CCT TECH INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2008	2007
HK$ million	***(Unaudited)***	*(Unaudited)*
Turnover	**1,354**	1,562
Loss for the period	**(123)**	(56)

CHAIRMAN'S LETTER

On behalf of the board of directors (the "Board") of CCT Tech International Limited (the "Company"), I am pleased to announce the interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2008.

Our core manufacturing business continued to experience difficulties and challenges in the first half of the financial year 2008. Due to slowdown in consumer spending in the global market and keen market competition, the turnover of the Group for the first half of the financial year 2008 decreased by approximately 13.3% to approximately HK$1,354 million. As a result of the combined effect of decrease of turnover, high material costs and rising labour and other production costs and appreciation of Renminbi ("RMB"), the Group reported a loss of approximately HK$123 million for the six months ended 30 June 2008, an increase of 119.6% as compared to a loss of HK$56 million in the corresponding previous period.

Despite difficult business conditions, our financial position remains healthy. The Group has undertaken a number of initiatives to improve its competitiveness and efficiency and to control its costs. As a result of such strategies, the Group's loss for the six months ended 30 June 2008 is slightly less than that for the six months ended 31 December 2007.

INTERIM DIVIDEND

In order to conserve cash for ongoing business operations and future growth, the directors do not recommend payment of an interim dividend for the six months ended 30 June 2008 (30 June 2007: nil).

REVIEW OF OPERATIONS

Affected by the falling domestic demand in the United States (the "US") and the weakening of the global economy stemmed from the downturn of the housing market and the sub-prime mortgage financial crisis in the US, sales orders from our customers slowed down. Average selling price of our products decreased as a result of market competition and weakening demand. These factors directly affected the performance of the Group's manufacturing business for the six months ended 30 June 2008 which recorded a significant drop in turnover during the period under review by approximately 13.3% to HK$1,354 million.

The runaway petroleum price in the first half of 2008 pushed up costs of oil-based materials, especially plastic resins. The robust economy in the developing countries including the People's Republic of China (the "PRC") also caused prices of commodities to increase. Higher commodity prices fed into increased costs of materials and components used in our manufacturing. Another factor that affected our performance most is the deteriorating operating environment for factories operating in the Guangdong Province. Our Guangdong factories continued to encounter acute shortage of labour, shortage of electricity, surge in the costs of labour, energy and overheads, and the continued appreciation of RMB which all have adverse impact to our production costs and efficiency. The combined effect of the drop in turnover and selling price on one hand and the jump in costs and overheads on the other hand undermined the margin of our manufacturing business. As a result, the Group reported a significant operating loss of approximately HK$123 million for the six months ended 30 June 2008, as compared to a loss of approximately HK$56 million for the six months ended 30 June 2007, representing an increase of approximately 119.6%.

In order to combat the adverse business conditions which are out of our control, the Group has undertaken a number of initiatives which include re-engineering of products, increasing production automation and costs reduction and controls in order to improve competitiveness and efficiency. Such strategies have gradually shown effect. The loss of the Group for the first half of 2008 is in fact slightly less than that for the second half of 2007.

Despite the difficult environment, the Group maintains its leading position in the manufacturing of cordless phones. Our customer base includes many of the global leading distributors, renowned brands and major fixed line telephone operators. Technology remains our core strength. Our strong research and development team continues to be our key strength which has continued to bring in new technology to our product development as well as in the areas of the costs and efficiencies improvement. We have also adopted a wide range of strategies to gain our competitive edge. Measures have been implemented to look right across the whole operations for ways to drive better efficiencies and lift productivity.

OUTLOOK

The outlook of global economy is still uncertain and remains difficult and full of challenges. The bankruptcy of the US investment bank, Lehman Brothers, has widened and deepened the financial turmoil. It is uncertain as to when the credit crunch and the woes of the US economy will be resolved.

The weak global demand of our telecom products, the production issues and rising production costs will remain key challenges to our manufacturing business in the near future. However, we are still cautiously optimistic in the long-term future of our core manufacturing business. We believe our strong and resilient management team will enable the Group to weather out the storm and regain a strong financial foothold. The measures and initiatives taken by the Group to improve its competitiveness have shown effect. I am pleased to report that the margin of our core manufactures business has shown improvement after 30 June 2008, which is an encouraging sign. We believe that as the financial crisis settles down and the global economy recovers in the future, with our strength and competitiveness, we will be well placed to revive.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express our appreciation and gratitude to the senior management and all staff for their support, hard work and dedication over the years. We would also like to express our sincere thanks to our shareholders, bankers, investors, customers and suppliers for their continued encouragement and strong support to the Group.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 19 September 2008

INTERIM RESULTS

The Board of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2008 together with the comparative figures for the corresponding period in 2007 as follows:

Condensed Consolidated Income Statement
For the six months ended 30 June 2008

HK$ million	*Notes*	**Six months ended 30 June** **2008** ***(Unaudited)***	2007 *(Unaudited)*
REVENUE	*3*	**1,354**	1,562
Cost of sales		**(1,401)**	(1,508)
Gross profit/(loss)		**(47)**	54
Other income and gains	*3*	**25**	12
Selling and distribution costs		**(16)**	(21)
Administrative expenses		**(61)**	(70)
Equity-settled share option expenses		**—**	(13)
Other expenses		**(16)**	(7)
Finance costs		**(4)**	(7)
LOSS BEFORE TAX	*4*	**(119)**	(52)
Tax	*5*	**(4)**	(4)
LOSS FOR THE PERIOD		**(123)**	(56)
DIVIDEND	*6*	**—**	—
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	*7*		
— Basic		**(0.188 cents)**	(0.087 cents)
— Diluted		**N/A**	N/A

Condensed Consolidated Balance Sheet

30 June 2008

HK$ million	Notes	30 June 2008 (Unaudited)	31 December 2007 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**537**	569
Investment properties		**178**	178
Prepaid land lease payments		**47**	48
Goodwill		**22**	22
Other intangible assets		**22**	25
Total non-current assets		**806**	842
CURRENT ASSETS			
Inventories		**189**	186
Trade and bills receivables	*9*	**613**	689
Prepayments, deposits and other receivables		**39**	24
Financial assets at fair value through profit or loss		**—**	28
Pledged time deposits		**86**	85
Cash and cash equivalents		**440**	476
Total current assets		**1,367**	1,488
CURRENT LIABILITIES			
Trade and bills payables	*10*	**829**	875
Tax payable		**11**	12
Other payables and accruals		**114**	168
Interest-bearing bank loans and other borrowings		**183**	189
Total current liabilities		**1,137**	1,244
NET CURRENT ASSETS		**230**	244
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,036**	1,086

HK$ million	Notes	**30 June 2008** *(Unaudited)*	31 December 2007 *(Audited)*
NON-CURRENT LIABILITIES			
Interest-bearing bank loans, secured		**103**	31
Deferred tax liabilities		**4**	4
Total non-current liabilities		**107**	35
Net assets		**929**	1,051
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**654**	654
Reserves		**275**	397
Total equity		**929**	1,051

Notes to Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standards ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2007.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the consolidated financial statements for the year ended 31 December 2007.

In the current interim period, the Group has applied a number of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2008. The adoption of the new HKFRSs has no significant effect on the Group's accounting policies and amounts reported for the current and prior accounting periods in these condensed consolidated financial statements.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors anticipate that the application of theses new standards or interpretations will have no material impact on the results and financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1, Amendments	Puttable Financial Instruments and Obligations Arising On Liquidation[2]
HKFRS 2 (Amended)	Share-based Payment — Amendments Relating to Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[1]
HK(IFRIC)-Int 15	Agreements for the construction of real estate[2]
HK(IFRIC)-Int 16	Hedges of a net investment in a foreign operation[4]

1 Effective for annual periods beginning on or after 1 July 2008
2 Effective for annual periods beginning on or after 1 January 2009
3 Effective for annual periods beginning on or after 1 July 2009
4 Effective for annual periods beginning on or after 1 October 2008

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 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 and accessories; and

(b) the corporate segment includes corporate income and expenses items.

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

(a) Business segments

The following table presents revenue and loss for the Group's business segments for the period ended 30 June 2008 and 2007.

HK$ million	Telecom and electronic products		Corporate and others		Total	
	2008	2007	**2008**	2007	**2008**	2007
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Segment revenue:						
Sales to external customers	**1,351**	1,561	**—**	—	**1,351**	1,561
Other revenue	**25**	12	**—**	—	**25**	12
Total revenue	**1,376**	1,573	**—**	—	**1,376**	1,573
Segment results	**(110)**	(21)	**(8)**	(25)	**(118)**	(46)
Interest income					**3**	1
Finance costs					**(4)**	(7)
Loss before tax					**(119)**	(52)
Tax					**(4)**	(4)
Loss for the period					**(123)**	(56)

(b) Geographical segments

The following tables present revenue information for the Group's geographical segments for the period ended 30 June 2008 and 2007.

2008

HK$ million	**United States of America** *(Unaudited)*	**Asia Pacific** *(Unaudited)*	**Europe** *(Unaudited)*	**Total** *(Unaudited)*
Segment revenue:				
Sales to external customers	**641**	**486**	**224**	**1,351**
Other revenue	**—**	**25**	**—**	**25**
Total revenue	**641**	**511**	**224**	**1,376**

2007

HK$ million	United States of America *(Unaudited)*	Asia Pacific *(Unaudited)*	Europe *(Unaudited)*	Total *(Unaudited)*
Segment revenue:				
Sales to external customers	802	534	225	1,561
Other revenue	—	12	—	12
Total revenue	802	546	225	1,573

4. LOSS BEFORE TAX

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

	Six months ended 30 June	
HK$ million	**2008** *(Unaudited)*	2007 *(Unaudited)*
Cost of inventories sold	**1,401**	1,508
Depreciation	**46**	47
Amortisation of prepaid land lease payments	**1**	1
Amortisation of deferred development costs	**17**	18
Write off of deferred development costs	**13**	7

5. TAX

HK$ million	Six months ended 30 June 2008 (Unaudited)	2007 (Unaudited)
Current — Hong Kong	**1**	2
Current — Elsewhere	**3**	2
Total tax charge for the period	**4**	4

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. 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 the first profit-making year, followed by a 50% reduction for the next three consecutive years.

6. DIVIDEND

The directors do not recommend payment of an interim dividend for the six months ended 30 June 2008 (30 June 2007: nil).

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

The calculation of basic loss per share attributable to ordinary equity holders of the parent for the six months ended 30 June 2008 is based on the loss attributable to ordinary equity holders of the parent for the six months ended 30 June 2008 of HK$123 million (2007: HK$56 million), and the weighted average number of 65,413,993,990 ordinary shares in issue (2007: 64,485,071,338 ordinary shares) during the period.

The calculation of the basic loss per share is based on:

HK$ million	Six months ended 30 June 2008 (Unaudited)	2007 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent	**(123)**	(56)
Shares	**Number of shares**	
Weighted average number of ordinary shares in issue during the period	**65,413,993,990**	64,485,071,338

Dilutive loss per share amount for the period ended 30 June 2008 has not been disclosed as no diluting events existed during the current period.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2008, the Group acquired fixed assets of approximately HK$14 million (six months ended 30 June 2007: approximately HK$68 million) and disposed fixed assets of nil (six months ended 30 June 2007: nil).

9. 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:

	30 June 2008		31 December 2007	
	(Unaudited)		*(Audited)*	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**238**	**39**	203	29
31 to 60 days	**209**	**34**	210	30
61 to 90 days	**128**	**21**	198	29
Over 90 days	**38**	**6**	78	12
Total	**613**	**100**	689	100

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

10. 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:

	30 June 2008		31 December 2007	
	(Unaudited)		*(Audited)*	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**244**	**29**	191	22
31 to 60 days	**234**	**28**	237	27
61 to 90 days	**171**	**21**	182	21
Over 90 days	**180**	**22**	265	30
Total	**829**	**100**	875	100

Included in trade and bills payables are trade payables of HK$129 million (31 December 2007: HK$111 million) due to Neptune Holding Limited ("Neptune") and Electronic Sales Limited ("ESL"), being wholly-owned subsidiaries of CCT Telecom, which are repayable within 90 days from invoice date.

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS

HK$ million	Six months ended 30 June **2008** *(Unaudited)*	2007 *(Unaudited)*	% Increase/ (decrease)
Turnover	**1,354**	1,562	(13.3%)
Loss for the period	**(123)**	(56)	119.6%

Discussion on financial results

Turnover of the Group for the six months ended 30 June 2008 amounted to HK$1,354 million which represents a decrease of approximately 13.3% as compared to that of the corresponding period. The decrease in turnover was mainly caused by the falling US domestic demand and the weakening of the global economy.

Owing to the drop in the average selling price of our telecom products, combined with increase in the production costs, our margin was eroded. As a result, the Group continued to report a loss of HK$123 million for the six months period ended 30 June 2008, which represents an increase of approximately 119.6% as compared to the corresponding period.

Analysis by Business Segment

HK$ million	Turnover (including bank interest income) **2008** *(Unaudited)*	2007 *(Unaudited)*	Loss before bank interest income, finance costs and tax **2008** *(Unaudited)*	2007 *(Unaudited)*
Telecom and electronic products	**1,354**	1,562	**(110)**	(21)

During the period under review, Group's turnover and operating result was derived from the manufacture and sale of telecom and electronic products. The decrease in turnover during the period under review was caused by reduction in sales volume and decrease in average selling prices of products. The Group reported an operating loss (i.e. loss before bank interest income, finance costs and tax) of approximately HK$110 million for the six months ended 30 June 2008, as compared to an operating loss of approximately HK$21 million in previous corresponding period. The increase in loss was caused by decreased in turnover and significant increase in the production costs.

Analysis by Geographical Segment

	Turnover (including bank interest income)				
	2008		2007		
HK$ million	**Amount** ***(Unaudited)***	**Relative %**	Amount *(Unaudited)*	Relative %	% decrease
US	**641**	**47.3%**	802	51.3%	(20.1%)
Asia Pacific Region	**489**	**36.1%**	535	34.3%	(8.6%)
Europe	**224**	**16.6%**	225	14.4%	—
Total	**1,354**	**100.0%**	1,562	100.0%	(13.3%)

The US market remained the largest market of the Group, accounting for approximately 47.3% (corresponding period: 51.3%) of the Group's turnover in the first half of the year. Affected by the woes of US economy and the falling US domestic demand, our sales to the US market for the six months period ended 30 June 2008 dropped significantly to approximately HK$641 million from approximately HK$802 million in previous corresponding period, down approximately 20.1%. The sales to Asia Pacific region decreased by approximately 8.6% and accounted for approximately 36.1% (corresponding period: 34.3%) of the Group's turnover. Our sales to Europe market was less affected by the weak market condition and posted a turnover of approximately HK$224 million, similar to that of previous corresponding period. The sales to the Europe market contributed approximately 16.6% (corresponding period: 14.4%) of the Group's total turnover for the six months ended 30 June 2008.

Highlights on Financial Position

HK$ million	**30 June 2008** ***(Unaudited)***	31 December 2007 *(Audited)*	% increase/ (decrease)
Non-current assets	**806**	842	(4.3%)
Financial asset at fair value through profit or loss	**—**	28	N/A
Cash and cash equivalents	**440**	476	(7.6%)
Non-current liabilities	**107**	35	205.7%
Shareholders' funds	**929**	1,051	(11.6%)

Discussion on financial position

Total non-current assets decreased by approximately 4.3% during the period, attributable mainly to the depreciation of fixed assets and the amortisation of the deferred development costs after setting off the additions to non-current assets during the period.

Financial asset at fair value as at 31 December 2007 represents our investment in equity-linked deposits in order to earn higher yield return from the surplus fund. The equity-linked deposit was matured and realized at a gain during the six months ended 30 June 2008. As at 30 June 2008, the Group did not have any financial asset at fair value through profit or loss.

Decrease in cash and cash equivalents by approximately 7.6% was mainly attributable to net cash used for operations and the net cash outflow from investing and financing activity during the six months ended 30 June 2008.

Non-current liabilities increased by approximately 205.7% to HK$107 million as at 30 June 2008. The increase in non-current liabilities was mainly due to the new bank loans raised to fund capital expenditure and working capital for our manufacturing operations.

Shareholders' funds decreased by approximately 11.6% from HK$1,051 million to HK$929 million as at 30 June 2008 due mainly to the loss attributable to the equity holders of the Company during the first half of the year.

Capital Structure and Gearing Ratio

	30 June 2008		31 December 2007	
	Amount	**Relative %**	Amount	Relative %
HK$ million	***(Unaudited)***		*(Audited)*	
Total borrowings	**286**	**23.5%**	220	17.3%
Equity	**929**	**76.5%**	1,051	82.7%
Total capital employed	**1,215**	**100.0%**	1,271	100.0%

The Group's gearing ratio increased to approximately 23.5% as at 30 June 2008 (31 December 2007: 17.3%) as a result of additional new bank loans borrowed to finance capital expenditure and working capital for our manufacturing operations. After taking into account the cash on hand, the Group did not have any net borrowings and in fact had a positive net cash balance (net of borrowings) of approximately HK$240 million.

The Group's outstanding bank borrowings amounted to approximately HK$286 million as at 30 June 2008 (31 December 2007: HK$220 million). Amongst the total outstanding bank borrowings, HK$103 million was repayable within two to five years. The balance of HK$183 million was arranged on a short-term basis for ordinary business operations and was repayable within one year.

As at 30 June 2008, the maturity profile of the bank and other borrowings of the Group falling due within one year and in the second to the fifth year amounted to HK$183 million and HK$103 million, respectively (31 December 2007: HK$189 million and HK$31 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

Liquidity and Financial Resources

HK$ million	**30 June 2008** ***(Unaudited)***	31 December 2007 *(Audited)*
Current assets	**1,367**	1,488
Current liabilities	**1,137**	1,244
Current ratio	**120.2%**	119.6%

Current ratio as at 30 June 2008 maintained at a healthy level of 120.2% (31 December 2007: 119.6%). As at 30 June 2008, the Group's cash balance amounted to HK$526 million (31 December 2007: HK$561 million), of which HK$86 million (31 December 2007: HK$85 million) was pledged for general banking facilities. Almost all of the Group's cash was placed on deposits with licensed banks in Hong Kong.

Capital Expenditure and Commitments

During the period under review, the Group incurred capital expenditure to acquired fixed assets and addition of intangible assets amounted to approximately HK$41 million, which was mainly related to core manufacturing businesses of the Group.

As at 30 June 2008, capital commitment contracted by the Group but not yet provided for in the accounts amounted to approximately HK$12 million (31 December 2007: HK$16 million), which was mainly related to the capital expenditure in relation to the manufacturing operations. The capital commitment will be funded by internal resources and partly by bank borrowings.

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 period under review, the Group's receipts were mainly denominated in US dollars, with some in Hong Kong dollars and the Euros. 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 denominated in Hong Kong dollars and US dollars. The Group's borrowings were principally made on 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. In addition, 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 appreciation of Renminbi. Any further appreciation of the Renminbi in 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 but we still cannot find any effective way to hedge RMB appreciation up to now.

Acquisitions and Disposals of Material Subsidiaries and Associates

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

Significant Investment

The Group did not hold any significant investment as at 30 June 2008 (31 December 2007: Nil).

Pledge of Assets

As at 30 June 2008, certain of the Group's assets with net book value of HK$486 million (31 December 2007: HK$497 million) and time deposits of approximately HK$86 million (31 December 2007: HK$85 million) were pledged to secure general banking facilities granted to the Group.

Contingent Liabilities

As at 30 June 2008, the Group did not have any significant contingent liabilities as at 30 June 2008.

Employees and Remuneration Policy

The total number of employees of the Group as at 30 June 2008 was 14,311 (31 December 2007: 12,919). 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. As at 30 June 2008, there were no outstanding share options granted by the Company (31 December 2007: Nil).

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 six months ended 30 June 2008.

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 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period for the six months ended 30 June 2008, 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 corporate governance report contained in the 2007 Annual Report of the Company issued in April 2008 and will be disclosed in the 2008 Interim Report of the Company, which will be despatched to the shareholders of the Company on or before 30 September 2008.

Audit Committee

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. The Audit Committee consists of three members comprising the three independent non-executive directors of the Company ("INED(s)"), namely Mr. Lau Ho Kit, Ivan, Mr. Chow Siu Ngor and Mr. Chen Li, one of whom is a qualified accountant and has 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 unaudited interim results of the Group for the six months ended 30 June 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. The Remuneration Committee consists of five members comprising the three INEDs, namely Mr. Lau Ho Kit, Ivan, Mr.

Chow Siu Ngor and Mr. Chen Li, and the two executive directors of the Company, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is chaired by an INED who is subject to rotation each year.

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 period for the six months ended 30 June 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 period for the six months ended 30 June 2008. The Board comprises the three INEDs, one of whom has accounting and financial expertise and brings strong independent judgement, knowledge and experience to the Board.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2008 INTERIM REPORT

This interim results announcement is published on the websites of the Company at www.cct-tech.com.hk and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at www.hkexnews.hk. The 2008 Interim Report of the Company will be despatched to the shareholders of the Company in the manner as required by the Listing Rules and made available on the websites of the Company and the Stock Exchange in due course.

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, Mr. Li Man To, Feynman and Dr. William Donald Putt and the INEDs are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Chen Li.

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 19 September 2008