CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 138)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

FINANCIAL HIGHLIGHTS OF THE YEAR

HK$ million	**2007**	2006	**% increase/ (decrease)**
Key Financial Results Highlights			
Turnover	**4,066**	4,199	(3.2%)
Profit attributable to shareholders of the Company	**484**	358	35.2%
Per Share Data			
Earnings per share	**HK$0.61**	HK$0.49	24.5%
Dividend per share			
— Paid interim dividend	**HK$0.025**	HK$0.020	
— Proposed final dividend	**HK$0.030**	HK$0.025	
Total dividend per share	**HK$0.055**	HK$0.045	

CHAIRMAN'S LETTER

On behalf of the board of directors (the "Board") of CCT Telecom Holdings Limited (the "Company"), I am pleased to announce the results of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2007.

During the year under review, profit attributable to shareholders of the Company, including gains from investments, rose to HK$484 million, representing an increase of 35.2%. The satisfactory performance was attributable mainly to investment gains. However, faced with a fiercely competitive and difficult business environment, our core manufacturing business reported a substantial loss in 2007. During the year under review, turnover from our telecom and electronic products business group fell by 13.1% to HK$3,374 million.

In 2007, the Group's manufacturing business was faced with one of the most difficult times since its inception. In general, factors adversely affecting the business environment were worse than in 2006. On the domestic front, similar to most manufacturers based in China, during the year under review, the total production costs in our manufacturing business increased substantially due to a number of factors. The substantial rise in labour cost due to the shortage of labour in Guangdong Province, the significant increase in prices of materials and components resulting from the high oil prices and a buoyant Chinese economy together with the continuous appreciation of Renminbi during 2007 all combined to exert considerable pressure on our production costs thereby undermining profit margins.

On the overseas front, one of our key markets, the United States ("US"), was faced with the sub-prime mortgage financial crisis and the slowing US economy has dampened consumer spending.

Given the adverse business environment, we have introduced a range of measures to overcome the challenges. To begin with, our wealth of research and development resources have enabled us to offer innovative premium products with higher profit margins and these products will continue to play a major role in the revival of our manufacturing business in the near future.

On the China front, we have increased the wages rates and are vigorously implementing new recruitment initiatives to ensure a steady labour head-count for our manufacturing facilities. We have also introduced various measures to streamline operation costs and expenditure, which partly counter the impact of the sharp increase in production costs.

I am, however, pleased to report that despite the difficulties faced by our manufacturing business division, our securities investment business group performed very well during 2007. In the financial year 2007, the overall investment environment was extremely positive. As a result, our securities investment business group contributed operating profit of approximately HK$130 million during the year 2007.

In October 2007, we capitalised the improvement of the property market in Hong Kong and successfully disposed of one of our key office premise investments. The disposal of the office premises enabled the Group to receive a net cash proceeds of approximately HK$175 million and contributed a realised gain of approximately HK$34 million.

To capture the business opportunities arising from the buoyant property markets in China, the Group has explored potential realty investment opportunities in China during the year 2007. The Group has successfully won bids for three pieces of land located in Chaoyang City and Anshan City within the Liaoning Province, with aggregate total areas of approximately 356,000 square metres approved for both residential and commercial development purposes, which will be developed in phases in the future years.

SALE OF INVESTMENT IN CCT TECH SHARES

As noted in the 2006 annual report, an indirect wholly-owned subsidiary of the Company sold in total 13,800,000,000 shares in CCT Tech International Limited ("CCT Tech") to Deutsche Bank and three other third party investors in May 2006 in order to restore the public float of CCT Tech. Put Options have been granted by the Company to Deutsche Bank in respect of such shares sold.

During the year 2007, Deutsche Bank and the three investors sold in total 13,799,807,849 shares in CCT Tech to other public investors. The related Put Options were then unwound and cancelled and the long term receivable attributable to the shares sold, including interest up to the date of unwind was then refunded to the Company pursuant to the terms of the Put Agreement. As at 31 December 2007, there were still 192,151 Put Options outstanding. The receipts of the long term receivable has further strengthened the financial position of the Group as a whole.

The Group was able to capitalise on the increase in the share price of CCT Tech in May 2007 and disposed of approximately 15 billion shares in CCT Tech (the “Investment Disposal”). The Investment Disposal enabled the Group to realise an investment gain during the year. After the Investment Disposal, the Group still holds over 50% shareholding interest in CCT Tech which remains as a principal subsidiary of the Company.

FURTHER DEVELOPMENT FOR THE ACQUISITION OF A FORESTRY PROJECT THROUGH TRADEEASY

In October 2007 and as amended subsequently in February and March 2008, Tradeeasy Holdings Limited (“Tradeeasy”), a limited company listed on the GEM Board and an indirect non-wholly owned subsidiary of the Company, entered into agreements for the acquisition of a forestry project in Indonesia (the “Forestry Project”). The Forestry Project principally involves in the integrated business of upstream and downstream operations in the forestry business in the natural forest concessions of approximately 313,500 hectares in the Papua Province of Indonesia. The acquisition of the forestry business represents an expansion and diversification of the existing principal business activities of the Group and Tradeeasy. Due to the buoyant economy in Asia, especially in China, the regional demand for timber products significantly exceeds supply and as a result, prices of timber products have increased. We consider that the forestry industry is a high-growth business and believe that the acquisition of the Forestry Project represents a good opportunity for the Group and also Tradeeasy to enter the forestry industry with huge potential and good future prospect.

PROPOSED FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK$0.030 per share for the year 2007 to the shareholders whose names appear on the register of members of the Company on Friday, 23 May 2008, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company. The proposed final dividend will be payable from the Company’s retained profits and will be paid on or around Thursday, 12 June 2008 following the shareholders’ approval at the forthcoming annual general meeting of the Company. Taking into account the HK$0.025 per share 2007 interim dividend paid in October 2007, the total dividend per ordinary share amounted to HK$0.055 per share for this financial year 2007, compared with the total dividend of HK$0.045 per ordinary share distributed in respect of the financial year 2006.

OUTLOOK

The advent of the sub-prime financial crisis in the second half of 2007 is set to place downward pressure on economic growth globally. The widespread dispersion of credit risk and the unclear impact on financial markets have caused a credit crunch and resulted in serious damages to the global financial market. Under the sub-prime cloud, the outlook of the US economy is less than optimistic for 2008 and there are fears that the US economy is heading for a recession which will no doubt further affect consumer spending. Although the US government has recently launched the stimulus packages by means of tax relief and other treasury measures in order to stimulate the US economy and ease the credit liquidity but the effect of such packages and measures are yet to be seen. All in all, year 2008 is set to be another difficult year full of challenges. The production issues we encountered in 2007 in the People's Republic of China (the "PRC"), will likely continue to affect the profitability of our manufacturing business in the current year. In order to mitigate the impact of all these issues, a number of initiatives are in progress. The construction of our new production facilities in Chaoyang City, Liaoning Province is one of our initiatives to combat the production issues. We expect that the Group will benefit from the new factory in Chaoyang when it ramps up its production later this year.

The stock market in Hong Kong and China has corrected significantly in the first three months of 2008 due to the financial crisis in the US and the concerns of further macro-economic policies to be imposed by the Chinese government to control the high inflation rates in the PRC. Despite such uncertainties, we are still confident in the long-term growth of economy in Hong Kong and the PRC and will continue to invest in the listed shares in Hong Kong but we admit that the outlook of the investment market in the current year is challenging and uncertain.

While the government in China will adopt a steady fiscal policy and a contractionary monetary policy, this will not suddenly change the fundamentals of the rapid growth of GDP in China and the high demand for housing in China. Accordingly, the Group will continue to adhere to its established development strategic plan. In accelerating our development, we believe that the property development business will become a key driver of growth to our Group's business.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my gratitude to the members of the board for their diligent guidance and support, and to thank the Group's management team for their leadership and management, the staff for their hard work, and our shareholders, customers and suppliers, business partners and bankers for their continued support and confidence in the Group. We are confident of continuous growth in the years ahead and look forward to creating greater opportunities and delivering increased returns to our shareholders in the foreseeable future.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 14 April 2008

REVIEW OF OPERATIONS

During the year under review, the Group engaged in the following principal activities: (i) manufacture and sale of telecom and electronic products; (ii) manufacture and sale of plastic and electronic components; (iii) manufacture and sale of infant and child products; (iv) securities investment business; (v) property investment and development; and (vi) provision of e-commerce services.

Telecom and electronic products business

The telecom and electronic products business is carried out by our listed subsidiary, CCT Tech and its subsidiaries. During the year under review, the telecom and electronic products business faced the most difficult time in its history. Affected by the sub-prime mortgage financial crisis, the slowdown of the US economy as well as excess inventory of some of our European customers, the turnover of the telecom and electronic products business decreased during 2007. Coupled with strong market competition, the average selling price of our products also decreased during 2007.

In order to mitigate the impact of the challenges, the Group has been actively exploring business solutions to weather out the adverse unfavourable factors. We have continued to pursue our market diversification strategy in terms of expanding both our customer base and market demography. Our market diversification strategy over the years have proved to be sound and prudent decision especially during harsh times in the US economy as we have broadened our customer base to include many of the global leading distributors and renowned brands and we have expanded our geographical footprint to emerging markets. This marketing strategy has reduced our reliance on the US market.

In order to relief the pressure on average selling price from the customers and improve the Group's overall gross profit margin, more resources have been allocated to the development of higher-margin innovative and hi-tech products. Our Research and Development ("R&D") teams have worked closely with our customers and many innovative hi-tech products including broadband cordless phones have been developed by our R&D teams and will be rolled out in 2008. Other than the consumer telecom products market, we have been actively pursuing business opportunities in the commercial communications market. Our innovative small office and home office ("SOHO") products, and cordless conference box system have been launched in 2007 and positive response has been received from the customers. We believe that the in roads made into the commercial market will broaden our business opportunities for future growth.

As mentioned in the Group's interim report 2007, due to the shortage of labour in the Guangdong Province, the Group has not been able to hire and retain enough workers to fulfill all customer orders. The problem became more serious in the second half of 2007. In order to retain and hire additional workers, the Group significantly increased the wage levels of workers in our Guangdong factories during the financial year 2007. The increase in the wages of workers has, in turn, raised the production costs of the Group thereby affecting the Group's profitability. Despite these measures, the labour shortage issue could not be completely addressed and we were unable to retain enough workers to operate our production lines at an optimum level. As a result, production efficiency suffered and certain customer orders were cancelled or delayed.

The Group has implemented various measures to control costs, improve efficiency and enhance its level of production automation. The construction of our new production facilities in Chaoyang city, Liaoning Province has been substantially completed and has started production in preliminary ramped up stage. The Group plans to hire more workers in its Chaoyang factory and these local workers require training. We hope that when the Chaoyang factory commences mass production, it will ease the production issues in our Guangdong Province and will deliver cost savings to the Group.

Manufacturing of plastic and electronics components

We manufacture plastic and electronic components, including plastic casings, power supply and transformers, to provide vertical support to our telecom and electronic product businesses. The production of these plastic and electronic components provides a stable supply of high quality components to the telecom and electronic product business at competitive prices. Some of the plastic components products were sold to independent third parties. Likewise, due to high plastic material prices caused primarily by high oil prices, the shortage of labour and the increase in overall production costs of our Guangdong factories, the performance of the plastic and electronic components business was adversely affected. The production costs of our components manufacturing business are expected to stay at high level in 2008 and are not expected to fall until our new Chaoyang factory can commence mass production in 2008.

Infant and child products business

During the year under review, despite keen market competition and high production costs in our Guangdong factories, the infant and child product business still reported an operating profit of HK$9 million. The Group has a strong commitment to product quality and had not received any quality complaints which were caused by poor workmanship. Despite recent news of recall of products and quality problems of other child product manufacturers in China, we have maintained an excellent product quality record. None of the products supplied by our infant and child products business were recalled in the US market during the financial year 2007. The management has devoted additional efforts to expand the product range in order to offer customers with more quality products at competitive prices. The Group will continue its efforts in developing new products, exploring new markets and expanding its customer base. As the recent slowdown of the US economy has little impact on the infant and child product business, we believe the infant and child products business will continue to grow at a reasonable pace and expect it to contribute a satisfactory return to the Group in the coming years.

Securities investment business

During 2007, the Group invested in H-shares, other listed shares and high yield notes linked with listed shares on the Hong Kong stock market. Our investment strategy is to invest in those listed companies which benefit from the strong economic growth of the PRC and the appreciation of RMB. Due to the booming stock market in Hong Kong and the PRC, our securities investment business group performed very well in the financial year 2007. It had made significant contributions to turnover and profits in the respective amount of approximately HK$486 million and HK$130 million for the year ended 31 December 2007. Although the investment environment in 2008 is uncertain and volatile, we will continue to invest in the Hong Kong stock market as we believe in the long-term economic growth in Hong Kong and the PRC.

Property investment and development

Affected by the continued reduction in interest rate and shortage of supply of prime office premises in the Central, the sentiment of the office property market in Hong Kong has improved and the market prices of office premises, especially in the Central financial district, have increased. Capitalised on the recovery of the property market, in October 2007, we successfully disposed of one of our key office premise investments and derived a realised gain of approximately HK$34 million.

Our property development business in China achieved significant development during 2007. The Group has successfully won bids for three pieces of land located in Chaoyang City and Anshan City within, the Liaoning Province, with aggregate total areas of approximately 356,000 square metres approved for both residential and commercial development purposes. These projects are progressing as planned and one of the Anshan projects is due to commence construction in later part of 2008. We plan to pre-sell units of the Anshan project in early 2009.

We are of course mindful of the macro-economic control measures introduced by the Central Government of the PRC aimed at reducing the risk of the property market overheating but we firmly believe that with careful planning of our projects based on a thorough understanding of such policies, the property development business has great potential and will generate business growth and attractive returns for years to come.

E-commerce business

The provision of e-commerce service is carried out by Tradeeasy, a company listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the year under review, our e-commerce services business contributed a turnover of HK$45 million and a loss of approximately HK$9 million to the Group.

The operating environment of the existing business of Tradeeasy remains highly competitive. Most of the customers of Tradeeasy are small and medium manufacturers and traders operating in Hong Kong and China, whose businesses are hit hard by the weakened economy of the US economy and the escalating costs in China. These companies have cut down their promotional budget or become more conservative in their marketing related spending, which therefore has adversely affected the revenue of Tradeeasy's e-commerce business. To counter impact of the adverse business environment, Tradeeasy has streamlined its operations and continued to develop innovative products and explore new markets.

The entering into the conditional agreement to acquire the Forestry Project in Indonesia represents an expansion and diversification of the principal activities of Tradeeasy. The transaction is still pending the issue of the circulars in respect thereof and is subject to certain other conditions precedent including, inter alia, approval by the respective shareholders of Tradeeasy and the Company.

ANNUAL RESULTS

The Board of the Company is pleased to announce the results of the Group for the year ended 31 December 2007 together with the comparative figures for the previous year as follows:

Consolidated Income Statement
For the year ended 31 December 2007

HK$ million	*Notes*	**2007**	2006
REVENUE	4	**4,066**	4,199
Cost of sales		**(3,778)**	(3,789)
Gross profit		**288**	410
Other income and gains		**667**	444
Selling and distribution costs		**(56)**	(63)
Administrative expenses		**(324)**	(284)
Other expenses		**(118)**	(80)
Finance costs	6	**(43)**	(40)
PROFIT BEFORE TAX	5	**414**	387
Tax	7	**(17)**	(21)
PROFIT FOR THE YEAR		**397**	366
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Equity holders of the parent		**484**	358
Minority interests		**(87)**	8
		397	366
DIVIDENDS	8		
Paid interim		**20**	16
Proposed final		**24**	20
		44	36
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		**HK$0.61**	HK$0.49
Diluted		**HK$0.57**	HK$0.43

Consolidated Balance Sheet
31 December 2007

HK$ million	*Notes*	**2007**	2006
NON-CURRENT ASSETS			
Property, plant and equipment		**1,287**	1,222
Investment properties		**315**	490
Prepaid land lease payments		**219**	225
Other intangible assets		**32**	45
Goodwill		**55**	128
Long term receivable		**—**	312
Available-for-sale financial assets		**11**	11
Deferred tax assets		**2**	4
Total non-current assets		**1,921**	2,437
CURRENT ASSETS			
Inventories		**223**	233
Trade and bills receivables	10	**718**	837
Prepayment, deposits and other receivables		**276**	42
Financial assets at fair value through profit or loss		**398**	226
Held-to-maturity financial assets		**—**	2
Pledged time deposits		**250**	88
Cash and cash equivalents		**1,673**	865
Total current assets		**3,538**	2,293
CURRENT LIABILITIES			
Trade and bills payables	11	**851**	886
Tax payable		**31**	25
Other payables and accruals		**300**	177
Derivative financial instruments		**62**	—
Interest-bearing bank loans and other borrowings		**212**	207
Total current liabilities		**1,456**	1,295
NET CURRENT ASSETS		**2,082**	998
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,003**	3,435

NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	**224**	296
Long term payable	**—**	256
Derivative financial instrument	**—**	71
Deferred tax liabilities	**4**	3
Total non-current liabilities	**228**	626
Net assets	**3,775**	2,809
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	**80**	78
Reserves	**3,121**	2,654
Proposed final dividend	**24**	20
	3,225	2,752
Minority interests	**550**	57
Total equity	**3,775**	2,809

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain derivative financial instruments and financial assets at fair value through profit or loss, which have been measured at fair value.

2. PRINCIPAL ACCOUNTING POLICIES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) Amendment to HKAS 1 Presentation of Financial Statements — Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note to the financial statements in Annual Report 2007 of the Company.

(c) HK(IFRIC)-Int 8 Scope of HKFRS 2

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to its employees in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

(d) HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group's existing policy of accounting for derivatives complies with the requirements of the interpretation, the interpretation has had no effect on these financial statements.

(e) HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets , the interpretation has had no impact on the financial position or results of operations of the Group.

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the telecom and electronic products segment engages in the manufacture and sale of telecom and electronic products, accessories and components;

(b) the infant and child products segment engages in the manufacture and sale of infant and child products;

(c) the securities investment segment engages in trading in securities and the holding of securities and treasury products;

(d) the property investment and development segment engages in property investment and property development; and

(e) the corporate and others segment comprises the provision of e-commerce service and corporate income and expense items.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers.

(a) Business segments

The following tables present revenue and profit/(loss) for the Group's business segments for the years ended 31 December 2007 and 2006.

Group	Telecom and electronic products		Infant and child products		Securities investment		Property investment and development		Corporate and others		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Segment revenue:												
Sales to external customers	**3,374**	3,882	**115**	112	**486**	149	**4**	3	**43**	34	**4,022**	4,180
Other revenue	**18**	34	**2**	—	**—**	—	**—**	—	**1**	2	**21**	36
Total revenue	**3,392**	3,916	**117**	112	**486**	149	**4**	3	**44**	36	**4,043**	4.216
Segment results	**(201)**	109	**9**	8	**130**	48	**52**	39	**423**	204	**413**	408
Interest income											**44**	19
Finance costs											**(43)**	(40)
Profit before tax											**414**	387
Tax											**(17)**	(21)
Profit for the year											**397**	366

(b) Geographical segments

The following table presents revenue information for the Group's geographical segments.

Group	United States of America		Asia Pacific		Europe		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Segment revenue:								
Sales to external customers	**1,793**	2,142	**1,736**	1,405	**493**	633	**4,022**	4,180
Other revenue	**—**	—	**21**	36	**—**	—	**21**	36
Total revenue	**1,793**	2,142	**1,757**	1,441	**493**	633	**4,043**	4,216

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and the value of services rendered, gross income from treasury investment which includes interest income on bank deposits and other financial assets, gross income from securities investment (which includes gross proceeds from the sale of investments and dividend income) and rental income from investment properties.

Revenue from the following activities has been included in turnover:

HK$ million	**2007**	2006
Revenue		
Manufacture and sale of telecom and electronic products	**3,374**	3,882
Manufacture and sale of infant and child products	**115**	112
Gross income from securities investment	**438**	137
Provision of e-commerce service	**43**	34
Rental income from investment properties	**4**	3
Interest income from held-to-maturity financial assets and financial assets at fair value through profit or loss	**48**	12
Bank interest income	**44**	19
	4,066	4,199

5. PROFIT BEFORE TAX

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

HK$ million	**2007**	2006
Cost of inventories sold	**3,408**	3,693
Depreciation	**135**	128
Amortisation		
— Prepaid land lease payments	**6**	5
— Deferred development expenditure	**36**	47
and after crediting:		
Fair value gain on investment properties	**19**	39
Gain on disposal of an investment property	**34**	—
Gain on partial disposal of subsidiaries	**456**	—
Gain on derecognition of derivative financial instrument	**71**	—
Gain on disposal of available-for-sale financial assets	**—**	318
Fair value gain on financial assets at fair value through profit or loss	**18**	13

6. FINANCE COST

HK$ million	**2007**	2006
Interest on bank loans and overdrafts wholly repayable within five years	**14**	12
Interest on bank loans wholly repayable after five years	**12**	11
Interest on convertible bonds	**3**	4
Interest on other liability	**14**	13
Total interest expense on financial liabilities not at fair value through profit or loss	**43**	40

7. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. 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.

Certain PRC subsidiaries of the Group, which are categorised as wholly foreign-owned enterprises, are entitled to preferential tax treatments including full exemption from the PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction in the PRC income tax for the next three consecutive years.

HK$ million	**2007**	2006
Group:		
Current — Hong Kong:		
Charge for the year	**6**	10
Overprovision in prior years	**(1)**	—
Current — Elsewhere		
Charge for the year	**9**	12
Deferred	**3**	(1)
	17	21

8. DIVIDENDS

HK$ million	**2007**	2006
Paid interim — HK$0.025 (2006: HK$0.020) per ordinary share	**20**	16
Proposed final — HK$0.030 (2006: HK$0.025) per ordinary share	**24**	20
Total	**44**	36

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on convertible bonds (see below). The weighted average number of ordinary shares used in the calculation is the ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

HK$ million	**2007**	2006
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**484**	358
Interest on convertible bonds	**3**	4
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**487**	362
Shares	**Number of shares**	
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**796,359,311**	732,918,201
Effect of dilution — weighted average number of ordinary shares:		
— convertible bonds	**57,261,612**	108,046,640
	853,620,923	840,964,841

10. TRADE AND BILLS RECEIVABLES

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

	Group			
	2007		2006	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**217**	**30**	294	35
31 to 60 days	**223**	**31**	249	30
61 to 90 days	**199**	**28**	243	29
Over 90 days	**79**	**11**	51	6
	718	**100**	837	100

11. TRADE AND BILLS PAYABLES

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

	Group			
	2007		2006	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**184**	**22**	232	26
31 to 60 days	**229**	**27**	233	26
61 to 90 days	**159**	**18**	168	19
Over 90 days	**279**	**33**	253	29
	851	**100**	886	100

FINANCIAL REVIEW

Highlights on Financial Results

HK$ million	2007	2006	% increase/ (decrease)
Turnover	**4,066**	4,199	(3.2%)
Gross profits	**288**	410	(29.8%)
Other income and gains	**667**	444	50.2%
Profit for the year	**397**	366	8.5%
Profit/(loss) attributable to:			
— Equity holder of the parent	**484**	358	35.2%
— Minority interest	**(87)**	8	N/A

Discussion on Financial Results

The Group reported a turnover of approximately HK$4,066 million during the financial year 2007, which represents a decrease of approximately 3.2% over last year. The decrease in turnover is attributable to the decrease in turnover from our telecom and electronic products business.

Gross profit dropped significantly from approximately HK$410 million in 2006 to approximately HK$288 million in 2007. The drop in gross profit is mainly due to the substantial increase in production costs and the reduction in the average selling price of our telecom and electronic products.

Other income and gains amounted to approximately HK$667 million in 2007, up 50.2% from HK$444 million. The significant increase in other income and gains was mainly attributable to disposal of investments and dilution gains upon the exercise of shares options of the CCT Tech and Tradeeasy.

Profit attributable to equity shareholders of the Company amounted to approximately HK$484 million, up 35.2% from previous financial year 2006, mainly due to the increase in gains from disposal of investments.

Profit/(loss) shared by minority interests changed significantly. The change arose from the decrease in equity interest of the Group in CCT Tech during the year under review and the share of loss of the CCT Tech Group by the minority shareholders for the year ended 31 December 2007, compared with the share of net profit of CCT Tech by the minority shareholders for the financial year 2006.

Analysis by Business Segment

	Turnover				
	2007		2006		
HK$ million	**Amount**	**Relative %**	Amount	Relative %	**% increase/ (decrease)**
Telecom and electronic products	**3,374**	**83.0%**	3,882	92.5%	(13.1%)
Infant and child products	**115**	**2.8%**	112	2.7%	2.7%
Securities investment business	**486**	**12.0%**	149	3.5%	226.2%
Property investment and development	**4**	**0.1%**	3	—	33.3%
Corporate and others	**87**	**2.1%**	53	1.3%	64.2%
Total	**4,066**	**100.0%**	4,199	100.0%	(3.2%)

	Operating profit /(loss) (before bank interest income, finance costs and tax)		
HK$ million	**2007**	2006	**% increase/ (decrease)**
Telecom and electronic products	**(201)**	109	N/A
Infant and child products	**9**	8	12.5%
Securities investment business	**130**	48	170.8%
Property investment and development	**52**	39	33.3%
Corporate and others	**423**	204	107.4%
Total	**413**	408	1.2%

During the year, telecom and electronic products business continued to be the principal business of the Group, accounting for approximately 83.0% (2006: 92.5%) of the Group's total turnover. Turnover from the telecom and electronic products business dropped by approximately 13.1% to HK$3,374 million in 2007, as compared to HK$3,882 million in 2006. The drop in turnover from the telecom and electronic products business is mainly due to adverse business environment. As turnover from the securities investment business increased substantially from approximately HK$149 million in 2006 to approximately HK$486 million in 2007, up approximately 226.2%, the relative percentage of the turnover contribution from the securities investment business to the Group's total turnover jumped from approximately 3.5% in 2006 to approximately 12.0% in 2007. As a result, the relative percentage of the turnover from the telecom and electronic products business to the Group's turnover dropped from approximately 92.5% to approximately 83.0%.

The infant and child products business remained small and accounted for approximately 2.8% (2006: 2.7%) of the total turnover.

The performance of our telecom and electronic products business was badly hurt by the difficult business environment and reported an operating loss of approximately HK$201 million in 2007, as compared to an operating profit of HK$109 million in 2006. The change was mainly due to the fall in average selling prices of consumer telecom products and substantial increase in operating costs.

The infant and child product business reported an operating profit of HK$9 million due to successful efforts of the management to improve efficiency and control costs.

The securities investment business benefited from the buoyant Hong Kong stock market in 2007 and its operating profit increased significantly to HK$130 million, representing an impressive growth of 170.8%. The growth was mainly attributable to the gains and dividend income from listed shares and interest from equity-linked notes due to the booming stock market in 2007.

The gains of the property investment and development business was derived mainly from the disposal of an office investment property and rental income less related expenses.

The gain in the corporate and others represented mainly the gains derived from disposal of our partial interests in CCT Tech during 2007 less the head office administrative expenses and the loss of the e-commerce business.

Analysis by geographical segment

	Turnover (including bank interest income)				
	2007		2006		
HK$ million	**Amount**	**Relative %**	Amount	Relative %	**% increase/ (decrease)**
US	**1,793**	**44.1%**	2,142	51.0%	(16.3%)
Asia Pacific region	**1,780**	**43.8%**	1,424	33.9%	25.0%
Europe	**493**	**12.1%**	633	15.1%	(22.1%)
Total	**4,066**	**100.0%**	4,199	100.0%	(3.2%)

The sale to the US market accounted for approximately 44.1% (2006: 51.0%) of the Group's total turnover for the year ended 31 December 2007. The drop in our sales to the US market was mainly due to the reduction of customers' orders, the fall in the average selling price and the shortage of labour in our Guangdong factories which affected our production. Helped by the substantial increase in turnover of our securities investment business, turnover derived from Asia Pacific region increased substantially from approximately HK$1,424 million in 2006 to approximately HK$1,780 million in 2007. Turnover from the Asia Pacific region accounted for approximately 43.8% (2006: 33.9%) of the Group's total turnover, reporting a growth of approximately 25.0%. Also affected by the subprime loan crisis and the excessive inventory of some of our European customers, orders from Europe market decreased and led to the drop of our sales to Europe market by 22.1% to HK$493 million, contributing approximately 12.1% (2006: 15.1%) of the Group's total turnover.

Highlights on Financial Position and Major Balance Sheet Items

HK$ million	**31 December 2007**	31 December 2006	**%increase/ (decrease)**
NON-CURRENT ASSETS			
Property, plant and equipment	**1,287**	1,222	5.3%
Investment properties	**315**	490	(35.7%)
Goodwill	**55**	128	(57.0%)
Long term receivable	**—**	312	(100.0%)
CURRENT ASSETS			
Trade and bills receivable	**718**	837	(14.2%)
Prepayment, deposits and other receivables	**276**	42	557.1%
Financial assets at fair value through profit or loss	**398**	226	76.1%
Cash and cash equivalents	**1,673**	865	93.4%
EQUITY AND NON-CURRENT LIABILITIES			
Long term payable	**—**	256	(100.0%)
Derivative financial instrument	**—**	71	(100.0%)
Minority interests	**550**	57	864.9%
Equity attributable to shareholders' of the Company	**3,225**	2,752	17.2%

Discussion on Financial Position and Major Balance Sheet Items

During the year 2007, the property, plant and equipment assets increased slightly by 5.3% to approximately HK$1,287 million, attributable mainly to the additions of the machinery, toolings and moulds for the existing Guangdong factories and for the new Chaoyang factory offset by the annual depreciation of fixed assets.

Decrease in the investment properties from HK$490 million in 2006 to HK$315 million in 2007 was mainly due to the disposal of an investment property during the year 2007.

Goodwill decreased by approximately 57.0% to HK$55 million as at 31 December 2007, mainly due to the release of goodwill for our decrease in equity interests in CCT Tech and the impairment of other goodwill during the year 2007.

As explained in the Group's annual report 2006, the long term receivable represents the initial exchange amount which serves as an effective collateral to secure the obligations of the Company under the Put Agreement entered into between the Company and Deutsche Bank in respect of the Put Options granted by the Company to Deutsche Bank in relation to the 13.8 billion shares in CCT Tech. During the year 2007, Deutsche Bank and the three other independent third party investors disposed in total 13,799,807,849 shares in CCT Tech to other public shareholders. The related Put Options were unwound and cancelled under the Put Agreement and the attributable portion of the long term receivable was then refunded to the Company. The long-term receivable therefore reduced significantly and the remaining balance related to the outstanding 192,151 Put Options as at 31 December 2007 was approximately HK$4,000.

Trade and bills receivables decreased by approximately 14.2% to HK$718 million in 2007 from approximately HK$837 million in 2006. The drop was mainly due to the decrease in sales from the telecom and electronic products business.

Prepayment, deposits and other receivables increased by 557.1% to HK$276 million in 2007 was mainly due to prepayment paid for acquisition of three pieces of lands located in Chaoyang City and Anshan City within the Liaoning Province.

The increase in financial assets at fair value through profit or loss under current assets was mainly attributable to our additional investment in Hong Kong listed equity investments.

Cash and cash equivalents increased by 93.4% to HK$1,673 million mainly due to (i) the receipt of the option unwind amounts from Deutsche Bank related to the disposal of CCT Tech shares by Deutsche Bank and the three other independent third party investors; and (ii) proceeds from our disposal of investments during 2007 less our additional investment in financial assets.

Long term payable represents the liability of the Company in respect of the repurchase obligations of the CCT Tech Shares under the Put Agreement. The related portion of the long term liability of the Company in relation to those shares in CCT Tech sold by Deutsche Bank and the three investors during the year 2007 was derecognised and was recognised in the consolidated income statement during the year ended 31 December 2007.

Derivative financial instrument represents the fair value of Put Options under the Put Agreement. Following the disposal of 13,799,807,849 shares of CCT Tech by Deutsche Bank and the three other independent third party investors, the related Put Options were substantially unwound and derecognised in the consolidated income statement. The derivative financial instrument in relation to the outstanding 192,151 Put Options as at 31 December 2007 was approximately HK$1,000.

Increase in minority interests was mainly due to reduction in shareholding in CCT Tech by the Group. The Group still held an equity interest in CCT Tech of approximately 50.5% as at 31 December 2007 and CCT Tech remained as a principal subsidiary of the Company.

The increase in shareholders' fund of approximately 17.2% was mainly due to the carried forward of the retained profits for the year 2007 and issue of new shares from the conversion of convertible bonds during the year 2007.

CAPITAL STRUCTURE AND GEARING RATIO

	31 December 2007		31 December 2006	
HK$ million	**Amount**	**Relative %**	Amount	Relative %
Bank loans	**385**	**10.5%**	450	13.8%
Convertible bonds (liability component)	**43**	**1.2%**	49	1.5%
Finance lease payable	**8**	**0.2%**	4	0.2%
Total borrowings	**436**	**11.9%**	503	15.5%
Equity	**3,225**	**88.1%**	2,752	84.5%
Total capital employed	**3,661**	**100.0%**	3,255	100.0%

The Group's gearing ratio was approximately 11.9% as at 31 December 2007 (31 December 2006: 15.5%). The gearing ratio maintained at low level which reflects a healthy financial position and the prudent financial policy of the Group. Taking into account the cash on hand, the Group in fact did not have any net borrowings and the net cash balance (net of borrowings) of the Group amounted to HK$1,487 million (31 December 2006: HK$450 million).

Outstanding bank borrowings amounted to HK$385 million at 31 December 2007 (31 December 2006: HK$450 million). Approximately 54.3% of these bank borrowings was arranged on a short-term basis for the ordinary business of the Group and was repayable within one year. The remaining 45.7% of the bank borrowings was of long-term nature, principally comprised mortgage loans on investment properties and properties used by the Group.

Acquisition of certain of the Group's assets was financed by way of finance leases and the total outstanding finance lease payables for the Group as at 31 December 2007 amounted to approximately HK$8 million (31 December 2006: HK$4 million).

As at 31 December 2007, the maturity profile of the bank and other borrowings and convertible bonds of the Group falling due within one year, in the second to the fifth year and in the sixth to the tenth year amounted to HK$212 million, HK$163 million and HK$61 million, respectively (31 December 2006: HK$207 million, HK$208 million and HK$88 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	**31 December 2007**	31 December 2006
Current assets	**3,538**	2,293
Current liabilities	**1,456**	1,295
Current ratio	**243.0%**	177.1%

Current ratio as at 31 December 2007 was 243.0% (31 December 2006: 177.1%). The current ratio improved significantly, mainly due to the increase in cash during the year 2007. The strong liquid position was attributable to our effective financial management of the Group.

As at 31 December 2007, the Group's total cash balance amounted to HK$1,923 million (31 December 2006: HK$953 million), of which HK$250 million (31 December 2006: HK$88 million) was pledged for banking facilities granted to the Group.

Almost all of the Group's cash was placed on deposits with licensed banks in Hong Kong. The strong cash balance plus the funds available from the bank facilities are expected to be sufficient to cover all cash requirements, including working capital and capital expenditure needs.

CAPITAL EXPENDITURE AND COMMITMENTS

During the year ended 31 December 2007, the Group incurred capital expenditure to acquire fixed assets and addition of intangible assets amounted to approximately HK$252 million, which was mainly related to the core manufacturing businesses of the Group.

The Group's capital commitments amounted to approximately HK$79 million (31 December 2006: HK$69 million) as at 31 December 2007, which was mainly related to capital expenditure for the manufacturing business of the Group and all of which will be financed by internal resources.

TREASURY MANAGEMENT

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

During the financial year 2007, the Group's receipts were mainly denominated in US dollars, with some in Hong Kong dollars and the Euro. Payments were mainly made in Hong Kong dollars, US dollars and Renminbi and some made in Euros. Cash was generally placed in short-term deposits and medium-term deposits denominated in Hong Kong dollars and US dollars. As at 31 December 2007, the Group's borrowings were mainly denominated in Hong Kong dollars and US dollars. As at 31 December 2007, other than the convertible bonds in an aggregate principal amount of approximately HK$48 million which is interest-free, the Group's borrowings were principally made on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels. In terms of foreign exchange exposures, the Group is principally exposed to two major currencies, namely the US dollar in terms of receipts and the Renminbi in terms of the production costs (including mainly wages and overheads) in China. For US dollar exposure, since the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation is not expected to be significant. Above all, as most of the Group's purchases are also made in US dollars, which are to be paid out of our sales receipts in US dollars, the management considers that the foreign exchange exposure risk for the US dollar is not material.

For Renminbi exposure, as our wages and overheads in our factories in China are paid in Renminbi, our production costs will rise due to the possible further appreciation of Renminbi. Any further appreciation of the Renminbi in the near future will be of concern to all manufacturers with manufacturing facilities in China. The Group will continue to explore ways and methods to hedge future appreciation of Renminbi. We have invested some of our surplus funds on listed shares that we believe will benefit from appreciation of Renminbi. We hope that the returns and gains that we may derive from these listed shares will hedge partly against the potential appreciation of the Renminbi.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

Save as disclosed below, the Group did not acquire or dispose of any material subsidiaries and associates during the period under review. During the period under review, the Group disposed of part of its shareholding interest in CCT Tech to the extent of 15 billion shares. After the disposal, the Group still held 50.5% shareholding interest in CCT Tech as at 31 December 2007 and CCT Tech is still a principal subsidiary of the Company.

SIGNIFICANT INVESTMENT

During prior financial year 2006, the Group increased its property investment by acquiring two luxury residential properties for rental purposes for a total consideration of HK$177 million. Save as disclosed, there was no significant investment unrelated to the core manufacturing businesses of the Group during the financial years 2006 and 2007.

PLEDGE OF ASSETS

As at 31 December 2007, certain of the Group's assets with a net book value of HK$804 million (31 December 2006: HK$1,004 million) and time deposits of HK$250 million (31 December 2006: HK$88 million) were pledged to secure the banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2007, the banking facilities granted to the subsidiaries subject to the corporate guarantees given to banks by the Company were utilised to the extent of approximately HK$165 million (31 December 2006: HK$247 million).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2007 was 16,278 (31 December 2006: 17,820). Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. At 31 December 2007, there were no outstanding share options granted by the Company.

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 year.

COMPLIANCE WITH THE CODE ON 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 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year under review, except for the following deviations from the code provisions of the CG Code:

(1) A.2.1: the roles of chairman and chief executive officer should be separate;

(2) A.4.1: non-executive directors should be appointed for a specific term; and

(3) A.4.2: all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director should be subject to retirement by rotation at least once every three years.

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the interim report of the Company for the six months ended 30 June 2007 and will be disclosed in the corporate governance report contained in the 2007 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS OF THE COMPANY

The Company has adopted its code of conduct regarding the securities transactions by the directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the financial year under review.

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 Listing Rules. During the year ended 31 December 2007, the Audit Committee consisted of three members comprising the three independent non-executive directors of the Company ("INED(s)"), namely Messrs. Tam King Ching, Kenny, Lau Ho Man, Edward and Samuel Olenick. Mr. Samuel Olenick resigned on 5 February 2008 and a new INED, namely Mr. Chen Li was appointed on the same day as a member of the Audit Committee. Currently, two members of the Audit Committee are qualified accountants who have extensive experience in accounting and financial matters. The Audit Committee is chaired by an INED who is subject to rotation each year.

The Audit Committee has reviewed the adopted accounting principles and practices and discussed the auditing, internal control and financial reporting matters. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2007 with the management and the external auditors of the Company. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee held four meetings in 2007.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2007 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2008.

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. During the year ended 31 December 2007, the Remuneration Committee consisted of five members comprising the three INEDs, namely Messrs. Tam King Ching, Kenny, Lau Ho Man, Edward and Samuel Olenick, and two executive directors of the Company, namely Messrs. Mak Shiu Tong, Clement and Tam Ngai Hung, Terry. Mr. Samuel Olenick resigned on 5 February 2008 and a new INED, namely Mr. Chen Li was appointed on the same day as a member of the Remuneration Committee. The Remuneration Committee held two meetings in 2007. The Remuneration Committee is chaired by an INED who is subject to rotation each year.

Further information of the Remuneration Committee will be disclosed in the corporate governance report contained in the 2007 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications, or accounting or related financial management expertise throughout the financial year under review. The Board currently comprises the three INEDs, two of whom have accounting and financial expertise and bring strong independent judgement, knowledge and experience to the Board.

PUBLICATION OF THE ANNUAL RESULTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The results announcement of the Company for the year ended 31 December 2007 is published on the website of each of the Company at www.cct.com.hk and The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. The annual report, corporate governance report and notice of the annual general meeting of the Company will be despatched to the shareholders of the Company and made available on the website of each of the Company and The Stock Exchange of Hong Kong Limited on or before 30 April 2008.

ANNUAL GENERAL MEETING

The 2008 annual general meeting of the shareholders of the Company will be held at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong on Friday, 23 May 2008 at 10:30 a.m. and the notice of the annual general meeting of the Company will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 May 2008 to Friday, 23 May 2008 (both days inclusive), during which period, no transfer of share(s) will be effected. In order to qualify for the proposed final dividend and to determine the entitlement to attend and vote at the forthcoming annual general meeting of the Company, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 20 May 2008.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora and Dr. William Donald Putt and the INEDs are Mr. Tam King Ching, Kenny, Mr. Lau Ho Man, Edward and Mr. Chen Li.

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 14 April 2008