



**CC1" RESOURCES**  
中建資源集團有限公司

**INTERIM REPORT 2010**  
Stock Code : 8163

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

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



**MANAGEMENT DISCUSSION AND ANALYSIS**
**FINANCIAL REVIEW**

	<b>Six months ended 30 June</b>		<b>% increase/ (decrease)</b>
	<b>2010</b>	2009	
	<b>(Unaudited)</b>	(Unaudited)	
	<b>HK\$'000</b>	HK\$'000	
– Turnover	<b>4,441</b>	3,735	18.9%
– Loss before forestry business development costs and finance costs	<b>(2,786)</b>	(7,230)	(61.5%)
– Forestry business development costs	<b>(10,747)</b>	(7,913)	35.8%
– Finance costs (non-cash)	<b>(17,124)</b>	(19,484)	(12.1%)
Loss for the period	<b>(30,657)</b>	(34,627)	(11.5%)

CCT Resources Holdings Limited (the “Company”) and its subsidiaries (the “Group”) recorded a turnover of approximately HK\$4,441,000 for the six months ended 30 June 2010 (2009: approximately HK\$3,735,000) from the trading business. As the forestry resources business is still in the development stage and has not yet commenced commercial operation, therefore no revenue from the forestry resources business has been recorded for the period under review.

The Group posted a loss of approximately HK\$30,657,000 for the six months ended 30 June 2010 (2009: approximately HK\$34,627,000). The loss was mainly caused by the forestry business development costs of approximately HK\$10,747,000 (2009: approximately HK\$7,913,000) and the non-cash accounting imputed interest charge of approximately HK\$17,124,000 (2009: approximately HK\$19,484,000) on the liability component of the convertible bonds during the period under review.

The Company has changed its financial year end from 31 March to 31 December effective from 1 April, 2009 in order to cope with the statutory year end date of the Company’s principal subsidiaries in Indonesia. Due to such change, the interim results of 2010 covers the period from 1 January to 30 June, as different from the previous interim period for 2009 from 1 April to 30 September. Accordingly, the comparative figures of the corresponding period presented in this interim results covers the period from 1 January to 30 June 2009.

## **BUSINESS REVIEW**

The Group is engaged in (i) the timber business including the upstream operations of harvesting timber and the downstream operations of production of timber and wood products; (ii) the plantation of oil palm and the production and sale of palm oil; and (iii) the trading business.

The Group has acquired the forestry project in 2008 consisting of concessions with an area of 313,500 hectares of natural tropical forests in Papua, Indonesia. Since the acquisition of the forestry project, the Group has committed enormous efforts in the development of the forestry resources business and has obtained satisfactory progress. The Group has established its wood processing industrial facilities, with two sawmills and one veneer mill already completed. Additional boiler room, workshop and warehouse for the veneer mill are under construction and additional veneer machinery has been purchased. Final assembly and installation of the additional veneer machinery has been completed according to schedule. The veneer mill is expected to commence test run and production in the second half of the year after the completion of additional construction. The Company plans to commence commercial operation in the second half of the year.

Besides the timber business, the Group is also engaged in plantation business and will plant oil palm trees and process fruits and seeds of oil palms into palm oil. The Group has developed a nursery for plantation purpose. The Group has also ordered 500,000 seeds and seedlings have been ordered from a supplier, of which 160,000 seeds and seedlings have been delivered during the period under review to the nursery and planted there. The young trees will be grown in the nursery for about 10 months before they will be moved from the nursery to the forest land to be developed for plantation.

## **OUTLOOK**

The Group is of the view that natural forests, especially tropical forests, offer scarce and invaluable natural resources. Looking forward, the Group is optimistic about the timber business as the market demand for natural timber products is expected to be continuously robust. The Group is well poised to capture the opportunities arising from the under-supplied timber market, with huge concessions available to be exploited.

With the increasing awareness of alternative energy and environmental protection, most of industrialized countries have committed to reduce green house gas emissions. In the light of this, the plantation of oil palm and the production of palm oil, will offer huge business growth potential as the demand and price for palm oil, a key component to produce palm oil bio-fuel, a kind of green and renewable energy that can be used as an alternative energy to fossil-fuel, has been increasing.

Given the huge concession forest area and the promising outlook of the plantation business, the board of directors (the "Board") is optimistic about the prospect of its forestry resource business, and believes that the business will grow into a substantial business and will become one of the major revenue and profit driver of the Group in future.



Apart from the above mentioned forestry resources business, the Group always takes initiative in identifying business opportunities in other natural resource business so as to diversify and broaden its revenue sources and improve its profitability. On 12 July 2010, the Company entered into an agreement with an independent third party (the "Vendor") pursuant to which the Company will acquire 28% shareholding interest of the Vendor's wholly-owned subsidiary which in turn holds an indirect 80% interest in a gold mine situated in Gansu Province, the PRC for a consideration of HK\$120,000,000 to be satisfied by the Company's shares (the "Acquisition"). Also, the Vendor will subscribe for 500,000,000 Company's new shares, for cash at the issue price of HK\$0.10 each (the "Subscription"), pursuant to a subscription agreement entered into between the Company and the Vendor. The gross proceeds from the Subscription will amount to HK\$50,000,000. The Board considers that the Acquisition represents a good opportunity for the Group to enter into the gold mining and production industry with huge potential and good future prospect; and that the proceeds from the Subscription will broaden the capital base and improve the financial position of the Group. Completion of the Acquisition and the Subscription is subject to certain conditions precedent, none of which has been fulfilled or where applicable waived as at the date of this report.

In order to better reflect the future expansion and diversification of the Company's businesses and provide the Company with a fresh corporate identity and image, the Company intended to change its name to "CGR Holdings Limited" and to adopt the Chinese name of "中金資源集團有限公司" for identification purpose. However, the special resolution to approve the change of the Company's name was not passed as only 51.32% of the Company's shareholders who attended and entitled to vote at the extraordinary general meeting held on 11 August 2010 voted in favour of the special resolution and less than the required 75% attended shareholders' votes in order to pass the special resolution. Since the Acquisition and the Subscription are inter-conditional to each other and the Subscription is conditional upon, among others, the change of the Company's name, the Board requires time to liaise and further discuss with the Vendor before the Board may decide whether the condition on the change of the Company's name will be waived or not. No decision has been made as at the date of this report and once the Board has made any decision, the Company will issue appropriate announcement accordingly.

## CAPITAL STRUCTURE AND GEARING RATIO

	30 June 2010 (Unaudited)		31 December 2009 (Audited)	
	HK\$'000	Relative %	HK\$'000	Relative %
Convertible bonds (liability component)	<b>469,018</b>	<b>50.4%</b>	497,304	52.8%
Total borrowings	<b>469,018</b>	<b>50.4%</b>	497,304	52.8%
Equity	<b>460,879</b>	<b>49.6%</b>	444,337	47.2%
Total capital employed	<b>929,897</b>	<b>100.0%</b>	941,641	100.0%

The Group's gearing ratio was 50.4% as at 30 June 2010 (31 December 2009: 52.8%). The improvement in the gearing ratio was mainly due to the conversion of MCL Convertible Bonds with a nominal value of HK\$50,000,000 into 500,000,000 shares of the Company during the period under review. Such conversion has enhanced the capital base of the Company and at the same time has also decreased the liability component of the convertible bonds.

Other than the convertible bonds, the Group has no other borrowings and there is no material effect of seasonality on the Group's borrowing requirements.

## LIQUIDITY AND FINANCIAL RESOURCES

	<b>30 June 2010 (Unaudited) HK\$'000</b>	31 December 2009 (Audited) HK\$'000
Current assets	<b>104,699</b>	121,409
Current liabilities	<b>5,458</b>	8,128
Current ratio	<b>1,918.3%</b>	1,493.7%

Current ratio as at 30 June 2010 was 1,918.3% (31 December 2009: 1,493.7%), reflecting healthy liquidity and sound financial position of the Group.

As at 30 June 2010, the Group's total cash balance amounted to approximately HK\$82,650,000 (31 December 2009: approximately HK\$105,677,000), of which nil amount (31 December 2009: approximately HK\$4,238,000) was pledged for general banking facilities. Almost all of the Group's cash was placed on Hong Kong dollar deposits with licensed banks in Hong Kong. The available cash will provide sufficient funds to the Group for all its cash requirements, including working capital and capital expenditure needs.

## FOREIGN CURRENCY EXPOSURE

The Group's reporting currency is in Hong Kong dollar. During the period under review, most of the transactions of Group's forestry resources business were denominated in Hong Kong dollar, Indonesian Rupiah or in US dollar. As the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation of the US dollar against the Hong Kong dollar was insignificant during the period ended 30 June 2010. In addition, the forestry resources business did not have any material exposure to foreign exchange risk during the period under review as such business was still in the development stage.



The Board considers that the Group's exposure to foreign exchange risk is not significant at present and therefore, no hedging transaction has been entered into during the period. The management will monitor closely to ensure appropriate measures are taken against any adverse impact on such exchange risk.

### **CONTINGENT LIABILITIES**

As at 30 June 2010, the Group did not have any significant contingent liabilities.

### **ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES**

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

### **SIGNIFICANT INVESTMENTS**

The Group did not acquire or hold any significant investment during the six months ended 30 June 2010.

### **PLEDGE OF ASSETS**

As at 30 June 2010, the Group did not have any pledge of assets.

### **CAPITAL COMMITMENTS**

The Group has capital commitments amounted to approximately HK\$1,005,000 as at 30 June 2010 (31 December 2009: approximately HK\$5,412,000), which are mainly related to capital expenditure for the forestry resources business and all of which will be financed by the Group's internal resources.

### **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2010, the Group has 213 employees (31 December 2009: 225) mainly stationed in Hong Kong and Indonesia. The Group's remuneration policies and packages to employees are based on the principles of equality, motivation, performance and prevailing market practices. Remuneration packages are normally reviewed on an annual basis. In addition to general basic payment, other benefits including provident fund contribution, medical insurance coverage and performance related bonus are also available to employees. Besides, share options may also be granted to eligible employees and persons of the Group. As at 30 June 2010, there were outstanding share options of 258,500,000 (31 December 2009: 268,500,000).

## UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The Board of the Company is pleased to announce that the unaudited condensed consolidated interim results of the Group for the three months and the six months ended 30 June 2010, together with the comparative unaudited figures for the corresponding period in 2009, are as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

	Notes	Three months ended 30 June		Six months ended 30 June	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
REVENUE	2	1,445	2,225	4,441	3,735
Cost of sales		(1,424)	(2,111)	(4,375)	(3,546)
Gross profit		21	114	66	189
Other income/(loss)		36	226	37	(3,552)
Forestry business development costs		(3,976)	(4,515)	(10,747)	(7,913)
General and administrative expenses		(1,589)	(604)	(2,889)	(2,977)
Equity-settled share option expenses		-	(186)	-	(890)
Finance costs	5	(8,388)	(9,521)	(17,124)	(19,484)
LOSS BEFORE TAX	4	(13,896)	(14,486)	(30,657)	(34,627)
Tax	6	-	-	-	-
LOSS FOR THE PERIOD		(13,896)	(14,486)	(30,657)	(34,627)
Loss attributable to:					
Owners of the parent		(12,005)	(13,945)	(29,359)	(34,381)
Non-controlling interests		(1,891)	(541)	(1,298)	(246)
		(13,896)	(14,486)	(30,657)	(34,627)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	8				
- Basic		(HK0.23 cents)	(HK0.33 cents)	(HK0.57 cents)	(HK0.87 cents)
- Diluted		(HK0.23 cents)	(HK0.33 cents)	(HK0.57 cents)	(HK0.87 cents)





**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*For the six months ended 30 June 2010*

	Three months ended		Six months ended	
	30 June		30 June	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	<b>(13,896)</b>	(14,486)	<b>(30,657)</b>	(34,627)
Other comprehensive income/(loss), after tax:				
Exchange difference on translating foreign operations	<b>(92)</b>	7,792	<b>(485)</b>	8,087
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<b>(13,988)</b>	(6,694)	<b>(31,142)</b>	(26,540)
Total comprehensive loss attributable to:				
Owners of the parent	<b>(12,097)</b>	(6,153)	<b>(29,844)</b>	(26,294)
Non-controlling interests	<b>(1,891)</b>	(541)	<b>(1,298)</b>	(246)
	<b>(13,988)</b>	(6,694)	<b>(31,142)</b>	(26,540)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

		30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		36,458	35,460
Forest concessions	9	833,801	833,801
Total non-current assets		870,259	869,261
<b>Current assets</b>			
Trade receivables	10	1,573	3,479
Prepayments, deposits and other receivables		20,476	12,253
Pledged time deposits		–	4,238
Cash and cash equivalents		82,650	101,439
Total current assets		104,699	121,409
<b>Total assets</b>		<b>974,958</b>	990,670
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	13	53,281	48,231
Reserves		407,598	396,106
		460,879	444,337
<b>Non-controlling interests</b>		<b>39,603</b>	40,901
<b>Total equity</b>		<b>500,482</b>	485,238
<b>Non-current liabilities</b>			
Convertible bonds	12	469,018	497,304
<b>Current liabilities</b>			
Trade payables	11	949	3,427
Other payables and accruals		4,509	4,701
Total current liabilities		5,458	8,128
<b>Total liabilities</b>		<b>474,476</b>	505,432
<b>Total equity and liabilities</b>		<b>974,958</b>	990,670



**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**
*For the six months ended 30 June 2010*

	Attributable to owners of the parent									
	Issued share capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Equity component of		Accumulated losses (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
						convertible bonds (Unaudited) HK\$'000	Total			
						(Unaudited) HK\$'000	(Unaudited) HK\$'000			
At 1 January 2010	48,231	412,400	66,710	13,643	478	105,083	(202,208)	444,337	40,901	485,238
Total comprehensive loss for the period	-	-	-	-	(485)	-	(29,359)	(29,844)	(1,298)	(31,142)
Issue of new shares upon conversion of convertible bonds	5,000	49,880	-	-	-	(9,469)	-	45,411	-	45,411
Issue of new shares upon exercise of share options	50	1,288	-	(363)	-	-	-	975	-	975
At 30 June 2010	53,281	463,568	66,710	13,280	(7)	95,614	(231,567)	460,879	39,603	500,482
At 1 January 2009	32,031	258,901	66,710	955	(8,631)	135,822	(124,336)	361,452	41,792	403,244
Total comprehensive income/ (loss) for the period	-	-	-	-	8,087	-	(34,381)	(26,294)	(246)	(26,540)
Issues of shares upon conversion of the convertible bonds	10,000	93,024	-	-	-	(18,947)	-	84,077	-	84,077
Equity-settled share option arrangement	-	-	-	890	-	-	-	890	-	890
At 30 June 2009	42,031	351,925	66,710	1,845	(544)	116,875	(158,717)	420,125	41,546	461,671

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	Six months ended	
	30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows used in operating activities	<b>(15,011)</b>	(12,908)
Net cash flows used in investing activities	<b>(4,268)</b>	(10,763)
Net cash flows generated from financing activities	<b>975</b>	–
Net decrease in cash and cash equivalents	<b>(18,304)</b>	(23,671)
Effect of foreign exchange rate changes, net	<b>(485)</b>	8,086
Cash and cash equivalents at beginning of period	<b>101,439</b>	152,266
Cash and cash equivalents at end of period	<b>82,650</b>	136,681
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<b>82,650</b>	136,681



Notes:

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include the Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention. These unaudited condensed consolidated interim results are presented in Hong Kong dollar and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated interim results should be read in conjunction with the Group's audited annual financial statements for the period ended 31 December 2009 (the "2009 Annual Report"). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's 2009 Annual Report, except for the impact of the adoption of the Standards and Interpretation described below.

The following new and revised HKFRSs have been adopted by the Company with effect from 1 January 2010. The adoption of the new and revised HKFRSs does not have any significant financial impact on the interim financial statements.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standard
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 <i>included in Improvements to HKFRSs issued in October 2008</i>	Amendments to HKFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiaries</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

## 2. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the six-month period under review.

An analysis of revenue is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sale of goods attributable to				
the trading business	1,445	2,225	4,441	3,735

## 3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services which comprised two reportable operating segments during the period under review as follows:

- (a) the trading business segment which is the trading of products, components and accessories; and
- (b) the forestry resources business segment which represents timber business and plantation business

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 from operations. The adjusted profit/(loss) before tax from operations is measured consistently with the Group's profit/(loss) before tax from operations except that interest income, finance costs, equity-settled share option expenses, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated corporate assets as these assets are managed on a group basis. Segment liabilities exclude convertible bonds, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.



**3. SEGMENT INFORMATION** *(continued)*
**For the six months ended 30 June 2010**

	Trading Business (Unaudited) HK\$'000	Forestry Resources Business (Unaudited) HK\$'000	Sub-total (Unaudited) HK\$'000	Reconciliation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:					
Revenue from external customers	4,441	-	4,441	-	4,441
Operating profit/(loss)	13	(12,998)	(12,985)	-	(12,985)
Reconciled items:					
Interest income	-	-	-	23	23
Finance costs (non-cash)	-	-	-	(17,124)	(17,124)
Unallocated corporate expenses	-	-	-	(571)	(571)
Profit/(loss) before tax	13	(12,998)	(12,985)	(17,672)	(30,657)
Expenditure for non-current assets	-	4,291	4,291	-	4,291
Depreciation	-	2,444	2,444	-	2,444

**For the six months ended 30 June 2009**

	Trading Business (Unaudited) HK\$'000	Forestry Resources Business (Unaudited) HK\$'000	Sub-total (Unaudited) HK\$'000	Reconciliation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:					
Revenue from external customers	3,735	-	3,735	-	3,735
Operating profit/(loss)	51	(13,801)	(13,750)	-	(13,750)
Reconciled items:					
Interest income	-	-	-	76	76
Finance costs (non-cash)	-	-	-	(19,484)	(19,484)
Equity-settled share option expenses (non-cash)	-	-	-	(890)	(890)
Unallocated corporate expenses	-	-	-	(579)	(579)
Profit/(loss) before tax	51	(13,801)	(13,750)	(20,877)	(34,627)
Expenditure for non-current assets	-	10,787	10,787	-	10,787
Depreciation	-	1,130	1,130	-	1,130

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

At 30 June 2010

	Trading Business (Unaudited) HK\$'000	Forestry Resources Business (Unaudited) HK\$'000	Sub-total (Unaudited) HK\$'000	Reconciliation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment assets	1,751	899,597	901,348	-	901,348
Reconciled items:					
Unallocated corporate assets	-	-	-	73,610	73,610
Total assets	1,751	899,597	901,348	73,610	974,958
Segment liability	595	4,788	5,383	-	5,383
Reconciled items:					
Unallocated corporate liabilities	-	-	-	469,093	469,093
Total liabilities	595	4,788	5,383	469,093	474,476

At 31 December 2009

	Trading Business (Audited) HK\$'000	Forestry Resources Business (Audited) HK\$'000	Sub-total (Audited) HK\$'000	Reconciliation (Audited) HK\$'000	Total (Audited) HK\$'000
Segment assets	4,925	887,525	892,450	-	892,450
Reconciled items:					
Unallocated corporate assets	-	-	-	98,220	98,220
Total assets	4,925	887,525	892,450	98,220	990,670
Segment liability	3,637	4,341	7,978	-	7,978
Reconciled items:					
Unallocated corporate liabilities	-	-	-	497,454	497,454
Total liabilities	3,637	4,341	7,978	497,454	505,432

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





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

Additional disclosures on segments information by geographical location for the period ended 30 June 2010 and 30 June 2009 are shown below:

#### *(a) Revenue from external customer*

	<b>Six months ended</b>	Six months ended
	<b>30 June</b>	30 June
	<b>2010</b>	2009
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Mainland China	<b>4,441</b>	3,735

The revenue information from operations above is based on the location of the customers.

#### *(b) Non-current assets*

	<b>30 June</b>	31 December
	<b>2010</b>	2009
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000
Indonesia	<b>861,918</b>	860,656
Hong Kong	<b>8,341</b>	8,605
	<b>870,259</b>	869,261

The non-current asset information from operations above is based on the location of assets.

#### *Information about major customers*

Revenue from operations of approximately HK\$4,441,000 for the six months period ended 30 June 2010 (2009: approximately HK\$3,735,000) was derived from sales in the trading business segment attributable to a single customer.

#### 4. LOSS BEFORE TAX

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

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	1,192	769	2,444	1,130

#### 5. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on convertible bonds	8,388	9,521	17,124	19,484

The charge represents the imputed interest on the liability component of the convertible bonds for the periods.

#### 6. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2009: Nil). Overseas profits tax has not been provided as the overseas subsidiaries had no taxable income for the period.

There were no income tax relating to the other comprehensive income during the period (2009:Nil).

#### 7. DIVIDEND

No interim dividend has been paid or declared by the Company or any of its subsidiaries during the six months ended 30 June 2010 (2009: Nil).



**8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT**

The calculation of basic loss per share is based on:

	Three months ended 30 June		Six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
<u>Loss</u>				
Loss attributable to owners of the parent	<b>(12,005)</b>	(13,945)	<b>(29,359)</b>	(34,381)
<u>Shares</u>				
Weighted average number of ordinary shares in issue during the period	<b>5,328,149,000</b>	4,203,149,000	<b>5,145,331,320</b>	3,967,789,884

No adjustment has been made to the basic loss per share presented for the periods in respect of a dilution as the impact of the convertible bonds and share options outstanding had an anti-dilutive effect on the basic loss per share.

**9. FOREST CONCESSIONS**

The Group acquired certain forest concession licenses in the Papua Province of Indonesia through acquisitions of subsidiaries, which provides the Group with the right to exploit and harvest trees in 313,500 hectares of forest area and to carry out plantation activities in 200,000 hectares within the 313,500 hectares of the concession area.

**10. TRADE RECEIVABLES**

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

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Current to 30 days	<b>1,573</b>	3,479

The Group normally allows credit terms for established customers ranging from 30 to 60 days.

## 11. TRADE PAYABLES

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

	<b>30 June 2010 (Unaudited) HK\$'000</b>	31 December 2009 (Audited) HK\$'000
Current to 30 days	<b>949</b>	3,427

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

## 12. CONVERTIBLE BONDS

On 12 August 2008, the Company issued convertible bonds to Merdeka Commodities Limited ("MCL") with an aggregate nominal value of approximately HK\$776,880,000 (the "MCL Convertible Bonds") as part of the consideration for the acquisition of forest concessions in Indonesia.

Subject to the restrictions specified below, the MCL Convertible Bonds are convertible at the option of the bondholders into ordinary shares in the Company at the initial conversion price of HK\$0.1 per share (subject to adjustment as provided in the terms and conditions of the MCL Convertible Bonds) at any time from the date of issue and ending on the fifth business day before the third anniversary of the date of issue:

- The bondholders do not have the right to convert any principal amount of the MCL Convertible Bonds into new shares of the Company thereof, if upon such conversion, MCL and the parties acting in concert with it will be interested in 30% (or such amount as may from time to time be specified in the Codes on Takeovers and Mergers and Share Repurchases as being the level for triggering a mandatory general offer) or more of the enlarged issued share capital of the Company at the date of relevant conversion; and
- The conversion of the MCL Convertible Bonds will not cause the Company to be in breach of the minimum public float requirement as stipulated under Rule 11.23 of the GEM Listing Rules.

The MCL Convertible Bonds are unsecured, interest-free and have a maturity date of 12 August 2011. Unless converted into the shares of the Company or early repaid by the Company, the outstanding balance of the MCL Convertible Bonds will be redeemed in full on maturity. The outstanding principal amount of the MCL Convertible Bonds as at 30 June 2010 was HK\$504,880,000.



### 13. SHARE CAPITAL

	<b>30 June 2010 (Unaudited) HK\$'000</b>	31 December 2009 (Audited) HK\$'000
Authorised:		
20,000,000,000 ordinary shares of HK\$0.01 each	<b>200,000</b>	200,000
Issued and fully paid:		
5,328,149,000 (31 December 2009: 4,823,149,000) ordinary shares of HK\$0.01 each	<b>53,281</b>	48,231

### 14. CONTINGENT LIABILITIES

As at 30 June 2010, the Group did not have any significant contingent liabilities (31 December 2009: Nil).

### 15. OPERATING LEASE ARRANGEMENTS

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

At 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>30 June 2010 (Unaudited) HK\$'000</b>	31 December 2009 (Audited) HK\$'000
Within one year	<b>1,078</b>	1,849
In the second to fifth years, inclusive	-	154
	<b>1,078</b>	2,003

## 16. CAPITAL COMMITMENTS

In addition to the operating lease commitments detailed in note 15 above, the Group had the following commitments at the end of the reporting period:

	<b>30 June 2010 (Unaudited) HK\$'000</b>	31 December 2009 (Audited) HK\$'000
Authorised, but not contracted for purchase of plant and machinery and construction work	<b>365</b>	5,239
Contracted but not provided for purchase of plant and machinery and construction work	<b>640</b>	173
	<b>1,005</b>	5,412

## 17. COMPARATIVE FIGURES

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

## 18. EVENTS AFTER THE REPORTING PERIOD

On 12 July 2010, the Company entered into a sale and purchase agreement pursuant to which the Company conditionally agreed to acquire 28% shareholding interest of a wholly-owned subsidiary (the "Target Company") from Asset Joy Holdings Limited (the "Vendor") for a consideration of HK\$120,000,000 to be satisfied by the Company's shares issued at HK\$0.10 each (the "Acquisition"). The Target Company owns an indirect interest of 80% in a proposed cooperative joint venture which will be established to develop a gold mine situated at Gansu Province, the PRC with a mining area of approximately 6.37 sq. km., and to conduct mining, processing, production and sale of gold to be extracted from the gold mine.

Further to that, the Company and the Vendor also entered into a subscription agreement on the same day, pursuant to which the Vendor conditionally agreed to subscribe for 500,000,000 Company's new shares, for cash at the issue price of HK\$0.10 per share (the "Subscription"), which will raise approximately HK\$50,000,000 for the Group. Completion of the Acquisition and the Subscription is subject to certain conditions precedent, none of which has been fulfilled or where applicable waived as at the date of this report.

In order to better reflect the future expansion and diversification of the Company's businesses and provide the Company with a fresh corporate identity and image, the Company intended to change its name to "CGR Holdings Limited" and to adopt the Chinese name of "中金資源集團有限公司" for identification purpose. However, the special resolution to approve the change of the Company's name was not passed as only 51.32% of the Company's shareholders who attended and entitled to vote at the extraordinary general meeting held on 11 August 2010 voted in favour of the special resolution and less than the required 75% attended shareholders' votes in order to pass the special resolution. Since the Acquisition and the Subscription are inter-conditional to each other and the Subscription is conditional upon, among others, the change of the Company's name, the Board requires time to liaise and further discuss with the Vendor before the Board may decide whether the condition on the change of the Company's name will be waived or not. No decision has been made as at the date of this report and once the Board has made any decision, the Company will issue appropriate announcement accordingly.



**DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2010, the directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the 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 30 June 2010**

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

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of the Company (%)
	Personal	Corporate	Total	
Mak Shiu Tong, Clement ( <i>Note</i> )	19,344,000	2,031,764,070	2,051,108,070	38.50
Tam Ngai Hung, Terry	7,500,000	–	7,500,000	0.14
Fung Hoi Wing, Henry	550,000	–	550,000	0.01
Lau Ho Wai, Lucas	950,000	–	950,000	0.02

*Note:* Of the shareholding in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 shares of the Company were beneficially held by Manistar Enterprises Limited ("Manistar"), an indirect 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 through his interest in the shareholding of 49.33% of the total issued share capital in CCT Telecom as at 30 June 2010.

## 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 30 June 2010 *(continued)*

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

Name of directors	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 total underlying shares	Approximate percentage of the total issued share capital of the Company (%)
Mak Shiu Tong, Clement	5/7/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.42
Tam Ngai Hung, Terry	5/7/2006	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.34
	7/7/2009	11/8/2009 – 6/3/2012	0.160	40,500,000	40,500,000	0.76
Cheng Yuk Ching, Flora	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.09
	7/7/2009	11/8/2009 – 6/3/2012	0.160	46,000,000	46,000,000	0.86
William Donald Putt	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.09
	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Fung Hoi Wing, Henry	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Lau Ho Wai, Lucas	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Lam Kin Kau, Mark	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07





**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 30 June 2010**

Long positions in the shares of CCT Telecom:

Name of directors	Number of the shares interested and nature of interest			Total	Approximate percentage of the total issued share capital of CCT Telecom (%)
	Personal	Corporate			
Mak Shiu Tong, Clement <i>(Note)</i>	4,251,652	294,775,079		299,026,731	49.33
Tam Ngai Hung, Terry	500,000	–		500,000	0.08
William Donald Putt	591,500	–		591,500	0.10

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

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

### (c) Interests and short positions in the shares and the underlying shares of the share options of an associated corporation – CCT Tech International Limited (“CCT Tech”) as at 30 June 2010

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

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of CCT Tech
	Personal	Corporate	Total	(%)
Mak Shiu Tong, Clement <i>(Note)</i>	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

*Note: Of the shareholding 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 through his interest in the shareholding of 49.33% of the total issued share capital in CCT Telecom as at 30 June 2010.*



**DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES** *(continued)*
**(c) Interests and short positions in the shares and the underlying shares of the share options of an associated corporation – CCT Tech International Limited (“CCT Tech”) as at 30 June 2010** *(continued)*

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

Name of directors	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 total underlying shares	Approximate percentage of the total issued share capital of CCT Tech (%)
Tam Ngai Hung, Terry	23/7/2009	23/7/2009 – 6/11/2012	0.01	223,000,000	223,000,000	0.34
Cheng Yuk Ching, Flora	23/7/2009	23/7/2009 – 6/11/2012	0.01	245,000,000	245,000,000	0.37
William Donald Putt	23/7/2009	23/7/2009 – 6/11/2012	0.01	8,000,000	8,000,000	0.01

Save as disclosed above, as at 30 June 2010, none of the directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or 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 six months ended 30 June 2010 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2010, the following persons (not being the directors or chief executive of the Company) 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 30 June 2010:

Name of shareholders	Capacity and nature of interest	Notes	Number of the shares interested	Approximate percentage of the total issued share capital of the Company (%)
Merdeka Commodities Limited ("MCL")	Directly beneficially owned		777,680,000	14.60
Merdeka Finance Group Limited	Through a controlled corporation	1	777,680,000	14.60
Lai Wing Hung	Directly beneficially owned and through a controlled corporation	1 and 2	852,680,000	16.00
Manistar	Directly beneficially owned		2,031,764,070	38.13
CCT Capital International Holdings Limited	Through a controlled corporation	3	2,031,764,070	38.13
CCT Telecom	Through a controlled corporation	3	2,031,764,070	38.13



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

(i) Long positions in the shares of the Company as at 30 June 2010: *(continued)*

Notes:

1. The 777,680,000 shares of the Company were held by MCL, a subsidiary of Merdeka Finance Group Limited which is deemed to be interested in such 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 through its shareholding of 70% of the total issued share capital in MCL as at 30 June 2010.
2. Of the shareholding in which Mr. Lai Wing Hung was interested, 777,680,000 shares of the Company were held by MCL. Mr. Lai Wing Hung 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 MCL through his 30% personal shareholding in MCL and through his 100% shareholding in Merdeka Finance Group Limited, which in turn held 70% shareholding in MCL as at 30 June 2010. The remaining 75,000,000 shares of the Company were beneficially owned by Mr. Lai Wing Hung personally.
3. The shares of the Company were held by Manistar, which is wholly-owned by CCT Capital International Holdings Limited which in turn is a wholly-owned subsidiary of CCT Telecom.

(ii) Long positions in the underlying shares of the convertible bonds of the Company as at 30 June 2010:

Name of the holder of the convertible bonds	Description of equity derivatives	Principal amount of the convertible bonds HK\$	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (%)
MCL	MCL Convertible Bonds <i>(Note)</i>	504,880,000	5,048,800,000	94.76
Merdeka Finance Group Limited	MCL Convertible Bonds <i>(Note)</i>	504,880,000	5,048,800,000	94.76
Lai Wing Hung	MCL Convertible Bonds <i>(Note)</i>	504,880,000	5,048,800,000	94.76

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

- (ii) Long positions in the underlying shares of the convertible bonds of the Company as at 30 June 2010: *(continued)*

*Note: The MCL Convertible Bonds, due on 12 August 2011, are unlisted, 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 adjustment 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 through its shareholding of 70% of the total issued share capital in MCL as at 30 June 2010. 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 MCL through his 30% personal shareholding in MCL and through his 100% shareholding in Merdeka Finance Group Limited, which in turn held 70% shareholding in MCL as at 30 June 2010.*

Save as disclosed above, the directors and chief executive of the Company are not aware that there is any party who, as at 30 June 2010, 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 30 June 2010, there were 258,500,000 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 258,500,000, which represents approximately 4.85% and 4.85% of the total issued share capital of the Company as at 30 June 2010 and the date of this report respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 258,500,000 additional ordinary shares of the Company, additional share capital of HK\$2,585,000 and share premium of HK\$32,262,000 (before the share issue expenses).



**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 participants	Number of share options				Outstanding as at 30 June 2010	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options (Note 1) HK\$ per share	Price of the shares before the date of grant (Note 2) HK\$ per share
	Outstanding as at 1 January 2010	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period					
<b>Executive directors</b>									
Mak Shiu Tong, Clement	22,500,000	-	-	-	22,500,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
Tam Ngai Hung, Terry	18,000,000	-	-	-	18,000,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
	40,500,000	-	-	-	40,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Cheng Yuk Ching, Flora	5,000,000	-	-	-	5,000,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
	46,000,000	-	-	-	46,000,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
William Donald Putt	5,000,000	-	-	-	5,000,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
	3,500,000	-	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Ma Hang Kon, Louis (resigned on 15 January 2010)	5,000,000	-	5,000,000	-	-	6/10/2008	6/4/2009 – 13/8/2011	0.195	0.185
	5,000,000	-	-	5,000,000	-	6/10/2008	6/10/2009 – 13/8/2011	0.195	0.185
	150,500,000	-	5,000,000	5,000,000	140,500,000				
<b>Independent non-executive directors</b>									
Fung Hoi Wing, Henry	3,500,000	-	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Lau Ho Wai, Lucas	3,500,000	-	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Lam Kin Kau, Mark	3,500,000	-	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
	10,500,000	-	-	-	10,500,000				
<b>Others</b>									
Pang Tung Choi	90,000,000	-	-	-	90,000,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Other eligible participants in aggregate	4,000,000	-	-	-	4,000,000	14/11/2008	14/5/2009 – 13/8/2011	0.116	0.112
	4,000,000	-	-	-	4,000,000	14/11/2008	14/11/2009 – 13/8/2011	0.116	0.112
	9,500,000	-	-	-	9,500,000	7/7/2009	7/7/2009 – 6/3/2012	0.160	0.157
	107,500,000	-	-	-	107,500,000				
	268,500,000	-	5,000,000	5,000,000	258,500,000				

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

Notes:

1. *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.*
2. *The price of the shares of the Company before the date of the grant of the share options is the closing price of the shares of the Company as quoted on the Stock Exchange on the trading day immediately before the date on which the share options were granted.*

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company during the period for the six months ended 30 June 2010.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

### **Corporate Governance Practices**

In the opinion of the directors of the Company, the Company has complied with the code provisions under the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 15 to the GEM Listing Rules throughout the period for the six months ended 30 June 2010, except for the following deviations from the code provisions of the CG Code:

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

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

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





**COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

*(continued)*

**Corporate Governance Practices** *(continued)***Code Provision A.2.1** *(continued)*

Mr. Mak Shiu Tong, Clement currently assumes the roles of both the chairman and chief executive officer of the Company. Mr. Mak has substantial experience that is essential to fulfilling the role of the chairman of the Company. 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 chief executive officer of the Company in the day-to-day management of the Group. The Board is currently composed of five executive directors (including the chairman of the Company) and three independent non-executive directors (the “INED(s)”) with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the roles of the managing director and 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 chief executive officer of the Company as the balance of power and authority is already ensured by the current structure. The Board does not believe that the separation of the roles of the chairman and chief executive officer of the Company will improve the corporate performance.

**Code Provision A.4.1**

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

None of the existing INEDs of the Company is appointed for a specific term. However, all INEDs of the Company are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

*(continued)*

### **Corporate Governance Practices** *(continued)*

#### **Code Provision A.4.2**

The Code Provision A.4.2 provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after 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 articles of association of the Company, any director of the Company appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy seldom happens and duration between appointment to fill casual vacancy and the immediate following annual general meeting of the Company is less than one year and is considered to be short.

Pursuant to the articles of association of the Company, the chairman and managing director of the Company shall not be subject to retirement by rotation or also not be taken into account in determining the number of directors to retire in each year. The Board considers that the continuity of the chairman of the Company and his leadership will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the directors of the Company other than the chairman of the Company 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 2009 Annual Report of the Company issued in March 2010.



**COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES***(continued)***Model Code for Securities Transactions by the Directors of the Company**

The Company has not adopted a code of conduct regarding the securities transactions by the directors of the Company but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all directors of the Company and the Company is not aware of any non-compliance with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period for the six months ended 30 June 2010.

**Remuneration Committee**

The Company has established a remuneration committee (the “Remuneration Committee”) with specific written terms of reference in line with the code provisions under the CG Code. The Remuneration Committee consists of five members comprising three INEDs, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas, and two executive directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is chaired by one of the members who must be an INED and is subject to rotation each year. The chairman of the Remuneration Committee is elected by the members who are present at the meeting provided that he/she must be an INED.

**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.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

*(continued)*

### **Audit Committee** *(continued)*

The Audit Committee consists of three members comprising three INEDs, 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.

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 the applicable standards; (v) reviewing and monitoring the financial reporting and the reporting judgement contained in them; and (vi) reviewing the 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 the management of the Group and the internal and external auditors of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2010 and the Interim Report 2010 of the Company.



**BOARD OF DIRECTORS**

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

*Executive Directors:*

Mr. Mak Shiu Tong, Clement (*Chairman and Chief Executive Officer*)

Mr. Tam Ngai Hung, Terry

Mr. Wong Shui Lung

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, 12 August 2010

