



大灣區投資控股集團有限公司

Stock Code : 261

2019

# contents

2	Chairman's statement
6	Financial review
12	Interim results
38	Disclosure of interests
43	Share option scheme
47	Other information
49	Corporate information
50	Glossary of terms

## chairman's statement

On behalf of the Board, I present the interim results of the Group for the six months ended 30 June 2019.

The first half of 2019 is a period of challenges and opportunities for the Group. In terms of challenges, the Company has encountered global political and economic uncertainty and the recent political unrest in Hong Kong. The protracted trade war between the USA and China, the world's two largest economies, has disrupted global supply chains and shaken financial markets. Furthermore, the business environment in Hong Kong is also affected by the protests against the extradition bill, which started in June 2019 and are continuing as at the date of this interim report. On the opportunity side, the Company's new initiatives in the Greater Bay Area, expansion plans of its property development business and finance business as well as its new energy vehicle business are expected to provide ample opportunities for the Company to grow its revenue and improve its profitability in the future.

Revenue for the six months ended 30 June 2019 was HK\$145 million, representing a decrease of 42.0% compared with revenue of HK\$250 million for the equivalent period in last year. Given adverse business environment, the Group's net loss attributable to owners of the parent was HK\$34 million, marginally increased by 3.0% as compared with the net loss of HK\$33 million for the last corresponding period.

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2019 (2018: nil).

### **BUSINESS REVIEW**

#### **Products Trading Business**

In the first half of 2019, due to the increasing trade tensions between the USA and China, the concerns over global economic slowdown and declining demand of cordless phones, certain customers of the Products Trading Business cut orders or placed less orders. As a result, sales of this business declined significantly and recorded revenue of only HK\$98 million, representing a decrease of 49.2% compared with HK\$193 million for the same period in last year. The Products Trading Business was generally break-even in 1H19 (1H18: operating profit of HK\$1 million). Such result is considered to be acceptable under the current extremely difficult operating environment. The Company is considering various options to combat the current tough situation including further cost saving measures.

## Property Business

During the period under review, we continued to sell property units of our completed projects, comprising the Landmark City and Evian Villa projects in Anshan, the Liaoning Province, China. Furthermore, we also continued to develop and presell our premier project in Anshan — the CCT Land-Jun Mansion. This project has been well received by home buyers after its launch for presale. Many units were presold during the period and a large amount of deposits has been received from home buyers. The Company plans to complete construction of Phase 1 in 2019 and the Company intends to commence construction of Phase 2 in the current year.

The Company will continue to seek opportunities to expand its Property Business in other parts of China, including but not limited to the Greater Bay Area. The Company is interested in land and property development, city renewal and redevelopment projects and integration of operations and property development projects. The Company believes that these projects in China have growth potentials.

## Finance Business

The Group's finance business is engaged in the finance business in Mainland China and the money lending business in Hong Kong.

As the peer-to-peer lending operations have become highly regulated in China, we have focused on offline finance business. The Company intends to develop and expand its finance business in the Greater Bay Area, which is expected to offer good potentials for the Company to grow its finance business.

The Company started its money lending business in Hong Kong in 2018 and since then this business has generated interest income and profit to the Company. The Company plans to grow this business and is exploring opportunities in property mortgage, leasing and hire purchase business in Hong Kong.

## EV Business

The Company's new EV business continued to make good progress in the first half of 2019. The EV prototype which we have engaged Ideenion Automobil AG, a reputable design company and solution provider based in Germany, to design and develop for us has been completed. The Company's EV prototype was shipped to Hong Kong in the first half of 2019 and has been stored in an air-conditioned garage. The Company believes that the EV business has huge business potentials in China as this business is continuously supported by the Chinese government and remains one of the most favourable investments of investors and local governments in China. Chinese government, investors and operators and large listed companies in China continue to invest huge sum of money in the research, development and manufacture of new energy vehicles. The Company will invite government officials, potential investors, manufacturers and distributors to see our EV car and will negotiate for possible co-operations with the interested parties in relation to the EV business in China.

The Company's first EV car is a sport utility vehicle, which is a popular car model in China. The Company plans to design other models of EV, in order to broaden our car models. The Company commits to develop its EV business, which is considered to have huge potentials for revenue growth and high profitability.

## New Business Opportunities in the Greater Bay Area

The Greater Bay Area initiative refer to the Chinese government's plan to integrate Hong Kong, Macau, Shenzhen, Guangzhou and seven other cities in the Guangdong Province into a world class economic and business hub. The Chinese government promulgated the plans and policy measures in February 2019 for taking forward development of the Greater Bay Area.

We consider that there are ample opportunities in the Greater Bay Area for the Company to develop and grow. In view of the importance of the Greater Bay Area to the Company in its future development and growth, the Company has changed its company name from "CCT Land Holdings Limited" to "Greater Bay Area Investments Group Holdings Limited" and its secondary name from "中建置地集團有限公司" to "大灣區投資控股集團有限公司" (the "**Change of Name**") and the Change of Name has become effective from 28 February 2019.

Since the Change of Name, the Company is proactively seeking projects in the Greater Bay Area and it is hoped that some of these potential projects will be materialised in the future.

## OUTLOOK

Looking forward, the global political and economic outlook remains uncertain, with escalating trade tensions amongst certain largest economies in the world. It is expected that the risk of global economic downturn is increasing. We are also concerned about the continuous anti-government protests in Hong Kong, which has begun to have a negative impact on the local economy.

Despite the political and economic uncertainty which we encounter, we will continue to pursue our core strategy of achieving long-term sustainable growth of the Company and enhancing long-term value of the shareholders. We will continue to pursue our initiatives in the Greater Bay Area and our expansion plans in our Property Business and the finance business. We also commit to develop our EV business. We consider that these business initiatives will have promising growth potentials.

Given the current adverse business environment, our business development plans may be affected. We will conserve our cashflow and strengthen our financial position in order to combat the future challenges.

## 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 2019

## financial review

### REVIEW OF FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		% increase/ (decrease)
	2019 (Unaudited)	2018 (Unaudited)	
Revenue	145	250	(42.0%)
Finance costs	3	5	(40.0%)
Loss before tax	(34)	(32)	6.3%
Income tax credit	1	1	–
<b>Loss for the period</b>	<b>(33)</b>	<b>(31)</b>	<b>6.5%</b>
<b>Attributable to:</b>			
Owners of the parent	(34)	(33)	3.0%
Non-controlling interests	1	2	(50.0%)
<b>Loss for the period</b>	<b>(33)</b>	<b>(31)</b>	<b>6.5%</b>

The Group's revenue in 1H19 was HK\$145 million, decreased by 42.0% as compared with HK\$250 million in 1H18. The decrease in revenue was due to the net effect of (i) the decrease in revenue from the Products Trading Business and the Property Business of HK\$95 million and HK\$18 million, respectively; and (ii) partly offset by increase in revenue of HK\$8 million from the Finance Business.

Despite significant decline in revenue, the loss attributable to owners of the parent of HK\$34 million was only HK\$1 million or 3.0% higher. The current period's loss included the share-based expenses of approximately HK\$23 million (1H18: HK\$18 million) arising from grant of share options in January 2019 under the 2011 Scheme.

**ANALYSIS BY BUSINESS SEGMENT**

HK\$ million	2019		2018		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Products Trading Business	98	67.6%	193	77.2%	(49.2%)
Property Business	34	23.4%	52	20.8%	(34.6%)
Finance Business	13	9.0%	5	2.0%	160.0%
<b>Total</b>	<b>145</b>	<b>100.0%</b>	<b>250</b>	<b>100.0%</b>	<b>(42.0%)</b>

HK\$ million	2019		2018	% increase/ (decrease)
	Amount (Unaudited)	Relative %		
Products Trading Business	-*		1	N/A
Property Business	(16)		(18)	(11.1%)
Finance Business	12		4	200.0%
<b>Total</b>	<b>(4)</b>		<b>(13)</b>	<b>(69.2%)</b>

\* less than HK\$1 million operating loss

**Products Trading Business**

In 1H19, the Products Trading Business continued to be the Group's largest segment in terms of revenue contribution, contributing 67.6% (1H18: 77.2%) of the total revenue of the Group. Revenue of the Products Trading Business was HK\$98 million, decreased by 49.2% as compared with the revenue of HK\$193 million in 1H18, due mainly to intensified trade tensions between the USA and China and increasing competition. This business segment recorded operating loss of less than HK\$1 million in 1H19 (1H18: operating profit of HK\$1 million). This operating result is acceptable in view of the significant reduction in the segmental revenue.



## Property Business

Revenue of the Property Business of HK\$34 million was HK\$18 million or 34.6% lower than 1H18, due to the fact that sales of units of the CCT Land-Jun Mansion project could not be booked in the first half of 2019 as construction of Phase 1 of the project is expected to be completed in the second half. However, this segment's operating loss of HK\$16 million was HK\$2 million or 11.1% lower. The decrease in loss was mainly due to costing savings.

## Finance Business

Operating profit of the Finance Business grew from HK\$4 million in 1H18 to HK\$12 million in 1H19 with corresponding increase in the segmental revenue. This notable growth was mainly due to the money lending business in Hong Kong, which commenced in May 2018.

## ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2019		2018		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Mainland China and Hong Kong	<b>83</b>	<b>57.2%</b>	138	55.2%	(39.9%)
North America and others	<b>50</b>	<b>34.5%</b>	71	28.4%	(29.6%)
Europe	<b>12</b>	<b>8.3%</b>	41	16.4%	(70.7%)
<b>Total</b>	<b>145</b>	<b>100.0%</b>	250	100.0%	(42.0%)

Mainland China and Hong Kong continued to be the largest market regions of the Group, contributing HK\$83 million or 57.2% of the Group's total revenue in 1H19, as compared with HK\$138 million or 55.2% of the Group's total revenue in 1H18. North America and other regions contributed HK\$50 million or 34.5% of total revenue in 1H19. Europe contributed HK\$12 million or 8.3% of the Group's total revenue in 1H19, as compared with HK\$41 million or 16.4% in 1H18. The overall decrease in the revenue contribution from the market regions was attributable to decline in sales of the Products Trading Business and reduction of property sales during the period under review.

**CAPITAL STRUCTURE AND GEARING RATIO**

HK\$ million	As at 30 June 2019		As at 31 December 2018	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Total bank and other borrowings	<b>113</b>	<b>8.9%</b>	144	10.9%
Equity	<b>1,162</b>	<b>91.1%</b>	1,173	89.1%
Total capital employed	<b>1,275</b>	<b>100.0%</b>	1,317	100.0%

The Group's gearing ratio was 8.9% as at 30 June 2019 (31 December 2018: 10.9%). The decrease in the gearing ratio was led by the combined net effect of part repayment of the Group's bank borrowings and decrease in equity during the period.

As at 30 June 2019, the maturity profile of the Group's bank and other borrowings falling due within one year amounted to HK\$113 million and amount falling due in the second to the fifth years amounted to less than HK\$1 million (31 December 2018: falling due within one year amounted to HK\$144 million and falling due in the second to the fifth years amounted to less than HK\$1 million). There was no material effect of seasonality on the Group's borrowing requirements.

**LIQUIDITY AND FINANCIAL RESOURCES**

HK\$ million	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)
Current assets	<b>1,705</b>	1,628
Current liabilities	<b>792</b>	702
Net current assets	<b>913</b>	926
Current ratio	<b>215.3%</b>	231.9%

The Group's current ratio was 215.3% as at 30 June 2019 (31 December 2018: 231.9%), reflecting strong liquidity of the Group's financial position. Of the total cash balance of HK\$200 million as at 30 June 2019 (31 December 2018: HK\$138 million), deposits with an aggregate amount of HK\$10 million (31 December 2018: HK\$15 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 had sufficient resources to finance its operations and its future expansion plan.

## **CAPITAL COMMITMENTS**

As at 30 June 2019, the Group had no capital commitment (31 December 2018: 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.

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. In the first six months of 2019, the Group did not have any significant interest rate risk as the interest rates currently remained at low level. In the period under review, the Group did not have any significant foreign exchange exposure. We will continue to monitor our 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.

## **EVENT AFTER THE REPORTING PERIOD**

There were no significant events affecting the Group after the six months financial period ended 30 June 2019.

## **CHARGE ON ASSETS**

As at 30 June 2019, certain of the Group's assets with a net book value of HK\$46 million (31 December 2018: HK\$125 million) and time deposits of the Group of HK\$10 million (31 December 2018: HK\$15 million) were pledged to secure the banking facilities granted to the Group.

## **CONTINGENT LIABILITIES**

As at 30 June 2019, the Group did not have any significant contingent liabilities (31 December 2018: nil).

## EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2019 was 71 (31 December 2018: 76). 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. During the period under review, 350,000,000 share options were lapsed and 7,830,000,000 share options were granted on 25 January 2019 under the 2011 Scheme. There were 16,135,000,000 share options outstanding as at 30 June 2019 (31 December 2018: 8,655,000,000 share options outstanding).

## interim results

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2019 together with the comparative figures for the corresponding period in 2018 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

HK\$ million	Notes	Six months ended 30 June	
		2019 (Unaudited)	2018 (Unaudited)
<b>REVENUE</b>	4	<b>145</b>	250
Cost of sales		<b>(129)</b>	(240)
Gross profit		<b>16</b>	10
Other income and gains		<b>8</b>	15
Selling and distribution expenses		<b>(6)</b>	(7)
Administrative expenses		<b>(49)</b>	(45)
Finance costs	5	<b>(3)</b>	(5)
<b>LOSS BEFORE TAX</b>	6	<b>(34)</b>	(32)
Income tax credit	7	<b>1</b>	1
<b>LOSS FOR THE PERIOD</b>		<b>(33)</b>	(31)
<b>Attributable to:</b>			
Owners of the parent		<b>(34)</b>	(33)
Non-controlling interests		<b>1</b>	2
		<b>(33)</b>	(31)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	9		
Basic and diluted			
— For loss for the period		<b>(HK0.02 cent)</b>	(HK0.02 cent)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the six months ended 30 June 2019*

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
<b>LOSS FOR THE PERIOD</b>	<b>(33)</b>	(31)
Other comprehensive loss to be reclassified to profit or loss in subsequent period, net of tax:		
Exchange differences on translation of foreign operations	–	(12)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(33)</b>	(43)
<b>Attributable to:</b>		
Owners of the parent	<b>(34)</b>	(45)
Non-controlling interests	<b>1</b>	2
	<b>(33)</b>	(43)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

30 June 2019

HK\$ million	Notes	<b>30 June 2019 (Unaudited)</b>	31 December 2018 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	9	7
Investment properties		46	46
Goodwill		41	41
Loans and interest receivables		241	241
Total non-current assets		<b>337</b>	335
<b>Current assets</b>			
Properties under development		726	683
Properties held for sale		449	486
Trade receivables	11	109	89
Loans and interest receivables	12	61	153
Prepayments, other receivables and other assets		160	79
Pledged time deposits		10	15
Cash and cash equivalents		190	123
Total current assets		<b>1,705</b>	1,628
<b>Total assets</b>		<b>2,042</b>	1,963

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*

30 June 2019

HK\$ million	Notes	<b>30 June 2019 (Unaudited)</b>	31 December 2018 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	14	<b>1,839</b>	1,839
Reserves		<b>(677)</b>	(666)
		<b>1,162</b>	1,173
Non-controlling interests		<b>37</b>	36
Total equity		<b>1,199</b>	1,209
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>51</b>	52
Total non-current liabilities		<b>51</b>	52
<b>Current liabilities</b>			
Trade payables	13	<b>269</b>	331
Tax payable		<b>1</b>	1
Other payables, receipts in advance and accruals		<b>409</b>	226
Interest-bearing bank and other borrowings		<b>113</b>	144
Total current liabilities		<b>792</b>	702
<b>Total liabilities</b>		<b>843</b>	754
<b>Total equity and liabilities</b>		<b>2,042</b>	1,963
<b>Net current assets</b>		<b>913</b>	926
<b>Total assets less current liabilities</b>		<b>1,250</b>	1,261



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2019

HK\$ million	Attributable to owners of the parent								Total	Non-controlling interest	Total equity
	Issued capital	Convertible bonds	Share premium account	Capital reserve	Share options reserve	Asset revaluation reserve	Exchange fluctuation reserve	Accumulated loss			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2019	1,839	-	341	733	31	5	(71)	(1,705)	1,173	36	1,209
(Loss)/profit for the period:	-	-	-	-	-	-	-	(34)	(34)	1	(33)
Other comprehensive loss for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	1,839	-	341	733	31	5	(71)	(1,739)	1,139	37	1,176
Equity-settled share option arrangement	-	-	-	-	23	-	-	-	23	-	23
At 30 June 2019	1,839	-	341	733	54	5	(71)	(1,739)	1,162	37	1,199
At 1 January 2018	1,343	496	341	733	24	5	(27)	(1,628)	1,287	33	1,320
(Loss)/profit for the period:	-	-	-	-	-	-	-	(33)	(33)	2	(31)
Other comprehensive loss for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(12)	-	(12)	-	(12)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(12)	(33)	(45)	2	(43)
Equity-settled share option arrangement	-	-	-	-	18	-	-	-	18	-	18
At 30 June 2018	1,343	496	341	733	42	5	(39)	(1,661)	1,260	35	1,295

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2019*

HK\$ million	Note	Six months ended 30 June	
		2019 (Unaudited)	2018 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax:		(34)	(32)
Adjustments for:			
Finance costs	5	3	5
Depreciation and amortisation		1	1
Fair value gain on investment properties		–	(2)
Equity-settled share option expense		23	18
		(7)	(10)
Increase in properties under development		(43)	(25)
Decrease in properties held for sale		37	54
Decrease in trade and loan receivables		72	42
Increase in prepayments, deposits and other receivables		(81)	(9)
Decrease in trade payables		(62)	(55)
Increase/(Decrease) in other payables and accruals		183	(32)
Increase in contract liabilities		–	31
Cash generated from/(used in) operations		99	(4)
Interest paid		(3)	(5)
Net cash flows generated from/(used in) operating activities		96	(9)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in pledged time deposits		5	28
Net cash flows generated from investing activities		5	28

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS** *(continued)*

*For the six months ended 30 June 2019*

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank loans and trust receipts loans	14	21
Repayment of bank loans and trust receipts loans	(48)	(86)
Net cash flows used in financing activities	(34)	(65)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	67	(46)
Cash and cash equivalents at beginning of the period	123	222
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	190	176
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	190	176

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated 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 interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Annual Report**”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) effective as of 1 January 2019.

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16 *Leases*, the new and revised standards are not relevant to the preparation of the Group’s interim condensed consolidated financial information.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

The nature and impact of the new and revised HKFRS is described below:

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

### **New definition of a lease**

Under HKFRS 16, a contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g. property management services for leases of properties) as a single lease component.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

### As a lessee — Leases previously classified as operating leases

#### *Nature of the effect of adoption of HKFRS 16*

The Group has lease contracts for properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases

#### *Impacts on transition*

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in interest-bearing bank and other borrowings.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The right-of-use assets were included in the property, plant and equipment.

For the leasehold land and buildings previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

	Increase HK\$ million (Unaudited)
<hr/>	
<b>Assets</b>	
Increase in property, plant and equipment	2
	<hr/>
<b>Liability</b>	
Increase in interest-bearing bank and other borrowings	2
	<hr/>

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)*

**As a lessee — Leases previously classified as operating leases** *(continued)*

*Impacts on transition (continued)*

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	Increase HK\$ million (Unaudited)
Operating lease commitments as at 31 December 2018	2
Weighted average incremental borrowing rate as at 1 January 2019	3.89%
Lease liabilities as at 1 January 2019	2

*Summary of new accounting policies*

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

*Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. The principal annual rate for this purpose is as follows:

Office premises — Over the lease term

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

### As a lessee — Leases previously classified as operating leases *(continued)*

#### *Summary of new accounting policies (continued)*

##### *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

### **Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss**

The carrying amounts of the Group's right-of-use assets (included within "property, plant and equipment") and lease liabilities (included within "interest-bearing bank and other borrowings"), and the movement during the period are as follow:

	<b>Increase/(Decrease) Right-of- use asset office premise</b>	<b>Lease liabilities</b>
	HK\$ million	HK\$ million
As at 1 January 2019	2	2
Depreciation charge	(-)*	-
Interest expense	-	-
Payment	-	-
As at 30 June 2019	2	2

\* less than HK\$1 million



### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has three reportable operating segments as follows:

- (a) the Products Trading Business segment representing sale of telecom and electronic products and supply of infant and baby products;
- (b) the Property Business segment representing the development and sale of land and properties; and
- (c) the Finance Business segment representing the finance business in the Mainland China and the money lending business in Hong Kong.

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 finance costs, the equity-settled share option expense, 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 deferred tax liabilities, tax payable and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

### 3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months period ended 30 June 2019

HK\$ million	Products Trading Business (Unaudited)	Property Business (Unaudited)	Finance Business (Unaudited)	Reconciliation (Unaudited)	Group total (Unaudited)
<b>Segment revenue:</b>					
From external customers	98	34	13	–	145
Other revenue	7	1	–	–	8
	<b>105</b>	<b>35</b>	<b>13</b>	<b>–</b>	<b>153</b>
Operating (loss)/profit	–	(16)	12	–	(4)
Finance costs	(2)	(1)	–	–	(3)
Reconciled items:					
Equity-settled share option expense	–	–	–	(23)	(23)
Corporate and other unallocated expenses	–	–	–	(4)	(4)
<b>(Loss)/profit before tax</b>	<b>(2)</b>	<b>(17)</b>	<b>12</b>	<b>(27)</b>	<b>(34)</b>
Income tax credit	–	–	–	1	1
<b>(Loss)/profit for the period</b>	<b>(2)</b>	<b>(17)</b>	<b>12</b>	<b>(26)</b>	<b>(33)</b>
<b>Other segment information:</b>					
Depreciation	(1)	–	–	–	(1)

**3. OPERATING SEGMENT INFORMATION** *(continued)*

For the six months period ended 30 June 2018

HK\$ million	Products Trading Business (Unaudited)	Property Business (Unaudited)	Finance Business (Unaudited)	Reconciliation (Unaudited)	Group total (Unaudited)
<b>Segment revenue:</b>					
From external customers	193	52	5	–	250
Other revenue	8	–	–	7	15
	201	52	5	7	265
Operating (loss)/profit	1	(18)	4	–	(13)
Finance costs	(3)	(2)	–	–	(5)
Reconciled items:					
Equity-settled share option expense	–	–	–	(18)	(18)
Corporate and other unallocated expenses	–	–	–	4	4
<b>(Loss)/profit before tax</b>	(2)	(20)	4	(14)	(32)
Income tax credit	–	–	–	1	1
<b>(Loss)/profit for the period</b>	(2)	(20)	4	(13)	(31)
<b>Other segment information:</b>					
Depreciation	(1)	–	–	–	(1)
<b>Other material non-cash items:</b>					
Fair value gain on investment properties	2	–	–	–	2

### 3. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2019

HK\$ million	Products Trading Business (Unaudited)	Property Business (Unaudited)	Finance Business (Unaudited)	Reconciliation (Unaudited)	Group Total (Unaudited)
<b>Segment assets:</b>	<b>234</b>	<b>1,315</b>	<b>375</b>	<b>-</b>	<b>1,924</b>
Reconciled items					
Corporate and other unallocated assets	-	-	-	118	118
Total assets	<b>234</b>	<b>1,315</b>	<b>375</b>	<b>118</b>	<b>2,042</b>
<b>Segment liabilities:</b>	<b>187</b>	<b>597</b>	<b>4</b>	<b>-</b>	<b>788</b>
Reconciled items					
Corporate and other unallocated liabilities	-	-	-	55	55
Total liabilities	<b>187</b>	<b>597</b>	<b>4</b>	<b>55</b>	<b>843</b>

As at 31 December 2018

HK\$ million	Products Trading Business (Audited)	Property Business (Audited)	Finance Business (Audited)	Reconciliation (Audited)	Group Total (Audited)
<b>Segment assets:</b>	<b>225</b>	<b>1,245</b>	<b>443</b>	<b>-</b>	<b>1,913</b>
Reconciled items					
Corporate and other unallocated assets	-	-	-	50	50
Total assets	<b>225</b>	<b>1,245</b>	<b>443</b>	<b>50</b>	<b>1,963</b>
<b>Segment liabilities:</b>	<b>207</b>	<b>490</b>	<b>3</b>	<b>-</b>	<b>700</b>
Reconciled items					
Corporate and other unallocated liabilities	-	-	-	54	54
Total liabilities	<b>207</b>	<b>490</b>	<b>3</b>	<b>54</b>	<b>754</b>

**3. OPERATING SEGMENT INFORMATION** *(continued)*

**Geographical information**

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
Mainland China and Hong Kong	83	138
North America and others	50	71
Europe	12	41
	<b>145</b>	<b>250</b>

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

(b) *Non-current assets*

HK\$ million	30 June	31 December
	2019 (Unaudited)	2018 (Audited)
Hong Kong	8	6
Mainland China	88	88
	<b>96</b>	<b>94</b>

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

**Information about major customers**

For the six months ended 30 June 2019, revenue from the major customers of the Products Trading Business segment was HK\$50 million, representing 34% of the Group's total revenue.

For the six months ended 30 June 2018, revenue from the major customer of the Products Trading Business segment was HK\$73 million, representing 29% of the Group's total revenue.

#### 4. REVENUE

Revenue 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 is as follows:

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of telecom and electronic products and supply of child products	98	193
Sale of properties	34	52
	132	245
<i>Revenue from other sources</i>		
Interest income from loans receivable	13	5
	145	250

4. **REVENUE** (continued)

Set out below is the disaggregation of the Group's revenue from contracts with customers:

**For the six months ended 30 June 2019 (Unaudited)**

HK\$ million	Sale of telecom, electronic and child products	Sale of properties	Total
Geographic markets:			
Mainland China and Hong Kong	36	34	70
North America	50	–	50
Asia Pacific, Europe and others	12	–	12
Total revenue from contracts with customers	98	34	132
Timing of revenue recognition:			
Goods transferred at a point in time	98	34	132

For the six months ended 30 June 2018 (Unaudited)

HK\$ million	Sale of telecom, electronic and child products	Sale of properties	Total
Geographic markets:			
Mainland China and Hong Kong	81	52	133
North America	71	–	71
Asia Pacific, Europe and others	41	–	41
Total revenue from contracts with customers	193	52	245
Timing of revenue recognition:			
Goods transferred at a point in time	193	52	245

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
Interest on bank loans	3	5

## 6. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
Cost of sales	129	240
Depreciation	1	1
Equity-settled share option expense	23	18

## 7. INCOME TAX CREDIT

No Hong Kong profits tax has been provided for the six months ended 30 June 2019 and 2018 as the Group had no profits chargeable to Hong Kong profits tax during those 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	
	2019 (Unaudited)	2018 (Unaudited)
Current — Mainland China		
Mainland China land appreciation tax	—	1
Deferred tax credit	(1)	(2)
Total tax credit for the period	(1)	(1)



## 8. DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2019 (30 June 2018: nil).

## 9. 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\$34 million (30 June 2018: HK\$33 million), and the weighted average number of 183,846,093,990 (30 June 2018: 134,278,993,990) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2019 and 2018 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.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, no fixed asset was acquired by the Group (six months ended 30 June 2018: nil).

## 11. TRADE RECEIVABLES

An aging 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:

HK\$ million	30 June 2019 (Unaudited)		31 December 2018 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	12	11	21	24
31 to 60 days	17	16	20	22
61 to 90 days	7	6	6	7
Over 90 days	73	67	42	47
	<b>109</b>	<b>100</b>	89	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 Products Trading Business and receivables from property sales in Mainland China.

## 12. LOANS AND INTEREST RECEIVABLES

HK\$ million	30 June 2019 (Unaudited)	31 December 2018 (Audited)
Loans receivable	295	383
Interest receivables	7	11
	<b>302</b>	394
Current portion	<b>(61)</b>	(153)
Non-current portion	<b>241</b>	241

The loans and interest receivables arose from the Finance Business. The credit period is generally within one to two years.

None of the loans and interest receivables were overdue.

## 13. TRADE PAYABLES

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

HK\$ million	30 June 2019 (Unaudited)		31 December 2018 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	170	63	21	6
31 to 60 days	17	6	21	6
61 to 90 days	11	4	11	3
Over 90 days	71	27	278	85
	<b>269</b>	<b>100</b>	331	100

As at 30 June 2019, included in the trade payables are trade payables of HK\$5 million (31 December 2018: HK\$9 million) due to CCT Plastic Limited, an indirect wholly-owned subsidiary of CCT Fortis, which are 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 120 days.

#### 14. SHARE CAPITAL

HK\$ million	<b>30 June 2019 (Unaudited)</b>	31 December 2018 (Audited)
Authorised:		
300,000,000,000 (31 December 2018: 300,000,000,000) ordinary shares of HK\$0.01 each	<b>3,000</b>	3,000
Issued and fully paid:		
183,846,093,990 (31 December 2018: 183,846,093,990) ordinary shares of HK\$0.01 each	<b>1,839</b>	1,839

#### 15. CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any significant contingent liabilities (31 December 2018: nil).

#### 16. PLEDGE OF ASSETS

At 30 June 2019, the Group's interest-bearing bank borrowings were secured by:

- (a) 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 HK\$46 million (31 December 2018: HK\$46 million);
- (b) the Group's properties held for sale situated in the Mainland China was not pledged at the end of this reporting period (31 December 2018: properties held for sale with a book value of HK\$79 million were pledged); and
- (c) the pledge of certain of the Group's time deposits amounting to HK\$10 million (31 December 2018: HK\$15 million).

## 17. 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 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

HK\$ million	30 June 2019 (Unaudited)	31 December 2018 (Audited)
Within one year	2	2
In the second to fifth years, inclusive	3	4
	5	6

### (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 two to three years.

At 30 June 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

HK\$ million	30 June 2019 (Unaudited)	31 December 2018 (Audited)
Within one year	—*	—*
In the second to fifth years, inclusive	—	—
	—	—

\* less than HK\$1 million

## 18. COMMITMENTS

The Group had no material capital commitment as at 30 June 2019 (31 December 2018: nil).

## 19. RELATED PARTY TRANSACTIONS

- (a) CCT Fortis is a substantial shareholder of the Company as it held indirectly approximately 15.48% shareholding interest of the Company as at 30 June 2019. As such, members of the CCT Fortis Group are related parties of the Company. During the six months ended 30 June 2019, the Group had conducted the following related party transactions with the CCT Fortis Group:

HK\$ million	Notes	Six months ended 30 June	
		2019 (Unaudited)	2018 (Unaudited)
CCT Fortis Group:			
<i>Continuing connected transactions:</i>			
Purchase of components	(i), (v)	13	22
Sales of Child Products	(ii), (v)	50	72
Management information system service fee	(iii), (v)	3	3
<i>Related party transactions:</i>			
Security and guarantee for the payment, performance and discharge of the undertakings, obligations and liabilities under the financial assistance provided by the CCT Fortis	(iv), (v)	53	53

Notes:

- (i) The components were purchased by the Group from a wholly-owned subsidiary of CCT Fortis, pursuant to the terms and conditions of a manufacturing agreement dated 9 November 2018 (the "**Component Manufacturing Agreement**") entered into between the Company and CCT Fortis. The Component Manufacturing Agreement has a term of three years from 1 January 2019 to 31 December 2021, under which CCT Fortis agreed to manufacture and supply through its subsidiaries certain plastic casings, components and any other component products to the Group. The purchase prices of products were determined based on the direct material costs plus a mark-up of no more than 250%.

**19. RELATED PARTY TRANSACTIONS** *(continued)*(a) *(continued)*Notes: *(continued)*

- (ii) This represented transaction amount for the supply of the Child Products by the Group to the CCT Fortis Group. On 15 November 2018, the Company entered into an agreement (the “**Child Products Supply Agreement**”) with CCT Fortis, which has a term of three years from 1 January 2019 to 31 December 2021. In respect of the transactions contemplated the Child Products Supply Agreement, the price of the Child Products to be 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%.
- (iii) The management information system service fee was charged by the Company to CCT Fortis 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 dated 6 December 2017 entered into between the Company and CCT Fortis. This agreement has a term of three years from 1 January 2018 to 31 December 2020.
- (iv) The amount of guarantee represented the corporate guarantees provided by CCT Fortis to secure certain bank borrowings of the Group. These banking facilities were utilised to be extent of \$16 million by the Group as at 30 June 2019 (31 December 2018: HK\$18 million).
- (v) The related party transactions set out in Notes (i), (ii) and (iii) above constituted non-exempted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the requirements under Chapter 14A of the Listing Rules in relation to the aforesaid non-exempted continuing connected transactions. The related party transactions set out in Note (iv) above constituted exempted connected transactions for the Company under the Listing Rules.

(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:

HK\$ million	Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
Short term employee benefits	24	22

**20. APPROVAL OF THE INTERIM REPORT**

This interim report was approved by the Board on 29 August 2019.

## disclosure of interests

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, 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) (i) as recorded in the register required to be kept by the Company under section 352 of the SFO; or (ii) as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO; or (iii) as notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company:

#### Interests and short positions in the Shares and the underlying Shares as at 30 June 2019

Long positions:

Name of Directors	Number of Shares/underlying Shares			Total Interests	Approximate % of the total number of issued Shares*
	Personal Interests	Corporate Interests	Equity Derivatives <i>Share Options</i>		
<b>Executive Directors</b>					
Mak Shiu Tong, Clement ("Mr. Mak")	–	28,467,100,000 (Note 1)	2,620,000,000 (Notes 2 & 3)	31,087,100,000	16.91%
Cheng Yuk Ching, Flora	–	–	3,445,000,000 (Notes 2 & 4)	3,445,000,000	1.87%
Tam Ngai Hung, Terry	10,000,000	–	3,445,000,000 (Notes 2 & 4)	3,455,000,000	1.88%
<b>Independent Non-executive Directors</b>					
Chow Siu Ngor	–	–	35,000,000 (Notes 2 & 5)	35,000,000	0.01%
Lau Ho Kit, Ivan	–	–	35,000,000 (Notes 2 & 5)	35,000,000	0.01%
Tam King Ching, Kenny	–	–	35,000,000 (Notes 2 & 5)	35,000,000	0.01%

\* The percentage was calculated based on 183,846,093,990 Shares in issue as at 30 June 2019.

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES***(continued)***Interests and short positions in the Shares and the underlying Shares as at 30 June 2019***(continued)*

Notes:

1. The interests disclosed represented 28,467,100,000 Shares held indirectly by CCT Fortis through its indirect wholly-owned subsidiary, CCT Securities. Mr. Mak was deemed to be interested in the aforesaid 28,467,100,000 Shares under the SFO as he was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Fortis through his interests in the shareholding of approximately 53.70% of the total issued share capital of CCT Fortis as at 30 June 2019.
2. These represented underlying Shares of the outstanding share options granted to the Directors pursuant to the 2011 Scheme as at 30 June 2019.
3. The 2,620,000,000 share options interested by Mr. Mak represented (i) the share options granted to Mr. Mak on 18 January 2017 to subscribe for 1,300,000,000 Shares at the exercise price of HK\$0.011 per Share, exercisable during the exercisable period from 18 January 2017 to 17 January 2027; and (ii) the share options granted to Mr. Mak on 25 January 2018 to subscribe for 1,320,000,000 Shares at the exercise price of HK\$0.01 per Share, exercisable during the exercisable period from 25 January 2018 to 24 January 2028.
4. The 3,445,000,000 share options interested by each of Ms. Cheng Yuk Ching, Flora and Mr. Tam Ngai Hung, Terry represented (i) the share options granted to each of these two executive Directors on 18 January 2017 to subscribe for 825,000,000 Shares at the exercise price of HK\$0.011 per Share, exercisable during the exercisable period from 18 January 2017 to 17 January 2027; (ii) the share options granted to each of these two executive Directors on 25 January 2018 to subscribe for 1,320,000,000 Shares at the exercise price of HK\$0.01 per Share, exercisable during the exercisable period from 25 January 2018 to 24 January 2028; and (iii) the share options granted to each of these two executive Directors on 25 January 2019 to subscribe for 1,300,000,000 Shares at the exercise price of HK\$0.01 per Share, exercisable during the exercisable period from 25 January 2019 to 24 January 2029.
5. The 35,000,000 share options interested by each of Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Tam King Ching, Kenny represented (i) the share options granted to each of these three INEDs on 17 January 2014 to subscribe for 5,000,000 Shares at the exercise price of HK\$0.01 per Share, exercisable during the exercisable period from 17 January 2014 to 16 January 2024; (ii) the share options granted to each of these three INEDs on 18 January 2017 to subscribe for 10,000,000 Shares at the exercise price of HK\$0.011 per Share, exercisable during the exercisable period from 18 January 2017 to 17 January 2027; (iii) the share options granted to each of these three INEDs on 25 January 2018 to subscribe for 10,000,000 Shares at the exercise price of HK\$0.01 per Share, during the exercisable period from 25 January 2018 to 24 January 2028; and (iv) the share options granted to each of these three INEDs on 25 January 2019 to subscribe for 10,000,000 Shares at the exercise price of HK\$0.01 per Share, during the exercisable period from 25 January 2019 to 24 January 2029.



## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES**

*(continued)*

### **Interests and short positions in the Shares and the underlying Shares as at 30 June 2019**

*(continued)*

Save as disclosed above, as at 30 June 2019, 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) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or were required, pursuant to the Model Code adopted by the Company, to be notified to the Company and the Stock Exchange.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests in Shares and Underlying Shares" above and "Share Option Scheme" below, at no time during the period for the six months ended 30 June 2019 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable any of 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 2019, so far as was known to, or could be ascertained after reasonable enquiries by, the Directors, the following persons (other than 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:

### Interests and short positions in the Shares and the underlying Shares as at 30 June 2019

*Long positions:*

Name of substantial Shareholders	Number of Shares/underlying Shares and nature of interests			Approximate % of the total number of issued Shares*
	Personal Interests	Corporate Interests	Total Interests	
CCT Fortis Holdings Limited	–	28,467,100,000 (Notes 1 & 2)	28,467,100,000	15.48%
CCT Capital International Holdings Limited	–	28,467,100,000 (Notes 1 & 2)	28,467,100,000	15.48%
CCT Telecom Securities Limited	28,467,100,000 (Notes 1 & 2)	–	28,467,100,000	15.48%
Ever Sino Group Limited	25,200,000,000 (Note 3)	–	25,200,000,000	13.70%
Han Zhiying	–	25,200,000,000 (Note 3)	25,200,000,000	13.70%

\* The percentage was calculated based on 183,846,093,990 Shares in issue as at 30 June 2019.

Notes:

- The interests stated represented 28,467,100,000 Shares held by CCT Securities, which is an indirect wholly-owned subsidiary of CCT Fortis.
- CCT Securities is a direct wholly-owned subsidiary of CCT Capital International Holdings Limited which is in turn a direct wholly-owned subsidiary of CCT Fortis.
- The interests stated represented 25,200,000,000 Shares directly held by Ever Sino Group Limited. Ms. Han Zhiying was deemed to be interested in the aforesaid 25,200,000,000 Shares under the SFO as she held 100% shareholding of the total issued share capital of Ever Sino Group Limited as at 30 June 2019.

**SUBSTANTIAL SHAREHOLDERS' INTERESTS** *(continued)*

**Interests and short positions in the Shares and the underlying Shares as at 30 June 2019**  
*(continued)*

Save for Mr. Mak, Ms. Cheng Yuk Ching, Flora and Mr. Tam Ngai Hung, Terry who are executive Directors and also are directors of CCT Fortis, CCT Capital International Holdings Limited and CCT Securities; and Mr. Chow Siu Ngor and Mr. Tam King Ching, Kenny who are INEDs and also are independent non-executive directors of CCT Fortis, no other Director is a director or employee of the above substantial Shareholders which have an interest or short position in the Shares and 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.

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 2019, 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

## SHARE OPTION SCHEME

At the AGM 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 then became effective on 30 May 2011. This is the date on which the Listing Committee 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 will be valid for a period of 10 years from the date of its adoption (i.e. 27 May 2011).

### The 2011 Scheme

On 25 January 2019 (the “**2019 Grant Date**”), a total of 7,830,000,000 share options were granted under the 2011 Scheme with an exercise price of HK\$0.01 per Share. Basis of determining the exercise price of HK\$0.01 per Share was not less than the highest of: (i) the closing price of HK\$0.01 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the 2019 Grant Date; and (ii) the average closing price of HK\$0.01 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the 2019 Grant Date.

During the six months period ended 30 June 2019, the movements on the share options under the 2011 Scheme was as follows:

Name and/ or category	Date of grant	Exercise period	Exercise price per Share HK\$	Number of share options				Fair value of the share options granted to each category as at the date of grant HK\$
				Outstanding as at 1 January 2019 '000	Granted during the period '000	Exercised during the period '000	Cancelled/ Lapsed/ during the period '000	
<b>Executive Directors</b>								
Mak Shiu Tong, Clement	18/1/2017	18/1/2017 – 17/1/2027	0.011	1,300,000	-	-	-	1,300,000
	25/1/2018	25/1/2018 – 24/1/2028	0.010	1,320,000	-	-	-	1,320,000
							Sub-total	2,620,000
Cheng Yuk Ching, Flora	18/1/2017	18/1/2017 – 17/1/2027	0.011	625,000	-	-	-	625,000
	25/1/2018	25/1/2018 – 24/1/2028	0.010	1,320,000	-	-	-	1,320,000
	25/1/2019	25/1/2019 – 24/1/2029	0.010	-	1,300,000	-	-	1,300,000
							Sub-total	3,445,000

**SHARE OPTION SCHEME** (continued)

**The 2011 Scheme** (continued)

Name and/ or category	Date of grant	Exercise period	Exercise price per Share HK\$	Number of share options				Outstanding as at 30 June 2019 '000	Fair value of the share options granted to each category as at the date of grant HK\$
				Outstanding as at 1 January 2019 '000	Granted during the period '000	Exercised during the period '000	Cancelled/ Lapsed during the period '000		
<b>Executive Directors</b>									
Tam Ngai Hung, Terry	18/1/2017	18/1/2017 – 17/1/2027	0.011	825,000	–	–	–	825,000	
	25/1/2018	25/1/2018 – 24/1/2028	0.010	1,320,000	–	–	–	1,320,000	
	25/1/2019	25/1/2019 – 24/1/2029	0.010	–	1,300,000	–	–	1,300,000	
							Sub-total	3,445,000	
Xu Jinhuan (resigned on 20/3/2019)	25/1/2019	25/1/2019 – 24/1/2029	0.010	–	1,300,000	–	–	1,300,000	10,243,000
<b>Independent Non-executive Directors</b>									
Chow Siu Ngor	17/1/2014	17/1/2014 – 16/1/2024	0.010	5,000	–	–	–	5,000	
	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000	–	–	–	10,000	
	25/1/2018	25/1/2018 – 24/1/2028	0.010	10,000	–	–	–	10,000	
	25/1/2019	25/1/2019 – 24/1/2029	0.010	–	10,000	–	–	10,000	
							Sub-total	35,000	
Lau Ho Kit, Ivan	17/1/2014	17/1/2014 – 16/1/2024	0.010	5,000	–	–	–	5,000	
	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000	–	–	–	10,000	
	25/1/2018	25/1/2018 – 24/1/2028	0.010	10,000	–	–	–	10,000	
	25/1/2019	25/1/2019 – 24/1/2029	0.010	–	10,000	–	–	10,000	
							Sub-total	35,000	
Tam King Ching, Kenny	17/1/2014	17/1/2014 – 16/1/2024	0.010	5,000	–	–	–	5,000	
	18/1/2017	18/1/2017 – 17/1/2027	0.011	10,000	–	–	–	10,000	
	25/1/2018	25/1/2018 – 24/1/2028	0.010	10,000	–	–	–	10,000	
	25/1/2019	25/1/2019 – 24/1/2029	0.010	–	10,000	–	–	10,000	
							Sub-total	35,000	80,000
Sub-total for the Directors				6,985,000	3,930,000	–	–	10,915,000	10,423,000

**SHARE OPTION SCHEME** (continued)**The 2011 Scheme** (continued)

Name and/ or category	Date of grant	Exercise period	Exercise price per Share HK\$	Number of share options				Outstanding as at 30 June 2019 '000	Fair value of the share options granted to each category as at the date of grant HK\$
				Outstanding as at 1 January 2019 '000	Granted during the period '000	Exercised during the period	Cancelled/ Lapsed during the period '000		
Employees	25/1/2018	25/1/2018 – 24/1/2028	0.010	1,320,000	-	-	-	1,320,000	
	25/1/2019	25/1/2019 – 24/1/2029	0.010	-	2,600,000	-	-	2,600,000	8,529,000
Other participants	25/1/2019	25/1/2019 – 24/1/2029	0.010	350,000	1,300,000	-	350,000	1,300,000	4,265,000
<b>Total</b>				<b>8,655,000</b>	<b>7,830,000</b>	<b>-</b>	<b>350,000</b>	<b>16,135,000</b>	<b>23,217,000</b>

Save as disclosed above, no share options was granted, exercised, cancelled or lapsed under the 2011 Scheme during the six months period ended 30 June 2019. Subsequent to the six months period ended 30 June 2019, 6,010 share options which were granted on 25 January 2019 to an eligible participant were exercised at HK\$0.010 per Share in July 2019 and resulted the issue of 6,010 additional ordinary shares of the Company.

On 25 January 2019, the Company granted a total of 7,830,000,000 share options, of which 3,930,000,000 share options were granted to the Directors with fair value of approximately HK\$10,423,000, 2,600,000,000 share options were granted to employees with fair value of approximately HK\$8,529,000 and 1,300,000,000 share options were granted to other participants with fair value of approximately HK\$4,265,000.

The closing price of the Shares immediately before the 2019 Grant Date, as quoted in the Stock Exchange's daily quotation sheet, was HK\$0.01 per Share.

**SHARE OPTION SCHEME** *(continued)*

**The 2011 Scheme** *(continued)*

The total fair value of the equity-settled share options granted on 25 January 2019 was HK\$23,217,000 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:

	<b>Date of Grant</b> <b>25 January 2019</b>
Dividend yield	0.00%
Expected volatility	61.20%
Historical volatility	61.20%
Risk-free interest rate	2.47%
Expected life of share options	10 years

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. The Company recognised a total share-based expense of HK\$23,217,000 for the six months ended 30 June 2019 in relation to share options granted on 25 January 2019.

There were 16,134,993,990 share options in aggregate outstanding under the 2011 Scheme as at the date of this interim report, and the total number of Shares to be issued upon exercise of the share option is 16,134,993,990 which represented approximately 8.78% of the total number of issued shares 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 16,134,993,990 additional ordinary shares and an additional share capital and share premium (before issue expense) of HK\$164,329,939.90 in the Company.

## other information

### **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 period for the six months ended 30 June 2019.

### **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 2019 to 30 June 2019, except for the minor deviations from the following Code Provisions of the CG Code:

#### **Code Provision A.2.1**

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. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

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 2019.

Mr. Mak 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 three 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. Moreover, 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**

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 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 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) shall not be subject to retirement by rotation 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 2018 annual report of the Company issued in April 2019.

### **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 current 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 2019.

### **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 2019 has been reviewed by the Audit Committee.

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

Mr. Tam Ngai Hung, Terry resigned on 6 May 2019 as an authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules and Ms. Sze Suet Ling was appointed as an authorised representative of the Company on 6 May 2019 to replace Mr. Tam.

Mr. Xu Jinhuan resigned as an executive Director on 20 March 2019.

# corporate information

## COMPANY NAME

Greater Bay Area Investments Group Holdings Limited

## 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

### Independent Non-executive Directors

Chow Siu Ngor  
Lau Ho Kit, Ivan  
Tam King Ching, Kenny

### 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

Sze Suet Ling

## PRINCIPAL BANKERS

Nanyang Commercial Bank, Limited  
Hang Seng Bank Limited

## REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F., CCT Telecom Building  
11 Wo Shing Street, Fotan  
Shatin, New Territories  
Hong Kong

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## TELEPHONE NUMBER

+852 2102 8138

## FAX NUMBER

+852 2102 8100

## COMPANY WEBSITE

[www.gbaholdings.com](http://www.gbaholdings.com)

## STOCK CODE


261

## **glossary of terms**

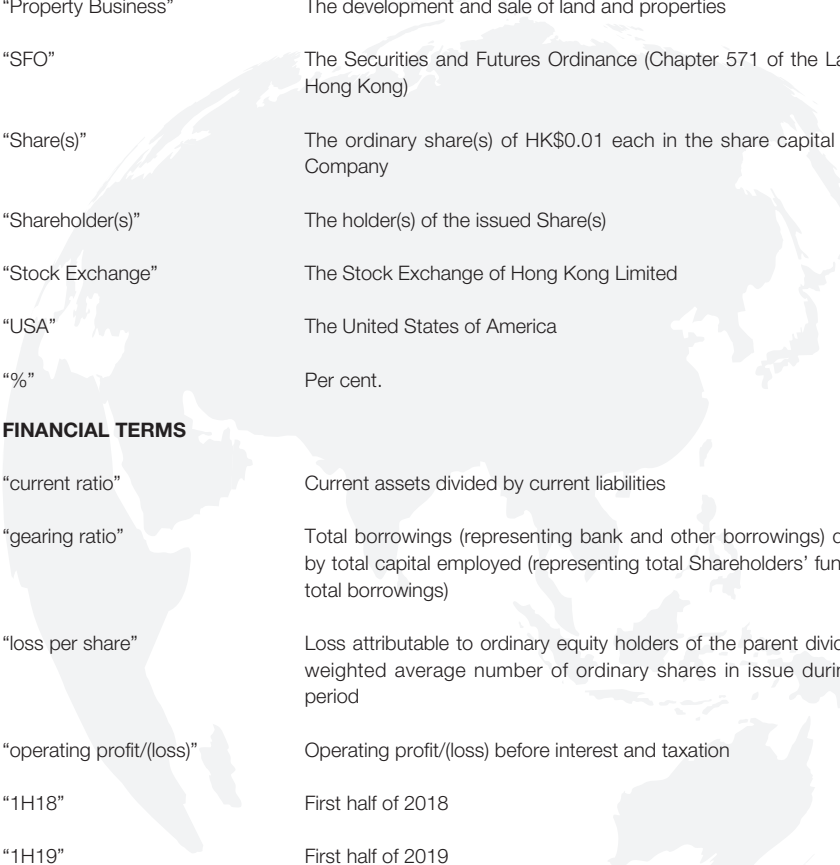
### **GENERAL TERMS**



“2011 Scheme”	The share option scheme conditionally adopted by the Company on 27 May 2011 which took effect on 30 May 2011
“AGM”	The annual general meeting of the Company
“Audit Committee”	The audit committee of the Company
“Board”	The board of Directors
“CCT Fortis”	CCT Fortis Holdings Limited (stock code: 138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, being a substantial shareholder of the Company
“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, which is principally engaged in securities business
“CEO”	The chief executive officer of the Company
“CG Code”	The corporate governance code contained 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
“China” or “PRC”	The People’s Republic of China
“Company”	Greater Bay Area Investments Group Holdings Limited (formerly known as “CCT Land Holdings Limited”) (stock code: 261), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange



“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, which have been fully converted into Shares and there was no outstanding amount as at 31 December 2018 and thereafter
“Director(s)”	The director(s) of the Company
“EV”	The electric vehicles
“Finance Business”	The finance business engaged by the Group in the Mainland China and the money lending business in Hong Kong
“Group”	The Company and its subsidiaries, from time to time
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“INED(s)”	The 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
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“N/A”	Not applicable
“Products”	Indoor-used cordless and corded phones and accessories, walkie-talkies, and other consumer telecom and electronic products
“Products Trading Business”	The business of trading of the Products and the supply of the Child Products to the CCT Fortis Group, currently engaged by the Group



“Property Business”	The development and sale of land and properties
“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)”	The holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USA”	The United States of America
“%”	Per cent.
<b>FINANCIAL TERMS</b>	
“current ratio”	Current assets divided by current liabilities
“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
“operating profit/(loss)”	Operating profit/(loss) before interest and taxation
“1H18”	First half of 2018
“1H19”	First half of 2019

