



CCTI RESOURCES | 中建資源集團有限公司
Third Quarterly Report 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors of CCT Resources Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

BUSINESS REVIEW

The Company together with its subsidiaries (the "Group") recorded a turnover of approximately HK\$21,162,000 for the nine months ended 31 December 2008 (2007: HK\$31,402,000), representing a decrease of approximately 33% due to the global financial crisis which affected the business of the B2B Business and the disposal of the B2B Business in September 2008.

The Group incurred a loss of approximately HK\$27,262,000 for the period under review as compared to a loss of approximately HK\$2,234,000 in the same period last year.

The increase in loss for the nine months ended 31 December 2008 was mainly due to (i) charging of non-cash imputed interest in the amount of approximately HK\$19,939,000 on the liability components of the zero coupon convertible bonds issued in August 2008 for the acquisition of the forestry business; (ii) inclusion of the operating costs of the forestry business in the amount of approximately HK\$5,892,000 since its acquisition; and (iii) the increased operating loss from the discontinued B2B Business due to the global financial crisis and the worsening operating environment. The increased loss has been partly offset by the realised gain of approximately HK\$3,362,000 arising from the disposal of the B2B Business (the "Disposal"). The Disposal was completed in September 2008.

After completion of the acquisition of the forestry business in August 2008, the Group has entered into the natural resources business. The Group will be engaged through the MTG Group in the upstream operations of logging and harvest of timber in the natural forests with total areas of approximately 313,500 hectares in Papua, Indonesia. The MTG Group will also be engaged in the downstream operations of producing timber and other wood products for export out of Indonesia. Business plans have been drawn up and implemented according to schedule to develop and establish the forestry business. It is expected that forestry operations will start in the first quarter of 2009 and revenue will be generated in the second quarter of 2009.

The Company has put more resources and effort into the trading business. Despite a difficult business environment due to the financial turmoil, the trading business reported a significant increase in turnover in the third quarter of 2008 as compared with the corresponding period.

Conversion of MCL Convertible Bonds and Manistar Convertible Bonds

On 12 August 2008, the Company issued convertible bonds to Merdeka Commodities Limited (an independent third party) with aggregate nominal value of HK\$776,880,000 (the "MCL Convertible Bonds") as part of the consideration for the acquisition of the forestry business in Papua, Indonesia. On 12 August 2008, the Company also issued convertible bonds to Manistar Enterprises Limited (the holding company of the Company and a wholly-owned subsidiary of CCT Telecom) with a nominal value of HK\$138,840,000 (the "Manistar Convertible Bonds") to provide funds for the development and operations of the forestry business.

In October 2008, the MCL Convertible Bonds with a nominal value of HK\$20,000,000 and the Manistar Convertible Bonds with a nominal value of HK\$60,000,000 were converted into 200,000,000 shares and 600,000,000 shares of the Company respectively.

In December 2008, the MCL Convertible Bonds with an aggregate nominal value of HK\$40,000,000 were converted into 400,000,000 shares of the Company.

On 31 December 2008, Manistar Convertible Bonds with a remaining nominal value of HK\$78,840,000 were converted into 788,400,000 shares of the Company.

The conversions of the MCL Convertible Bonds and the Manistar Convertible Bonds during the three months ended 31 December 2008 enhanced the capital base of the Company and improved the financial position of the Group.

OUTLOOK

The financial turmoil has adversely impacted the global economy. Despite the global economic downturn, the Board is optimistic towards the long-term prospect of the forestry business given the increasing global demands for natural timber and wood products in the long run. In consequence of huge demand of natural timber and wood products versus diminishing supply, the price of natural timber and wood products are expected to maintain at a high level. The Board will continue to adhere to its established development strategic plan and believe that the forestry business will become the key driver of growth to the Group's business. The Board believes that the forestry business that the Group has acquired will have huge potential and good future prospect. The Board will continue to dedicate resources into the trading business and believes that when the financial crisis settles down, the business has good potential to grow further.

UNAUDITED CONDENSED CONSOLIDATED QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2008

The Board of the Company hereby announces that the unaudited condensed consolidated quarterly results of the Group for the three months and the nine months ended 31 December 2008, together with the comparative unaudited figures for the corresponding periods in 2007, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 31 December 2008

	Notes	Three months ended		Nine months ended	
		31 December		31 December	
		2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
REVENUE	2	5,324	9,236	21,162	31,402
Cost of sales		(5,218)	(5,793)	(16,282)	(19,782)
Gross profit		106	3,443	4,880	11,620
Other income and gains		4,901	1,024	8,777	1,744
Selling and distribution costs		-	(606)	(1,443)	(1,981)
General and administrative expenses		(6,623)	(4,189)	(17,171)	(11,347)
Advertising and promotion expenses		-	(570)	(1,708)	(2,302)
Other expense		(113)	-	(799)	(41)
Share of profits and losses of associates		-	83	141	73
Finance costs	3	(12,567)	-	(19,939)	-
LOSS BEFORE TAX		(14,296)	(815)	(27,262)	(2,234)
Tax	4	-	-	-	-
LOSS FOR THE PERIOD		(14,296)	(815)	(27,262)	(2,234)
Loss attributable to:					
Equity holders of the parent		(14,208)	(710)	(26,886)	(2,065)
Minority interests		(88)	(105)	(376)	(169)
LOSS FOR THE PERIOD		(14,296)	(815)	(27,262)	(2,234)

	Notes	Three months ended		Nine months ended	
		31 December		31 December	
		2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Represented by:					
Loss for the period from continuing operations		(14,296)	(377)	(23,690)	(490)
Loss for the period from discontinued operations		-	(438)	(3,572)	(1,744)
		(14,296)	(815)	(27,262)	(2,234)
DIVIDEND	6	-	-	-	-
LOSS PER SHARE					
ATTRIBUTABLE TO					
ORDINARY EQUITY					
HOLDERS OF THE					
PARENT (HK cents)	7				
Basic					
- For loss for the period		(0.70)	(0.07)	(1.81)	(0.20)
- For loss for the period from continuing operations		(0.70)	(0.03)	(1.59)	(0.05)
Diluted		N/A	N/A	N/A	N/A

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1. Basis of preparation

The unaudited condensed consolidated quarterly financial statements have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention. These unaudited condensed consolidated quarterly financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's audited annual financial statements for the year ended 31 March 2008. The unaudited condensed consolidated quarterly results of the Group for the nine months ended 31 December 2008 and the 2008 quarterly report of the Company have been reviewed by the Company's audit committee.

2. Revenue

Revenue, which is also the Group's turnover, represents the sales of goods and the value of services rendered during the three-month and nine-month periods under review.

An analysis of revenue is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Continuing operations:				
- Trading business	5,324	83	5,860	1,504
Discontinued operations:				
- B2B business	-	9,153	15,302	29,898
	5,324	9,236	21,162	31,402

3. Finance costs

Amount represents the imputed interest on the MCL Convertible Bonds and the Manistar Convertible Bonds for the nine months ended 31 December 2008.

4. Tax

No provision for Hong Kong profits tax has been made as the Group either did not generate any assessable profits arising in Hong Kong during the period (2007: Nil) or had available tax losses brought forward from prior years to offset the assessable profits generated during the period (2007: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

5. Discontinued operations

On 8 August 2008, the Company entered into a conditional sale and purchase agreement with an independent third party for the sale of the B2B Business (the "Sale Transaction") at a consideration of approximately HK\$12,000,000. The consideration was satisfied by way of cash.

The Sale Transaction was completed on 23 September 2008.

The results of the B2B business for the period are presented below:

	Three months ended 31 December		Nine months ended 31 December	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Revenue	-	9,153	15,302	29,898
Cost of sales	-	(5,783)	(10,687)	(18,588)
Gross profit	-	3,370	4,615	11,310
Other income and gains	-	161	243	215
Selling and distribution costs	-	(606)	(1,443)	(1,981)
General and administrative expenses	-	(2,876)	(8,096)	(9,018)
Advertising and promotion expenses	-	(570)	(1,708)	(2,302)
Other expenses	-	-	(686)	(41)
Share of profits and losses of associates	-	83	141	73
Loss before tax	-	(438)	(6,934)	(1,744)
Tax	-	-	-	-
Loss for the period from discontinued operations	-	(438)	(6,934)	(1,744)
Gain on disposal of the discontinued operations	-	-	3,362	-
	-	(438)	(3,572)	(1,744)
Loss per share (HK cents): (Note 7)				
Basic, from the discontinued operations	-	(0.03)	(0.23)	(0.15)
Diluted, from the discontinued operations	-	N/A	N/A	N/A

Dilutive loss per share amounts have not been disclosed as share options and convertible bonds outstanding have anti-dilutive effects on the basic loss per share amounts.

6. Dividend

No quarterly dividend has been paid or declared by the Company or any of its subsidiaries during the nine months ended 31 December 2008 (2007: Nil).

7. Loss per share attributable to ordinary equity holders of the parent

The calculation of basic per share are based on:

	Three months ended 31 December		Nine months ended 31 December	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Loss				
Loss attributable to ordinary equity holders of the parent				
- continuing operations	(14,208)	(377)	(23,527)	(490)
- discontinued operations	-	(333)	(3,359)	(1,575)
	(14,208)	(710)	(26,886)	(2,065)
Shares				
Weighted average number of ordinary shares in issue during the period	2,026,705,522	1,089,967,500	1,483,258,091	1,032,594,938

Dilutive loss per share amounts have not been disclosed as share options and convertible bonds outstanding have anti-dilutive effects on the basic loss per share amounts.

8. Movement of reserves

	Share	Contributed surplus	Share	Exchange	Equity component of		Total	Minority Interest	Total Equity
	premium		option	fluctuation	convertible	Accumulated			
	account		reserve	reserve	bonds	losses			
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2008	75,006	66,710	1,605	169	-	(97,450)	46,040	(4)	46,036
Exercise of share options	1,613	-	(650)	-	-	-	963	-	963
Issue of convertible bonds	-	-	-	-	173,435	-	173,435	-	173,435
Acquisition of subsidiaries	-	-	-	-	-	-	-	42,172	42,172
Issue of new shares upon conversion of convertible bonds	182,282	-	-	-	(37,613)	-	144,669	-	144,669
Exchange realignment	-	-	-	(8,800)	-	-	(8,800)	-	(8,800)
Net loss for the period	-	-	-	-	-	(26,886)	(26,886)	(376)	(27,262)
At 31 December 2008	258,901	66,710	955	(8,631)	135,822	(124,336)	329,421	41,792	371,213
At 1 April 2007	32,634	66,710	2,582	(8)	-	(88,347)	13,571	(51)	13,520
Issue of shares, net of share issue expenses	41,445	-	-	-	-	-	41,445	-	41,445
Exchange realignment	-	-	-	(2)	-	-	(2)	-	(2)
Capital contribution by a minority shareholder	-	-	-	-	-	-	-	300	300
Net loss for the period	-	-	-	-	-	(2,065)	(2,065)	(169)	(2,234)
At 31 December 2007	74,079	66,710	2,582	(10)	-	(90,412)	52,949	80	53,029

9. Comparative Figures

Certain comparative figures have been represented as a result of the reclassification of the discontinued operations.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2008, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 Rule 5.46 of the GEM Listing Rules:

(a) Interests and short positions in the shares and the underlying shares of the share options of the Company as at 31 December 2008

- (i) Long positions in the shares of the Company:

Name of director	Number of the shares interested and nature of interest			Total	Approximate percentage of the total issued share capital (%)
	Personal	Corporate			
Mak Shiu Tong, Clement (<i>Note</i>)	19,344,000	2,031,764,070	2,051,108,070	64.03	
Tam Ngai Hung, Terry	7,500,000	-	7,500,000	0.23	
Fung Hoi Wing, Henry	550,000	-	550,000	0.02	
Lau Ho Wai, Lucas	950,000	-	950,000	0.03	
Ma Hang Kon, Louis (<i>appointed on 3 October 2008</i>)	1,180,000	-	1,180,000	0.04	

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 shares of the Company were held by Manistar Enterprises Limited ("Manistar") (a wholly-owned subsidiary of CCT Telecom Holdings Limited ("CCT Telecom")). Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of the Company under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom. The interest of Mr. Mak Shiu Tong, Clement in these shares of the Company has also been disclosed under the section headed "Substantial Shareholders' Interests in Shares and Underlying Shares of the Company" below.

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

(a) Interests and short positions in the shares and the underlying shares of the share options of the Company as at 31 December 2008 *(continued)*

(ii) Long positions in the underlying shares of the share options of the Company:

Name of director	Date of grant of the share options	Exercise period of the share options	Exercise price per share HK\$	Number of the share options outstanding	Number of the underlying shares	Approximate percentage of the total issued share capital (%)
Mak Shiu Tong, Clement	14/8/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.70
Tam Ngai Hung, Terry	14/8/2006	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.56
Cheng Yuk Ching, Flora	14/8/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.16
William Donald Puff	14/8/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.16
Ma Hang Kon, Louis <i>(appointed on 3 October 2008)</i>	6/10/2008	6/4/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.16
	6/10/2008	6/10/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.16
Chan Hoi Tung, Tony <i>(appointed on 13 November 2008)</i>	14/11/2008	14/5/2009 – 13/8/2011	0.116	4,000,000	4,000,000	0.12
	14/11/2008	14/11/2009 – 13/8/2011	0.116	4,000,000	4,000,000	0.12

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Telecom as at 31 December 2008

Long positions in the shares of CCT Telecom:

Name of director	Number of the shares interested and nature of interest				Approximate percentage of the total issued share capital
	Personal	Family	Corporate	Total	(%)
Mak Shiu Tong, Clement	715,652	-	294,775,079	295,490,731	34.62
Tam Ngai Hung, Terry	500,000	-	-	500,000	0.06
Cheng Yuk Ching, Flora (Note)	14,076,713	160,000	-	14,236,713	1.67
William Donald Putt	591,500	-	-	591,500	0.07

Note: Included in the shareholdings in which Ms. Cheng Yuk Ching, Flora was interested, 160,000 shares of CCT Telecom were held by the spouse of Ms. Cheng Yuk Ching, Flora, who is deemed to be interested in such shares under the provisions of Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.

(c) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Tech International Limited (“CCT Tech”) as at 31 December 2008

Long positions in the shares of CCT Tech:

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

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

(c) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Tech International Limited (“CCT Tech”) as at 31 December 2008 *(continued)*

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 33,026,391,124 shares of CCT Tech were held by CCT Telecom through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Tech under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom.

Save as disclosed above, as at 31 December 2008, none of the directors and the chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed “Directors’ Interests in Shares and Underlying Shares” above and “Share Option Scheme” below, at no time during the period for the nine months ended 31 December 2008, was the Company, or any of its holding companies, subsidiaries or associated corporations, a party to any arrangement to enable the directors 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 IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2008, the following persons had interests or short positions in the shares or underlying shares of the Company 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:

- (i) Long positions in the shares of the Company as at 31 December 2008:

Name of shareholder	Capacity and nature of interest	Notes	Number of the shares interested	Approximate percentage of the total issued share capital (%)
Manistar	Directly beneficially owned	(1)	2,031,764,070	63.43
CCT Telecom	Through a controlled corporation	(1)	2,031,764,070	63.43
Mak Shiu Tong, Clement	Through a controlled corporation	(2)	2,051,108,070	64.03
Lai Wing Hung	Directly beneficially owned		75,000,000	2.34

Notes:

- (1) The shares of the Company were held by Manistar, which is a wholly-owned subsidiary of CCT Telecom.
- (2) Of the 2,051,108,070 shares of the Company, 19,344,000 shares were held by Mr. Mak Shiu Tong, Clement personally and 2,031,764,070 shares were held by Manistar. Mr. Mak Shiu Tong, Clement is deemed to be interested in those shares of the Company held by Manistar under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom which is the holding company of Manistar. The details of interest of Mr. Mak Shiu Tong, Clement in these shares of the Company have also been disclosed under the section headed "Directors' Interests in Shares and Underlying Shares" above.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

- (ii) Long positions in the underlying shares of the share options of the Company as at 31 December 2008:

Name of the holder of the share options	Date of grant of the share options	Exercise period of the share options	Exercise price per share HK\$	Number of the share options outstanding	Number of the underlying shares	Approximate percentage of the total issued share capital (%)
Mak Shiu Tong, Clement	14/8/2006	14/8/2006 - 13/8/2011	0.038	22,500,000	22,500,000	0.70

- (iii) Long positions in the underlying shares of the convertible bonds of the Company as at 31 December 2008:

Name of the holder of the convertible bonds	Description of equity derivatives	Principal amount of the convertible bonds HK\$	Number of the underlying shares	Approximate percentage of the total issued share capital (%)
Merdeka Commodities Limited ("MCL")	MCL Convertible Bonds (<i>Note</i>)	716,880,000	7,168,800,000	223.80
Merdeka Finance Group Limited	MCL Convertible Bonds (<i>Note</i>)	716,880,000	7,168,800,000	223.80
Lai Wing Hung	MCL Convertible Bonds (<i>Note</i>)	716,880,000	7,168,800,000	223.80

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

- (iii) Long positions in the underlying shares of the convertible bonds of the Company as at 31 December 2008: *(continued)*

Note: The MCL Convertible Bonds with an outstanding principal amount of HK\$716,880,000 as at 31 December 2008, were issued by the Company to MCL on 12 August 2008 following the completion of the agreement entered into amongst the Company, MCL and Merdeka Timber Group Ltd. ("MTG") in connection with the acquisition and subscription by the Company of shares in MTG representing 100% shareholding in MTG on the same date. The MCL Convertible Bonds, due on 12 August 2011, are interest-free and convertible into the shares of the Company (subject to conversion restrictions and conversion lock-up provisions pursuant to the MCL Convertible Bonds) at the conversion price of HK\$0.10 per share of the Company (subject to adjustments pursuant to the MCL Convertible Bonds). Merdeka Finance Group Limited is deemed to be interested in such underlying shares of the Company under the SFO as it is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of MCL. Mr. Lai Wing Hung is deemed to be interested in such underlying shares of the Company 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 Merdeka Finance Group Limited.

Save as disclosed above, as at 31 December 2008, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was effective on 7 March 2002. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. As at 31 December 2008, there were 68,500,000 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 68,500,000, which represents approximately 2.14% of the total issued share capital of the Company as at 31 December 2008 and the date of this report.

SHARE OPTION SCHEME (continued)

Details of the movements of the share options under the Share Option Scheme during the period were as follows:

Name or category of the participant	Number of share options					Outstanding as at 31 December 2008	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options* HK\$ per share
	Outstanding as at 1 April 2008	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period				
Executive directors									
Mak Shiu Tong, Clement	45,000,000	-	(22,500,000)	-	-	22,500,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
Tam Ngai Hung, Terry	28,000,000	-	(10,000,000)	-	-	18,000,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
Cheng Yuk Ching, Flora	5,000,000	-	-	-	-	5,000,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
William Donald Putt	5,000,000	-	-	-	-	5,000,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
Ma Hang Kon, Louis (appointed on 3 October 2008)	-	5,000,000	-	-	-	5,000,000	6/10/2008	6/4/2009 – 13/8/2011	0.195
	-	5,000,000	-	-	-	5,000,000	6/10/2008	6/10/2009 – 13/8/2011	0.195
Chan Hoi Tung, Tony (appointed on 13 November 2008)	-	4,000,000	-	-	-	4,000,000	14/11/2008	14/5/2009 – 13/8/2011	0.116
	-	4,000,000	-	-	-	4,000,000	14/11/2008	14/11/2009 – 13/8/2011	0.116
	83,000,000	18,000,000	(32,500,000)	-	-	68,500,000			
Independent non-executive directors									
Lam Kin Kau, Mark	950,000	-	(950,000)	-	-	-	14/8/2006	14/8/2006 – 13/8/2011	0.038
Lau Ho Wai, Lucas	950,000	-	(950,000)	-	-	-	14/8/2006	14/8/2006 – 13/8/2011	0.038
	1,900,000	-	(1,900,000)	-	-	-			
Others									
In aggregate	20,000,000	-	-	(20,000,000)	-	-	22/4/2003	23/6/2003 – 22/6/2008	0.037
	20,000,000	-	-	(20,000,000)	-	-			
	104,900,000	18,000,000	(34,400,000)	(20,000,000)	-	68,500,000			

SHARE OPTION SCHEME *(continued)*

Note to the reconciliation of the share options outstanding as at 31 December 2008:

- * *The exercise price of the share options is subject to adjustment in the case of capitalisation issue, rights issue, sub-division or consolidation of the shares of the Company, or other similar changes in the Company's share capital.*

The closing market price of the shares of the Company immediately before the date of grant in relation to the share options exercisable during the period from 14 August 2006 to 13 August 2011 as quoted in the Stock Exchange's daily quotation sheets was HK\$0.039.

The closing market price of the shares of the Company immediately before the date of grant in relation to the share options exercisable during the period from 6 April 2009 to 13 August 2011 and from 6 October 2009 to 13 August 2011 as quoted in the Stock Exchange's daily quotation sheets was HK\$0.185.

The closing market price of the shares of the Company immediately before the date of grant in relation to the share options exercisable during the period from 14 May 2009 to 13 August 2011 and from 14 November 2009 to 13 August 2011 as quoted in the Stock Exchange's daily quotation sheets was HK\$0.112.

As at 31 December 2008, the Company had 68,500,000 share options outstanding under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 68,500,000 additional ordinary shares of the Company, additional share capital of HK\$685,000 and share premium of HK\$4,112,000 (before the share issue expenses).

At the date of approval of these unaudited consolidated quarterly financial statements, no share options were further exercised subsequent to the balance sheet date. As a result, the Company had 68,500,000 share options outstanding under the Share Option Scheme, which represents approximately 2.14% of the Company's shares in issue as at that date of approval of these unaudited consolidated quarterly financial statements.

COMPETING INTERESTS

During the period under review, none of the directors or the management shareholders (as defined under the GEM Listing Rules) of the Company or their respective associates had any interests in a business that competed or might compete with the business of the Group either directly or indirectly.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed shares of the Company during the nine months ended 31 December 2008.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee is mainly responsible for (i) reviewing the Company's quarterly results, half-yearly results and annual financial statements and making recommendations as to the approval of the Company's quarterly results, half-yearly results and annual financial statements by the Board; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards; (v) reviewing and monitoring financial reporting and the reporting judgment contained in them; and (vi) reviewing financial and internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget), accounting policies and practices with management of the Group, internal and external auditors of the Company.

The Audit Committee consists of three members comprising the three independent non-executive directors of the Company, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas, one of whom is a qualified accountant and has extensive experience in accounting and financial matters. The chairman of the Audit Committee is elected by the members who are present at the meeting. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board's strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

AUDIT COMMITTEE *(continued)*

The Audit Committee has reviewed the unaudited consolidated third quarterly results of the Group for the nine months ended 31 December 2008, and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

BOARD OF DIRECTORS

As at the date of this report, the directors of the Company are:

Executive Directors:

Mr. Mak Shiu Tong, Clement (*Chairman*)
Mr. Ma Hang Kon, Louis (*Chief Executive Officer*)
Mr. Tam Ngai Hung, Terry
Mr. Chan Hoi Tung, Tony
Ms. Cheng Yuk Ching, Flora
Dr. William Donald Putt

Independent Non-Executive Directors:

Mr. Lam Kin Kau, Mark
Mr. Fung Hoi Wing, Henry
Mr. Lau Ho Wai, Lucas

By Order of the Board of
CCT RESOURCES HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 20 January 2009

