,212 million), net asset value of HK$346 million of subsidiaries of the Company (31 December 2016: HK$349 million) and time deposits of the Group of HK$95 million (31 December 2016: HK$107 million) were pledged to secure the general banking facilities granted to the Group to finance operations.

CONTINGENT LIABILITIES

As at 30 June 2017, the Group did not have any significant contingent liabilities (30 June 2016: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2017 was 1,244 (31 December 2016: 1,526). The Group's remuneration policy is built on principle of equality, 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 related bonuses. Share options may also be granted to eligible employees of the Group. 5,940,000,000 share options were granted on 18 January 2017 under the Company's share option scheme. At 30 June 2017, there were 5,955,000,000 share options outstanding (31 December 2016: 15,000,000 share options).

interim results

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2017 together with the comparative figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2017

HK$ million	Notes	Six months ended 30 June **2017 (Unaudited)**	2016 (Unaudited) (Restated)
CONTINUING OPERATIONS			
REVENUE	4	**266**	313
Cost of sales		**(276)**	(302)
Gross (loss)/profit		**(10)**	11
Other income and gains		**21**	17
Selling and distribution expenses		**(9)**	(9)
Administrative expenses		**(60)**	(40)
Other expenses		**(83)**	(9)
Finance costs	5	**(9)**	(3)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	6	**(150)**	(33)
Tax credit	7	**3**	2
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(147)**	(31)
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	**–**	–*
LOSS FOR THE PERIOD		**(147)**	(31)
Attributable to:			
Owners of the parent			
Continuing operations		**(149)**	(32)
Discontinued operation		**–**	–*
		(149)	(32)
Non-controlling interest		**2**	1
		(147)	(31)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted			
— For loss for the period		**(HK0.11 cent)**	(HK0.03 cent)
— For loss from continuing operations		**(HK0.11 cent)**	(HK0.03 cent)

* less than HK$1 million

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Six months ended 30 June	
HK$ million	**2017 (Unaudited)**	2016 (Unaudited)
LOSS FOR THE PERIOD	**(147)**	(31)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period, net of tax:		
Exchange differences on translation of foreign operations	**19**	(8)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(128)**	(39)
Attributable to:		
Owners of the parent	**(130)**	(40)
Non-controlling interest	**2**	1
	(128)	(39)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

HK$ million	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	**103**	114
Investment properties		**270**	299
Prepaid land lease payments		**37**	39
Goodwill		**80**	80
Total non-current assets		**490**	532
Current assets			
Inventories		**35**	38
Properties under development		**416**	361
Properties held for sale		**638**	753
Trade and loans receivables	12	**131**	142
Prepayments, deposits and other receivables		**30**	79
Financial assets at fair value through profit or loss		**1**	6
Pledged time deposits		**95**	107
Cash and cash equivalents		**92**	131
Total current assets		**1,438**	1,617
Total assets		**1,928**	2,149

HK$ million	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital	14	**1,343**	1,343
Convertible bonds	15	**496**	496
Reserves		**(559)**	(453)
		1,280	1,386
Non-controlling interest		**33**	31
Total equity		**1,313**	1,417
Non-current liabilities			
Interest-bearing bank and other borrowings		**71**	82
Deferred tax liabilities		**95**	100
Total non-current liabilities		**166**	182
Current liabilities			
Trade and bills payables	13	**175**	182
Tax payable		**8**	7
Other payables and accruals		**72**	83
Interest-bearing bank and other borrowings		**194**	278
Total current liabilities		**449**	550
Total liabilities		**615**	732
Total equity and liabilities		**1,928**	2,149
Net current assets		**989**	1,067
Total assets less current liabilities		**1,479**	1,599

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2017

	Attributable to owners of the parent										
HK$ million	Issued capital (Unaudited)	Convertible bonds (Unaudited)	Share premium account (Unaudited)	Capital reserve (Unaudited)	Share option reserve (Unaudited)	Asset revaluation reserve (Unaudited)	Exchange fluctuation reserve (Unaudited)	Accumulated loss (Unaudited)	Total (Unaudited)	Non-controlling interest (Unaudited)	Total equity (Unaudited)
At 1 January 2017	**1,343**	**496**	**341**	**733**	**–**	**19**	**(102)**	**(1,444)**	**1,386**	**31**	**1,417**
(Loss)/profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(149)**	**(149)**	**2**	**(147)**
Other comprehensive income for the period: Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**19**	**–**	**19**	**–**	**19**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**19**	**(149)**	**(130)**	**2**	**(128)**
Equity-settled share option arrangement	**–**	**–**	**–**	**–**	**24**	**–**	**–**	**–**	**24**	**–**	**24**
At 30 June 2017	**1,343**	**496**	**341**	**733**	**24**	**19**	**(83)**	**(1,593)**	**1,280**	**33**	**1,313**
At 1 January 2016	923	916	341	733	–	19	(55)	(1,294)	1,583	–	1,583
(Loss)/profit for the period	–	–	–	–	–	–	–	(32)	(32)	1	(31)
Other comprehensive loss for the period: Exchange differences on translation of foreign operations	–	–	–	–	–	–	(8)	–	(8)	–	(8)
Total comprehensive loss for the period	–	–	–	–	–	–	(8)	(32)	(40)	1	(39)
Capital injection by a non-controlling shareholder	–	–	–	–	–	–	–	–	–	29	29
Conversion of Convertible Bonds	420	(420)	–	–	–	–	–	–	–	–	–
At 30 June 2016	1,343	496	341	733	–	19	(63)	(1,326)	1,543	30	(1,573)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

HK$ million	Notes	Six months ended 30 June **2017 (Unaudited)**	2016 (Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax:			
From continuing operations		**(150)**	(33)
From discontinued operation		**–**	–*
Adjustments for:			
Finance costs	5	**9**	4
Interest income		**(6)**	(1)
Depreciation and amortisation	6	**13**	16
Fair value loss/(gain) on investment properties		**28**	(1)
Impairment loss on properties under development to net realizable value		**28**	–
Impairment loss on properties held for sale to net realizable value		**27**	–
Net realized gains from disposal of financial assets at fair value through profit or loss		**(6)**	–
Equity-settled share option expense		**24**	–
		(33)	(15)
Decrease in inventories		**3**	–
Increase in properties under development		**(76)**	–
Decrease in properties held for sale		**105**	48
Decrease/(increase) in trade receivables		**16**	(41)
Decrease in prepayments, deposits and other receivables		**52**	10
Decrease in trade and bills payables		**(9)**	(12)
(Decrease)/increase in other payables and accruals		**(12)**	37
Cash generated from operations		**46**	27
Interest received		**1**	1
Interest paid		**(9)**	(4)
Net cash flows from operating activities		**38**	24
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(1)**	(1)
Proceeds from disposal of financial assets at fair value through profit or loss		**11**	5
Decrease in pledged time deposits		**12**	–
Net cash flows from investing activities		**22**	4

* less than HK$1 million

HK$ million	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans and trust receipts loans	**108**	126
Repayment of bank loans and trust receipts loans	**(207)**	(226)
Capital injection by a non-controlling shareholder	**–**	29
Net cash flows used in financing activities	**(99)**	(71)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(39)**	(43)
Cash and cash equivalents at beginning of the period	**131**	185
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**92**	142
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**92**	142

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 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 2016 (the "**2016 Annual Report**").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's 2016 Annual Report.

The following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") have been adopted by the Company with effect from 1 January 2017. The adoption of the revised HKFRSs does not have any significant financial effect on the interim financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements 2014-2016 Cycle*	*Disclosure of Interests in Other Entities*

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and there were four reportable operating segments during the period under review as follows:

(a) the Telecom Products Business segment which is the manufacture and sale of telecom and consumer electronic products and supply of infant and baby products;

(b) the Mainland Property Business segment which is engaged in the development and sale of properties in Mainland China;

(c) the Finance Business segment which is engaged in the online and offline finance business; and

(d) the Child Products Trading Business segment which is engaged in the trading and sale of child products (discontinued during the year ended 31 December 2016).

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except the head office and corporate expenses are excluded from such measurement.

Segment assets exclude corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

For the period ended 30 June 2017

HK$ million	Telecom Products Business (Unaudited)	Mainland Property Business (Unaudited)	Finance Business (Unaudited)	Reconciliation (Unaudited)	Group total (Unaudited)
Segment revenue:					
Sales to external customers	168	93	5	–	266
Other revenue	21	–	–	–	21
	189	93	5	–	287
Operating (loss)/profit	(36)	(81)	4	–	(113)
Finance costs	(5)	(4)	–	–	(9)
Reconciled items:					
Equity-settled share option expense	–	–	–	(24)	(24)
Corporate and other unallocated expenses	–	–	–	(4)	(4)
(Loss)/profit before tax	(41)	(85)	4	(28)	(150)
Tax credit	–	–	–	3	3
(Loss)/profit for the period	(41)	(85)	4	(25)	(147)
Other segment information:					
Interest income	1	–	–	–	1
Expenditure for non-current assets	1	–	–	–	1
Depreciation and amortisation	(13)	–	–	–	(13)
Other material non-cash items:					
Impairment of properties held for sale	-	(27)	-	-	(27)
Impairment of properties under development	-	(28)	-	-	(28)
Fair value loss on investment properties	(28)	-	-	-	(28)

3. OPERATING SEGMENT INFORMATION *(continued)*

For the period ended 30 June 2016

HK$ million	Continuing operations: Telecom Products Business (Unaudited)	Continuing operations: Mainland Property Business (Unaudited)	Continuing operations: Finance Business (Unaudited)	Continuing operations: Total continuing operations (Unaudited)	Discontinued operation: Child Products Trading Business (Unaudited)	Reconciliations (Unaudited)	Group Total (Unaudited)
Segment revenue:							
Sales to external customers	261	49	3	313	87	(83)	317
Other revenue	16	1	–	17	–	–	17
	277	50	3	330	87	(83)	334
Operating (loss)/profit	(6)	(23)	2	(27)	1	–	(26)
Finance costs	(3)	–	–	(3)	(1)	–	(4)
Reconciled items:							
Corporate and other unallocated expenses	–	–	–	–	–	(3)	(3)
(Loss)/profit before tax	(9)	(23)	2	(30)	–	(3)	(33)
Tax credit	–	–	–	–	–	2	2
(Loss)/profit for the period	(9)	(23)	2	(30)	–	(1)	(31)
Other segment information:							
Interest income	1	–	–	1	–	–	1
Expenditure for non-current assets	1	–	–	1	–	–	1
Depreciation and amortisation	(16)	–	–	(16)	–	–	(16)
Other material non-cash items:							
Fair value gain on investment properties	1	–	–	1	–	–	1

3. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2017

HK$ million	Telecom Products Business (Unaudited)	Mainland Property Business (Unaudited)	Finance Business (Unaudited)	Reconciliation (Unaudited)	Group Total (Unaudited)
Segment assets	673	1,088	145	–	1,906
Reconciled items:					
Corporate and other unallocated assets	–	–	–	22	22
Total assets	673	1,088	145	22	1,928
Segment liabilities	331	179	1	–	511
Reconciled items:					
Corporate and other unallocated liabilities	–	–	–	104	104
Total liabilities	331	179	1	104	615

As at 31 December 2016

HK$ million	Telecom Products Business (Audited)	Mainland Property Business (Audited)	Finance Business (Audited)	Reconciliation (Audited)	Group Total (Audited)
Segment assets	810	1,183	141	–	2,134
Reconciled items:					
Corporate and other unallocated assets	–	–	–	15	15
Total assets	810	1,183	141	15	2,149
Segment liabilities	417	208	–	–	625
Reconciled items:					
Corporate and other unallocated liabilities	–	–	–	107	107
Total liabilities	417	208	–	107	732

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) *Revenue from external customers*

HK$ million	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited) (Restated)
Mainland China and Hong Kong	**123**	84
Europe	**68**	146
North America and others	**75**	83
	266	313

The revenue information above is based on the final locations where the Group's products or properties were sold to customers.

(b) *Non-current assets*

HK$ million	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Hong Kong	**6**	6
Mainland China	**484**	526
	490	532

The non-current assets information is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the six months ended 30 June 2017, revenue from a major customer of the Telecom Products Business segment was HK$28 million, representing 11% of the Group's total revenue.

For the six months ended 30 June 2016, revenue from a major customer of the Telecom Products Business segment was HK$56 million, representing 18% of the Group's total revenue.

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and interest income, and gross proceeds from the sale of properties during the period.

An analysis of revenue from continuing operations is as follows:

	Six months ended 30 June	
HK$ million	**2017 (Unaudited)**	2016 (Unaudited) (Restated)
Manufacture, sale and supply of telecom, electronic and child products	**167**	260
Sale of properties	**93**	49
Interest income from loan receivables	**5**	3
Bank interest income	**1**	1
	266	313

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Six months ended 30 June	
HK$ million	**2017 (Unaudited)**	2016 (Unaudited) (Restated)
Interest on bank loans wholly repayable within five years	**9**	3

6. LOSS BEFORE TAX

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

HK$ million	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited)
Cost of sales	**276**	302
Depreciation	**12**	15
Amortisation of prepaid land lease payments	**1**	1

7. TAX CREDIT

No Hong Kong profits tax has been provided for the six months ended 30 June 2017 and 2016 as the Group had no profits chargeable to Hong Kong profits tax during that periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK$ million	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited)
Current — Mainland China		
Mainland China land appreciation tax	**2**	1
Deferred tax credit	**(5)**	(3)
Total tax credit for the period from continuing operations	**(3)**	(2)

8. DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2017 (30 June 2016: nil).

9. DISCONTINUED OPERATION

On 3 August 2016, CCT Tech Global Holdings Limited ("**CCT Global**"), a wholly-owned subsidiary of the Company, entered into an agreement with CCT Fortis, pursuant to which the Group conditionally agreed to dispose of its entire issued share capital of Suremark Holdings Limited ("**Suremark**") to CCT Fortis or a nominee designated by CCT Fortis, for a consideration of HK$24 million to be satisfied by way of set-off against the interest-free loan of HK$24 million due by the Company to CCT Fortis as at the date of the aforesaid agreement (the "**Disposal Transaction**"). The Disposal Transaction was completed on 14 October 2016 and the entire issued share capital of Suremark was transferred to a nominee designated by CCT Fortis. Suremark is principally engaged through its subsidiaries, namely Wiltec Industrial Limited and Wiltec Industries (HK) Limited (collectively the "**Suremark Group**"), in the Child Products Trading Business. The results from the Suremark Group were no longer consolidated into the Group's accounts subsequent to the completion of the Disposal Transaction.

The results of the Suremark Group attributable to the Group for the period ended 30 June 2016 were presented below:

HK$ million	Six months ended 30 June 2016 (Unaudited)
Revenue	87
Expenses	(86)
Finance costs	(1)
Profit before tax	–*
Income tax expense	–
Profit for the period from the discontinued operation	–*
Earnings per share from the discontinued operation:	
Basic and diluted	HK0.00 cent#

9. DISCONTINUED OPERATION *(continued)*

The calculations of the basic and diluted earnings per share from the discontinued operation were based on:

HK$ million	Six months ended 30 June 2016 (Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation, used in the basic and diluted earnings per share calculation	–*

	Six months ended 30 June 2016 Number of shares (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation (note 10)	111,650,422,562

The net cash flows incurred by the Suremark Group for the period ended 30 June 2016 were as follows:

HK$ million	Six months ended 30 June 2016 (Unaudited)
Operating activities	3
Financing activities	(5)
Net cash outflows	(2)

less than HK0.01 cent
* less than HK$1 million

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted loss per share amounts for the period is based on the loss for the period attributable to ordinary equity holders of the parent of HK$149 million (30 June 2016: HK$32 million), and the loss from the continuing operations attributable to ordinary equity holders of the parent of HK$149 million (30 June 2016: HK$32 million) and the weighted average number of 134,278,993,990 (30 June 2016: 111,650,422,562) ordinary shares in issue during the period.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2017 and 2016 in respect of a dilution as the impact of the outstanding share options and the Convertible Bonds had an anti-dilutive effect on the basic loss per share amounts presented.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired fixed assets of approximately HK$1 million (six months ended 30 June 2016: HK$1 million).

12. TRADE AND LOANS RECEIVABLES

HK$ million	**30 June 2017 (Unaudited)**	31 December 2016 (Audited)
Trade receivables	**72**	84
Loans and interest receivables	**59**	58
	131	142

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**17**	**24**	18	21
31 to 60 days	**27**	**38**	24	29
61 to 90 days	**9**	**12**	13	15
Over 90 days	**19**	**26**	29	35
	72	**100**	84	100

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

The trade receivables comprised the trade receivables due from customers of the Telecom Products Business, receivables from property sales in Mainland China and loan receivables and accrued interest of the Finance Business.

13. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**30**	**17**	35	19
31 to 60 days	**23**	**13**	28	15
61 to 90 days	**17**	**10**	23	13
Over 90 days	**105**	**60**	96	53
	175	**100**	182	100

As at 30 June 2017, included in the trade and bill payables were trade payables of HK$18 million (31 December 2016: HK$25 million) due to CCT Plastic Limited, an indirect wholly-owned subsidiary of CCT Fortis, which were unsecured, interest-free and repayable within 90 days from the invoice date.

The trade payables are non-interest bearing and are normally settled on credit terms between 30 days to 90 days.

14. SHARE CAPITAL

HK$ million	**30 June 2017 (Unaudited)**	31 December 2016 (Audited)
Authorised:		
300,000,000,000 (31 December 2016: 300,000,000,000) ordinary shares of HK$0.01 each	**3,000**	3,000
Issued and fully paid:		
134,278,993,990 (31 December 2016: 134,278,993,990) ordinary shares of HK$0.01 each	**1,343**	1,343

15. CONVERTIBLE BONDS

On 7 December 2015, the Company issued the Convertible Bonds with an aggregate principal amount of approximately HK$1,096 million, of which approximately HK$796 million was issued to CCT Securities and HK$300 million was issued to an independent third party, for settlement of the promissory notes with the then outstanding principal and accrued interest of HK$1,084 million as at 7 December 2015. The Convertible Bonds are interest-free and have the maturity date falling on the third anniversary of the date of issue of the Convertible Bonds, which will be fall on 7 December 2018 (the "**Maturity Date**"). No security or guarantee is given in respect of the Convertible Bonds. The Convertible Bonds are convertible at the option of the bondholders into the Shares at the initial conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the terms and conditions of the Convertible Bonds). The Convertible Bonds are not redeemable at the option of the Company at any time on or before the Maturity Date. Subject to the terms and conditions of the Convertible Bonds, any Convertible Bonds not converted into share will be automatically converted into ordinary shares of the Company on the Maturity Date.

Convertible bonds with aggregated principal amount of HK$600 million were converted into 60,000,000,000 Shares up to 30 June 2017. As at 30 June 2017, the Company had outstanding Convertible Bonds with total principal amount of approximately HK$496 million (31 December 2016: approximately HK$496 million), the full conversion of which would, under the present capital structure of the Company, result in the issue of 49,567,100,000 (31 December 2016: 49,567,100,000) ordinary shares of the Company and additional share capital of approximately HK$496 million (31 December 2016: approximately HK$496 million) at the current conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the terms of the Convertible Bonds). The following table set out the shareholding structure of the Company: (i) as at 30 June 2017, and (ii) for illustrative purpose only, the structure immediately after the issue of the 49,567,100,000 Shares upon full conversion of the all the outstanding Convertible Bonds as at 30 June 2017 at the conversion price of HK$0.01 per conversion share, assuming that there is no other changes to the share capital of the Company from 30 June 2017 to date of the allotment and issue of the conversion shares:

	As at 30 June 2017		Immediately after conversion of all the outstanding Convertible Bonds and issue of the conversion shares	
Shareholders	**No. of shares**	**%**	**No. of shares**	**%**
Director — Tam Ngai Hung, Terry	**10,000,000**	**0.01%**	**10,000,000**	**0.01%**
Ideal Master and its close associate	**5,070,000,000**	**3.78%**	**54,637,100,000**	**29.72%**
Public shareholders	**129,198,993,990**	**96.21%**	**129,198,993,990**	**70.27%**
Total	**134,278,993,990**	**100.00%**	**183,846,093,990**	**100.00%**

15. CONVERTIBLE BONDS *(continued)*

Notes:

(a) None of the Convertible Bonds shall be converted into the Shares if a mandatory offer obligations is triggered under the Takeovers Code on the part of the bondholder which exercised the conversion rights.

(b) There is no dilutive impact on the Group's loss per share in relation to the outstanding Convertible Bonds as the impact of the Convertible Bonds has an anti-dilutive effect on the loss per share of the Group.

(c) As the Convertible Bonds are not redeemable and the Company has no repayment obligations in relation to the Convertible Bonds, the outstanding Convertible Bonds will not have any effect on the financial and liquidity position of the Group.

(d) As the bondholder(s) has no right to demand redemption or prepayment of the interest-free Convertible Bonds, which will be automatically converted into ordinary shares of the Company on the Maturity Date, the market price of the Shares will not have any bearing on the decision of the bondholder as to whether to exercise the conversion rights in respect of the Convertible Bonds.

16. CONTINGENT LIABILITIES

As at 30 June 2017, the Group did not have any significant contingent liabilities (31 December 2016: nil).

17. PLEDGE OF ASSETS

At 30 June 2017, the Group's interest-bearing bank borrowings were secured by:

(a) the pledge of certain of the Group's buildings situated in the Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$94 million (31 December 2016: HK$105 million);

(b) the pledge of the Group's investment properties situated in the Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$270 million (31 December 2016: HK$299 million);

(c) the pledge of certain of the Group's leasehold land situated in the Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$38 million (31 December 2016: HK$40 million);

(d) the pledge of the Group's property under development situated in Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$416 million (31 December 2016: HK$361 million);

(e) the pledge of certain of the Group's properties held for sale situated in the Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$638 million (31 December 2016: HK$407 million) ;

(f) the pledge of certain of the Group's time deposits amounting to HK$95 million (31 December 2016: HK$107 million); and

(g) the pledge of the equity interests of subsidiaries of the Company with a net asset value of HK$346 million (31 December 2016: HK$349 million).

In addition, CCT Fortis guaranteed certain of the Group's bank borrowings up to approximately HK$146 million (31 December 2016: approximately HK$146 million) as at the end of the reporting period.

18. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group has rented out its investment properties under operating lease arrangements with leases negotiated for terms of ranging from three to five years.

At 30 June 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

HK$ million	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Within one year	**6**	6
In the second to fifth years, inclusive	**5**	7
	11	13

(b) As lessee

The Group has leased certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At 30 June 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

HK$ million	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Within one year	**1**	1
In the second to fifth years, inclusive	**–**	–
	1	1

19. COMMITMENTS

As at 30 June 2017, the Group did not have any significant capital commitments (31 December 2016: nil).

20. RELATED PARTY TRANSACTIONS

(a) CCT Fortis is controlled by Mr. Mak Shiu Tong, Clement, who is the Chairman, executive Director and CEO of the Company. As such, members of the CCT Fortis Group are related parties of the Company. During the six months ended 30 June 2017, the Group had conducted the following related party transactions with the CCT Fortis Group:

HK$ million	Notes	Six months ended 30 June **2017 (Unaudited)**	 2016 (Unaudited)
Wholly-owned subsidiaries of CCT Fortis:			
Continuing connected transactions			
Purchase of components	(i), (vii)	**31**	34
Factory rental income	(ii), (vii)	**3**	3
Office rental expense	(iii), (vii)	**1**	1
Sales of Child Products	(v), (vii)	**82**	–
Connected transaction			
Security and guarantee for the payment, performance and discharge of the undertakings, obligations and liabilities under the Financial Assistance provided by the CCT Fortis Group	(vi), (vii)	**146**	146
CCT Fortis:			
Continuing connected transaction			
Management information system service fee	(iv), (vii)	**3**	3

Notes:

(i) The components were purchased by the Group from a wholly-owned subsidiary of CCT Fortis, based on terms and conditions of a manufacturing agreement (the "**Component Manufacturing Agreement**") dated 9 October 2012 entered into between the Company and CCT Fortis. The term of the Component Manufacturing Agreement was three years commenced from 1 January 2013 to 31 December 2015, pursuant to which CCT Fortis agreed to manufacture and supply through members of the CCT Fortis Group certain plastic casings, components and any other component products and toolings to the Group for the production of telecom, electronic and child products. The Component Manufacturing Agreement was renewed by a new Component Manufacturing Agreement dated 9 November 2015, for a term of three years commenced from 1 January 2016 to 31 December 2018. The terms and conditions of the renewed Component Manufacturing Agreement are similar to the previous agreement. The purchase prices of plastic casings, components and any other component products were determined based on the direct material costs plus a mark-up of no more than 250%. The tooling charges for the production of telecom and electronic products for the Group were determined based on the total costs plus a mark-up of no more than 50%.

20. RELATED PARTY TRANSACTIONS *(continued)*

(a) *(continued)*

Notes: *(continued)*

(ii) The factory rental income was charged to Shine Best Developments Limited ("**Shine Best**"), an indirect wholly-owned subsidiary of CCT Fortis, by CCT Enterprise, for the provision of factory space in Huiyang, Guangdong Province, the Mainland China, at a rent determined in accordance with the terms and conditions set out in a tenancy agreement entered into between Shine Best and CCT Enterprise on 10 December 2014, which has a term of three years commenced from 1 January 2015 to 31 December 2017. The factory building was leased by CCT Enterprise to Shine Best for use by the CCT Fortis Group for the manufacturing of plastic components to supply to the Group for manufacturing of telecom products.

(iii) The office rental expense was charged to the Company by Goldbay Investments Limited ("**Goldbay**"), an indirect wholly-owned subsidiary of CCT Fortis, for the provision of office space in Hong Kong, at a rent determined in accordance with the terms and conditions set out in the tenancy agreement entered into between the Company and Goldbay on 10 December 2014, which has a term of three years from 1 January 2015 to 31 December 2017.

(iv) The management information system service fee was charged to CCT Fortis by the Company for the provision of general management information system support, network and software consultation and hardware maintenance services. The fee was determined in accordance with the terms and conditions set out in the agreement entered into between the Company and CCT Fortis on 10 December 2014, which has a term of three years from 1 January 2015 to 31 December 2017.

(v) This represented transaction amount for the supply of the Child Products which were manufactured by the Group for the CCT Fortis Group. On 3 August 2016, CCT Global and CCT Fortis entered into a manufacturing agreement ("**Child Products Manufacturing Agreement**") which has a term commenced from 14 October 2016 to 31 December 2018. On 31 August 2016, 14 September 2016 and 4 October 2016, CCT Global and CCT Fortis entered into the first supplemental manufacturing agreement, the second supplemental manufacturing agreement and the third supplemental manufacturing agreement (collectively as the "**Supplemental Manufacturing Agreements**"), respectively, pursuant to which the parties to the Supplemental Manufacturing Agreements agreed to amend and supplement the pricing terms and policies of the Child Products Manufacturing Agreement. In respect of the transactions contemplated the Child Products Manufacturing Agreement as amended and supplemented by the Supplemental Manufacturing Agreements, the price of the Child Products to be manufactured and supplied by the Group for the CCT Fortis Group will be the higher of the sum of the direct material costs plus a mark-up no more than 250% of the direct material costs or the selling prices that CCT Fortis sells to independent third parties less a discount of up to 10%.

20. RELATED PARTY TRANSACTIONS *(continued)*

(a) *(continued)*

Notes: *(continued)*

(vi) On 28 May 2015, the Deed was entered into by the Company as chargor, CCT Global as guarantor in favour of CCT Fortis and Jade Assets Company Limited, an indirect wholly-owned subsidiary of CCT Fortis, as chargees, under which the Company, as beneficial owner of all existing issued shares of CCT Global (the "**Charged Shares**"), has agreed to mortgage the Charged Shares as continuing security for the payment, performance and discharge of the undertakings, obligations and liabilities of the Company (the "**Secured Obligations**") under the promissory notes and the corporate guarantees of the principal amount of HK$1,065,671,000 and HK$145,550,000 (the "**Financial Assistance**") provided by the CCT Fortis Group for the benefit of the Group and CCT Global has irrevocably and unconditionally agreed to guarantee the due and punctual payment of each and every sum falls due by the Company under the Secured Obligations. The Deed was approved by the independent shareholders of the Company in a special general meeting held on 6 July 2015 and has become effective since that date. Since the cancellation of the promissory notes as settlement for the issuance of the Convertible Bonds, the amounts of the security and guarantee have been reduced to approximately HK$145,550,000 as at 31 December 2015. The amounts of the security and guarantee remained unchanged for the period ended 30 June 2017, which represented the corporate guarantees on certain of the Group's bank borrowings.

(vii) The Company has complied with Chapter 14A of the Listing Rules in respect of the above non-exempted connected transaction and the continuing connected transactions.

(b) Outstanding balances with related parties:

Details of the Group's balances with CCT Fortis and its subsidiaries at the end of the reporting period have been disclosed in note 13 to the financial statements.

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

	Six months ended 30 June	
HK$ million	**2017 (Unaudited)**	2016 (Unaudited)
Short term employee benefits	**6**	6

(d) As at 30 June 2017, CCT Fortis, has guaranteed certain bank borrowings made to the Group up to approximately HK$146 million (31 December 2016: approximately HK$146 million), which have also been disclosed in note 17 to the financial statements.

21. APPROVAL OF THE INTERIM REPORT

The interim report was approved by the Board on 29 August 2017.

22. COMPARATIVE PRESENTATION

The comparative condensed consolidated statement of profit or loss have been re-presented as if the operation discontinued on 14 October 2016 had been discontinued at the beginning of the comparative period (note 9). In addition, certain comparative amounts have been reclassified to conform with the current period's presentation.

23. EVENTS AFTER THE REPORTING PERIOD

On 11 August 2017, the Company entered into an agreement with CCT Enterprise and the Subscriber, under which it was agreed that the Subscriber would subscribe for the 19,998 new shares of CCT Enterprise at the subscription price of US$19,998 and the Subscriber or its designated nominee(s) would acquire the HK$330 million interest-free loan due from CCT Enterprise to the Company. Immediately after completion of the Agreement, CCT Enterprise was directly owned as to 99.99% by the Subscriber and indirectly owned as to 0.01% by the Company, and CCT Enterprise and its subsidiaries ceased to be subsidiaries of the Company. The Transactions would give rise to an estimated unaudited gain of approximately HK$5 million to the Group. Completion of the Agreement took place on 11 August 2017. Further details of the Transaction are set out in the announcement of the Company dated 11 August 2017.

disclosure of interests

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, the Directors and 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:

Interests and short positions in the Shares and the underlying Shares as at 30 June 2017

(i) *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 ("Mr. Mak") (Note)	–	14,000,000,000	14,000,000,000	10.43
Tam Ngai Hung, Terry	10,000,000	–	10,000,000	0.01

Note: The interest disclosed represented the security interest of CCT Securities in the 14,000,000,000 Shares held by the beneficial owners. CCT Securities is an indirect wholly-owned subsidiary of CCT Fortis. Mr. Mak is deemed to have a security interest on the aforesaid 14,000,000,000 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 Fortis through his interest in the shareholding of approximately 52.15% of the total issued share capital in CCT Fortis as at 30 June 2017.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

Interests and short positions in the Shares and the underlying Shares as at 30 June 2017 *(continued)*

(ii) Long positions in the underlying Shares of the share options granted under the 2011 Scheme:

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 the Company
			HK$			(%)
Mr. Mak	18/1/2017	18/1/2017 – 17/1/2027	0.011	1,300,000,000	1,300,000,000	0.97
Cheng Yuk Ching, Flora	18/1/2017	18/1/2017 – 17/1/2027	0.011	825,000,000	825,000,000	0.61
Tam Ngai Hung, Terry	18/1/2017	18/1/2017 – 17/1/2027	0.011	825,000,000	825,000,000	0.61
Lai Mei Kwan	18/1/2017	18/1/2017 – 17/1/2027	0.011	1,300,000,000	1,300,000,000	0.97
Tsui Wing Tak	18/1/2017	18/1/2017 – 17/1/2027	0.011	1,300,000,000	1,300,000,000	0.97
Chow Siu Ngor	17/1/2014	17/1/2014 – 16/1/2024	0.010	5,000,000	5,000,000	
	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000,000	10,000,000	
				Sub-total:	15,000,000	0.01
Lau Ho Kit, Ivan	17/1/2014	17/1/2014 – 16/1/2024	0.010	5,000,000	5,000,000	
	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000,000	10,000,000	
				Sub-total:	15,000,000	0.01
Tam King Ching, Kenny	17/1/2014	17/1/2014 – 16/1/2024	0.010	5,000,000	5,000,000	
	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000,000	10,000,000	
				Sub-total:	15,000,000	0.01
Chow Ho Wan, Owen	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000,000	10,000,000	0.01
Grand total				5,605,000,000	5,605,000,000	

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

Interests and short positions in the Shares and the underlying Shares as at 30 June 2017 *(continued)*

(iii) Long positions in the underlying Shares of the Convertible Bonds issued by the Company:

Name of the Directors	Number of the underlying Shares interested and nature of interest Personal	 Corporate	Total	Approximate percentage of the total issued share capital of the Company
				(%)
Mr. Mak (Note)	–	49,567,100,000	49,567,100,000	36.91

Note: The interest disclosed represented security interest of CCT Securities in the 49,567,100,000 underlying Shares at the conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the CB Conditions) in respect of the Convertible Bonds with the principal amount of HK$495,671,000 held by Ideal Master. CCT Securities is an indirect wholly-owned subsidiary of CCT Fortis. Mr. Mak is deemed to have a security interest in 49,567,100,000 underlying 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 Fortis through his interest in the shareholding of approximately 52.15% of the total issued share capital in CCT Fortis as at 30 June 2017.

Save as disclosed above, as at 30 June 2017, none of the Directors and 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 sections headed "Directors' interests in Shares and underlying Shares" above and "Share Option Scheme of the Company" below, at no time during the period for the six months ended 30 June 2017 was the Company, or any of its holding companies, subsidiaries or associated corporations, a party to any arrangement to enable the Directors and 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 2017, the following persons (not being the Directors or 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:

Interest and short positions in the Shares and the underlying Shares as at 30 June 2017

(i) Long positions in the Shares:

Name of the Shareholders	Number of the Shares held	Approximate percentage of the total issued share capital of the Company
		(%)
CCT Fortis (Note 1)	14,000,000,000	10.43
CCT Capital International Holdings Limited (Note 1)	14,000,000,000	10.43
CCT Securities (Note 1)	14,000,000,000	10.43
Sungzhan Limited (Note 2)	5,070,000,000	3.78
Choi Sung Fung (Note 2)	5,070,000,000	3.78

Notes:

1. The interest disclosed represented the security interest which CCT Securities has on the 14,000,000,000 Shares held by the beneficial owners. CCT Securities is a direct wholly-owned subsidiary of CCT Capital International Holdings Limited, which in turn is a direct wholly-owned subsidiary of CCT Fortis. The aforesaid security interest of such Shares has also been disclosed under the section headed "Directors' interests in Shares and underlying Shares" above.

2. The interest disclosed represented 5,070,000,000 Shares held by Sungzhan Limited. Mr. Choi Sung Fung is deemed to be interest in the aforesaid 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 Sungzhan Limited through his interest in the entire issued share capital of Sungzhan Limited as at 30 June 2017.

SUBSTANTIAL SHAREHOLDERS' INTERESTS *(continued)*

Interest and short positions in the Shares and the underlying Shares as at 30 June 2017 *(continued)*

(ii) Long positions in the underlying Shares of the Convertible Bonds issued by the Company:

Name of the Shareholders	Number of the underlying Shares held	Approximate percentage of the total issued share capital of the Company
		(%)
Choi Sung Fung (Notes 1 and 2)	49,567,100,000	36.91
Ideal Master (Notes 1 and 2)	49,567,100,000	36.91
CCT Fortis (Notes 3 and 4)	49,567,100,000	36.91
CCT Capital International Holdings Limited (Notes 3 and 4)	49,567,100,000	36.91
CCT Securities (Notes 3 and 4)	49,567,100,000	36.91

Notes:

1. The interest disclosed represented 49,567,100,000 underlying Shares at the conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the CB Conditions) in respect of the Convertible Bonds with an aggregate principal amount of HK$495,671,000 held by Ideal Master.

2. Mr. Choi Sung Fung is deemed to be interested in such underlying 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 Ideal Master through his interest in the entire issued share capital of Ideal Master as at 30 June 2017.

3. CCT Securities has a security interest on the 49,567,100,000 underlying Shares in respect of the Convertible Bonds with an aggregate principal amount of HK$495,671,000 held by Ideal Master.

4. CCT Fortis is deemed considered to have a security interest in 49,567,100,000 underlying Shares as CCT Securities is a direct wholly-owned subsidiary of CCT Capital International Holdings Limited, which in turn is a direct wholly-owned subsidiary of CCT Fortis. The aforesaid security interest of 49,567,100,000 underlying Shares has also been disclosed under the section headed "Directors' interests in Shares and underlying Shares" above.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 June 2017, 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 OF THE COMPANY

At the AGM of the Company held on 27 May 2011, the Shareholders approved the adoption of the 2011 Scheme. The adoption of the 2011 Scheme was also approved on 27 May 2011 by the shareholders of CCT Fortis, which was the then ultimate holding company of the Company. The 2011 Scheme became effective on 30 May 2011. This is the date on which the Listing Committee of the Stock Exchange granted approval for the listing of, and permission to deal in, any Shares on the Stock Exchange, which may fall to be allotted and issued by the Company pursuant to the exercise of the share options in accordance with the terms and conditions of the 2011 Scheme. Unless otherwise cancelled or amended, the 2011 Scheme is valid for a period of 10 years from the date of its adoption.

The 2011 Scheme

A total of 600,000,000 share options were granted under the 2011 Scheme on 17 January 2014, of which 585,000,000 share options were exercised in 2015 and 15,000,000 share options were outstanding as at 30 June 2017. In addition, a total of 5,940,000,000 share options were granted under the 2011 Scheme on 18 January 2017, none of which have been exercised and the 5,940,000,000 share options were outstanding as at 30 June 2017. Save as disclosed above, no share options were granted during the six months ended 30 June 2017. Details of the movements of the share options granted to the Directors and the other eligible participants under the 2011 Scheme during the period were summarised as follows:

	Number of share options								
Name or category of the participants	Outstanding as at 1 January 2017	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 30 June 2017	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options	Fair value of the share options granted to each category of participants as at the date of grant
								HK$ per share	HK$
Executive Directors									
Mak Shiu Tong, Clement	–	1,300,000,000	–	–	1,300,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
Cheng Yuk Ching, Flora	–	825,000,000	–	–	825,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
Tam Ngai Hung, Terry	–	825,000,000	–	–	825,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
Lai Mei Kwan	–	1,300,000,000	–	–	1,300,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
	–	4,250,000,000	–	–	4,250,000,000				17,480,250
Non-executive Director									
Tsui Wing Tak	–	1,300,000,000	–	–	1,300,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	5,346,900

SHARE OPTION SCHEME OF THE COMPANY *(continued)*

The 2011 Scheme *(continued)*

Name or category of the participants	Number of share options: Outstanding as at 1 January 2017	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 30 June 2017	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options	Fair value of the share options granted to each category of participants as at the date of grant
								HK$ per share	HK$
Independent non-executive Directors									
Chow Siu Ngor	5,000,000	–	–	–	5,000,000	17/1/2014	17/1/2014 – 16/1/2024	0.01	
	–	10,000,000	–	–	10,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
Lau Ho Kit, Ivan	5,000,000	–	–	–	5,000,000	17/1/2014	17/1/2014 – 16/1/2024	0.01	
	–	10,000,000	–	–	10,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
Tam King Ching, Kenny	5,000,000	–	–	–	5,000,000	17/1/2014	17/1/2014 – 16/1/2024	0.01	
	–	10,000,000	–	–	10,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
Chow Ho Wan, Owen	–	10,000,000	–	–	10,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	
	15,000,000	40,000,000	–	–	55,000,000				224,520
Other eligible participants	–	350,000,000	–	–	350,000,000	18/1/2017	18/1/2017 – 17/1/2027	0.011	1,439,550
Total	15,000,000	5,940,000,000	–	–	5,955,000,000				24,491,220

Save as disclosed above, no share options was exercised, cancelled or lapsed under the 2011 Scheme during the six months ended 30 June 2017.

The closing market price of the Shares immediately before the date of grant of the 5,940,000,000 share options (which were granted on 18 January 2017) as quoted in the Stock Exchange's daily quotation sheet was HK$0.011 per share.

SHARE OPTION SCHEME OF THE COMPANY *(continued)*

The 2011 Scheme *(continued)*

The fair value of the equity-settled share options granted on 18 January 2017 was HK$24,430,000 which was estimated as at the date of grant, using the binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00
Expected volatility (%)	68.40
Historical volatility (%)	68.40
Risk-free interest rate (%)	2.27
Expected life of share options (years)	10.00
Weighted average share price (HK$ per share)	0.01

The expected life of the share options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the share options granted was incorporated into the measurement of fair value.

There were 5,955,000,000 share options outstanding under the 2011 Scheme as at the date of this interim report, and the total number of Shares available for issue is 5,955,000,000 which represented approximately 4.43% of the total issued share capital of the Company as at the date of this interim report. The exercise in full of the outstanding share options in the Company would result in the issue of 5,955,000,000 additional ordinary shares and an additional share capital and share premium (before issue expense) of HK$65,490,000 in the Company.

other information

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed Shares during the period for the six months ended 30 June 2017.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the period from 1 January 2017 to 30 June 2017, except for the following minor deviations from the Code Provisions of the CG Code:

Code Provision A.2.1

The Code Provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

There is no separation of the roles of chairman and chief executive officer of the Company and hence the Company has not complied with the Code Provision A.2.1 for the six months ended 30 June 2017.

Mr. Mak Shiu Tong, Clement currently assumes the roles of both the Chairman and the CEO. Mr. Mak is an executive of high caliber with a wide range of skills and diversified business expertise. He has substantial experience, strong leadership and a firmly established reputation in the diversified business 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 five executive Directors (including the Chairman), one non-executive Director and four 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. Furthermore, the Board believes that the combined roles of Mr. Mak enhance the communication between the Board and the management and ensure the effective execution of the Board's strategy by the management because of Mr. Mak's extensive business experience.

CORPORATE GOVERNANCE *(continued)*

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 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 of Directors 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 (who is currently assumed by Mr. Mak Shiu Tong, Clement) shall not be subject to retirement by rotation or 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 Group. On the other hand, the Board will ensure that all Directors save for 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 2016 Annual Report of the Company issued in April 2017.

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 six months ended 30 June 2017.

REVIEW OF INTERIM REPORT

The Group's interim report including the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2017 has been reviewed by the Audit Committee.

DISCLOSURE ON CHANGE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51(B)(1) OF THE LISTING RULES

Mr. Guan Huanfei was appointed as an INED of Huarong International Financial Holdings Limited (Stock Code: 00993) (a company listed on the main board of the Stock Exchange) on 23 May 2017.

BOARD AND COMMITTEES OF THE BOARD

Executive Directors
Mak Shiu Tong, Clement *(Chairman and CEO)*
Cheng Yuk Ching, Flora *(Deputy Chairman)*
Tam Ngai Hung, Terry
Guan Huanfei
Lai Mei Kwan

Non-executive Director
Tsui Wing Tak

Independent Non-executive Directors
Chow Siu Ngor
Lau Ho Kit, Ivan
Tam King Ching, Kenny
Chow Ho Wan, Owen

Audit Committee
Lau Ho Kit, Ivan *(Chairman)*
Chow Siu Ngor
Tam King Ching, Kenny

Remuneration Committee
Chow Siu Ngor *(Chairman)*
Lau Ho Kit, Ivan
Tam King Ching, Kenny
Mak Shiu Tong, Clement
Tam Ngai Hung, Terry

Nomination Committee
Mak Shiu Tong, Clement *(Chairman)*
Tam Ngai Hung, Terry
Chow Siu Ngor
Lau Ho Kit, Ivan
Tam King Ching, Kenny

Company Secretary
Lee Wai Yan

glossary of terms

GENERAL TERMS

"2011 Scheme"	The share option scheme conditionally adopted by the Company on 27 May 2011 which took effect on 30 May 2011
"AGM"	Annual General Meeting
"Agreement"	The agreement dated 11 August 2017 entered into amongst the Company, CCT Enterprise and the Subscriber in respect of the Transactions, the completion of which took place on 11 August 2017
"Assignment"	The assignment of the Shareholder's Loan by the Company to the Subscriber or its designated nominee(s) at the assignment consideration of HK$330,000,000, under the terms and conditions of the Agreement and the deed of assignment to be entered into amongst the Company, CCT Enterprise and the Subscriber (or its designated nominee(s)) in respect of the Assignment
"Audit Committee"	The audit committee of the Company
"Board"	The board of Directors
"CB Conditions"	The terms and conditions of the Convertible Bonds
"CCT Enterprise"	CCT Enterprise Limited, a company incorporated in the British Virgin Islands with limited liability, which was an indirect wholly-owned subsidiary of the Company immediately prior to the completion of the Agreement
"CCT Fortis"	CCT Fortis Holdings Limited, a company listed on the main board of the Stock Exchange
"CCT Fortis Group"	CCT Fortis and its subsidiaries, from time to time
"CCT Securities"	CCT Telecom Securities Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of CCT Fortis
"CEO"	The chief executive officer of the Company
"CG Code"	The Corporate Governance Code as set out in Appendix 14 to the Listing Rules

"Chairman"	The chairman of the Company
"Child Products"	Feeding, health care, hygiene, safety, toy and other related products for infants and babies
"Child Products Trading Business"	The business of trading and sale of Child Products which was disposed of by the Group to the CCT Fortis Group in October 2016
"Company"	CCT Land Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
"connected person"	Has the same meaning as ascribed to it under the Listing Rules
"Convertible Bonds"	The zero coupon convertible bonds with the original aggregate principal amount of HK$1,095,671,000 issued by the Company on 7 December 2015, of which an aggregate principal amount of HK$495,671,000 was outstanding as at the date of this report
"Director(s)"	The director(s) of the Company
"Enterprise Group"	CCT Enterprise and its subsidiaries, from time to time
"Enterprise Share(s)"	Ordinary shares of US$1.00 each in the capital of CCT Enterprise
"Finance Business"	The finance business currently engaged by a subsidiary established in the Mainland China, in which the Group has 51% interest
"Group"	The Company and its subsidiaries, from time to time
"HK" or "Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Ideal Master"	Ideal Master Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is held by Mr. Choi Sung Fung
"INED(s)"	Independent non-executive director(s)

"Listing Committee"	The listing committee of the Stock Exchange for considering applications for listing and the granting of listing
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mainland China"	The mainland of the PRC
"Mainland Property Business"	The development and sale of residential and commercial properties in the Mainland China
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules
"N/A"	Not applicable
"Nomination Committee"	The nomination committee of the Company
"PRC" or "China"	The People's Republic of China
"Products"	Indoor-used cordless and corded phones and accessories, walkie-talkies, and other consumer telecom and electronic products
"Products Manufacturing Operations"	The operations of manufacturing the Products and the Child Products engaged by the Enterprise Group
"Products Trading Business"	The business of development, design and trading of the Products and the supply of the Child Products to the CCT Fortis Group, currently engaged by the Group
"Remaining Group"	The Group excluding the Enterprise Group after completion of the Agreement

"Remuneration Committee"	The remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"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)
"Shareholder's Loan"	The outstanding interest-free loan due from CCT Enterprise to the Company, which amounted to HK$330 million as at the date of the Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Estate Express Limited, a company incorporated in the British Virgin Islands with limited liability, which is a third party independent of the Company and its connected persons
"Subscription"	The subscription of the Subscription Shares in CCT Enterprise by the Subscriber and allotment and issue of the Subscription Shares by CCT Enterprise at the subscription price of US$19,998, under the terms and conditions of the Agreement, following completion of which the Subscriber would beneficially own approximately 99.99% of the entire issued share capital of CCT Enterprise as enlarged by the Subscription Shares
"Subscription Shares"	The 19,998 Enterprise Shares subscribed by the Subscriber and allotted and issued by CCT Enterprise, under the terms and conditions of the Agreement

"Takeovers Code"	The Code on Takeovers and Mergers
"Telecom Products Business"	The Products Manufacturing Operations and the Products Trading Business
"Transactions"	The Subscription and the Assignment
"US"	The United States of America
"US$"	United States dollar(s), the lawful currency of US
"%"	Per cent.

FINANCIAL TERMS

"current ratio"	Current assets divided by current liabilities
"operating profit/(loss)"	Operating profit or loss before interest and taxation
"gearing ratio"	Total borrowings (representing bank and other borrowings) divided by total capital employed (representing total Shareholders' fund plus total borrowings)
"loss per share"	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period