CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 00138)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

CHAIRMAN'S LETTER

The year 2008 has turned out to be a traumatic year for every economy and every industry globally. The unprecedented financial tsunami originated from the sub-prime crisis in the United States of America (the "U.S.") has widely swept through all regions and created a serious credit crunch and a sudden squeeze in global consumption. The rippling effects from the financial tsunami on the global economy have badly shaken consumer confidence and damaged the global capital market, which have resulted in recession in the developed countries. As with many other industries and businesses, the operations and performance of CCT Telecom Holdings Limited ("CCT Telecom" or the "Company") was adversely affected by the financial tsunami.

On behalf of the board of directors (the "Board") of CCT Telecom, I herein present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008.

During the year under review, the Group's turnover was HK$2,935 million, decreased by approximately HK$794 million, or 21.3% as compared with last year.

As disclosed in the Company's announcements dated 6 November 2008 and 15 January 2009, the Group's largest single customer in the U.S. (the "U.S. Customer") has discontinued its retail telephony activities in North America (the "Discontinuation"). As a result of the Discontinuation, the Group has written off impairment loss in the amount of HK$332 million on certain under-utilised fixed assets and intangible assets and has incurred restructuring costs in the total amount of HK$44 million associated with the Discontinuation. These exceptional impairment loss and restructuring costs have hit the financial performance of the Group's telecom product business for the year ended 31 December 2008, substantially increasing its loss for the year.

Under the global economic contraction environment, our manufacturing business was faced with the most difficult times since its inception. Affected by the contracting demand of the telecom products, high operating costs especially in the first half of 2008 and the exceptional impairment loss and restructuring costs arising from the Discontinuation, the operating loss of the Group's telecom product business reached approximately HK$623 million for the year ended 31 December 2008. Excluding the exceptional items, the operating loss of the telecom product business in the second half of the year was HK$102 million, which has substantially reduced from the operating loss of HK$145 million in the first half of the year. The improvement in the operating result before the exceptional items of the Group's telecom product business in the second half of the year is encouraging and signifies the success of the measures and initiatives taken by the Group to improve its competitiveness.

The financial turmoil in the U.S. has shattered global capital market and as a result, the stock market in Hong Kong has plummeted since the beginning of 2008. As a result of the deep market downturn, the Group's securities business incurred a net realized loss of approximately HK$149 million and recorded an unrealized mark-to-market losses in the value of the listed shares and financial instruments of approximately HK$396 million, which adversely affected the Group's results for 2008.

Due to the exceptional items associated with the Discontinuation, the losses of its telecom product business and its securities business in an extremely adverse business environment, the Group reported a loss of approximately HK$1,289 million for the year ended 31 December 2008, as compared to a net profit of approximately HK$397 million for the year ended 31 December 2007.

ACQUISITION OF FORESTRY PROJECT THROUGH CCT RESOURCES

CCT Resources Holdings Limited ("CCT Resources"), in which the Group has substantial shareholdings and whose shares are listed on the GEM of the Stock Exchange, achieved an important milestone by completing the acquisition of the forest project in Indonesia in August 2008. Thereafter, CCT Resources and its subsidiaries (the "CCT Resources Group") will be engaged in the upstream and downstream forestry operations in the natural forests with total areas of approximately 313,500 hectares in the Papua Province of Indonesia. The forests will be developed and harvested according to the business plans and the forestry operations are expected to start in the first half of 2009.

REPURCHASE OF SHARES OF CCT TELECOM

In order to reorganize the capital structure of the Company whilst maintaining a strong balance sheet and provide an opportunity for the shareholders of the Company to realize at least part of their investment in the Company at a premium to the market price, the Company announced a conditional cash offer to repurchase up to 280,000,000 shares of the Company at HK$0.50 per share (the "Offer") on 6 January 2009. All the conditions of the Offer were fulfilled on 16 February 2009. As at 2 March 2009, being the latest acceptance time of the Offer, acceptances in respect of 198,558,635 shares of the Company have been received by the Company. In accordance with the terms of the Offer, the Company repurchased a total of 198,558,635 shares in aggregate at the offer price of HK$0.50 per share. The Offer was completed and 198,558,635 shares of the Company were cancelled on 11 March 2009. The total consideration under the Offer of approximately HK$99.28 million was paid by the Company on 11 March 2009. Upon the completion of the Offer and cancellation of the repurchased 198,558,635 shares by the Company on 11 March 2009, the issued share capital of the Company reduced to 655,056,191 shares.

PROPOSED FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK$0.03 per share for the year 2008 to the shareholders whose names appear on the register of members of the Company on Tuesday, 2 June 2009, 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 distributable reserve and will be paid on or around Tuesday, 16 June 2009 following the shareholders' approval at the forthcoming annual general meeting of the Company. Taking into account the HK$0.025 per share 2008 interim dividend paid in October 2008, the total dividend per ordinary share amounted to HK$0.055 per share for this financial year 2008, compared with the total dividend of HK$0.055 per ordinary share distributed in respect of the financial year 2007.

OUTLOOK

The rippling effects from the financial crisis and the uncertainties on the effectiveness of steps and measures taken by the governments around the world to address the financial crisis will continue to impact the world economy in 2009. We expect the outlook of the manufacturing industry to remain uncertain and challenging for 2009. The Discontinuation is expected to have an adverse impact on the Group's turnover in 2009. However, the Discontinuation has allowed us to eliminate the loss-making U.S. business and to further streamline and restructure our operations to enhance our competitiveness and improve productivity. We have taken all necessary actions to adjust our scale to the appropriate business level. We continue to emphasize cost controls in every areas of business and will continue to diversify our customer base and mitigate market and customer risks. We will continue to make improvement to our operation to gain our competitive edge and seek opportunities to leverage on current economy crisis to develop our business to prepare the Group for next growth cycle.

The stock market in Hong Kong is still volatile and uncertain and will be affected by external factors and performance of the overseas and PRC markets. However, we are optimistic in the long-term economic outlook in Hong Kong and the PRC. We are confident that the financial crisis together with its rippling effects will eventually go away and the stock market will recover in the future. We believe that our securities business will return to positive contribution as when the investment market in Hong Kong recovers in the future.

The PRC economy still faces a lot of challenges. However, with effect of a series of fiscal policies issued by the Central Government of China, the real estate market in the PRC will develop in a more steady way. We will adopt more prudent strategies in respect of property development projects to preserve our capital resources. Given the optimistic long-term economic outlook in the PRC, we are confident of the prospect of our property development business and believe that it will become a key driver for our revenue and profitability growth in the future.

In view of the uncertain economic environment, the Group will continue to adopt measures to protect its cashflow and strengthen our financial position. Stringent measures have been taken to control costs and control capital expenditure right across the whole operations and encouraging improvement in the gross margin of our manufacturing business has shown in the first few months of 2009. With our experienced management team, strong research and development capability and sound financial fundamentals, we believe that we are capable of overcome the external pressures and challenges amid the more uncertain global economic environment and we will continue with our best efforts for a successful year of 2009.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my gratitude to management, despite a most difficult environment, for their valuable input and critical analysis, all employees for their hard-working and our shareholders, customers and suppliers and bankers for their continued support and confidence in the Group.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 21 April 2009

REVIEW OF OPERATIONS

During the period under review, the principal businesses of the Group are (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 business; (v) property development and holding ; and (vi) the forestry resources business of CCT Resources.

Telecom Product Business

The telecom product business is carried out by the Company's listed subsidiary, CCT Tech International Limited ("CCT Tech") and its subsidiaries (the "CCT Tech Group").

The year 2008 was an extremely difficult year for every industry and business, especially for manufacturing industry. The financial turmoil originated from the housing and financial market in the U.S. has led to a severe global credit crunch and global economic downturn which has resulted in a recession in the developed economy.

Despite our efforts to further diversify customer base and mitigate market and customer risks, revenue of the telecom product business for the year ended 31 December 2008 still recorded a significant drop from approximately HK$3,374 million in 2007 to approximately HK$2,776 million in 2008, represented a drop of 17.7%, due to lower demand under economic downturn.

The Discontinuation did not have any significant effect on the turnover of the Group's telecom product business in 2008 as it only occurred in November last year. The customers of the Group comprise many major international distributors and operators and the U.S. Customer is only one of them. The Group's turnover derived from sales to the U.S. Customer for the year ended 31 December 2008 represents approximately 35.2% of the total turnover of the Group for the year ended 31 December 2008, compared with approximately 44.3% of the reclassified total turnover of the Group for the year ended 31 December 2007. The decrease in the relative proportion of sales to the U.S. customer in 2008 reflects the success of our diversification strategy by reducing our reliance on any single customer. The Discontinuation is expected to have a direct negative impact on the Group's turnover for the future years commencing 1 January 2009. However, it is expected that the loss in turnover from the U.S. Customer will be partially offset by the expected growth in sales to customers in Europe and the Asian-Pacific regions. As the sales to the U.S. Customer were loss-making, the Discontinuation has enabled the Group to eliminate the loss-making U.S. business and this is expected to have a positive impact on the Group's performance for the future financial years commencing 1 January 2009. Due to the Discontinuation, certain production facilities of the Group have become under-utilised and the value of such under-utilised fixed assets and certain intangible assets relating to the business of the U.S. Customer has been impaired. Furthermore, the Group has incurred certain restructuring costs in order to cope with the Discontinuation. As a result, impairment losses and restructuring costs in the aggregate amount of HK$376 million have incurred associated with the Discontinuation and were charged to the Group's consolidated income statement for the year ended 31 December 2008.

Affected by the financial crisis, the sales orders from our customers slowed down in 2008 and as a result turnover decreased. High production costs especially in the first half of the year, fueled by high material costs, surge in labour costs and the appreciation of Renminbi against U.S. dollar, and the exceptional items related to the Discontinuation adversely affected the performance of the telecom product business. As a result, the telecom product business of the Group reported an operating loss of approximately HK$623 million for the year ended 31 December 2008, a significant increase of 210.0% as compared to an operating loss of approximately HK$201 million in the corresponding previous year. If the exceptional items are excluded, the loss of the Group's telecom product business in the second half of 2008 in fact showed a significant decrease of 29.7% from that in the first half of 2008, reflecting encouraging improvement in the operating performance of the telecom product business.

Against such uncertain conditions, the Group has taken decisive actions towards cost optimization. We have consolidated manufacturing operations, undergone capacity review and taken necessary actions in each location. In order to combat the adverse business environment, the Group has implemented a number of initiatives which include re-engineering of our products, and costs reduction and controls in order to improve our competitiveness and efficiency. Additional initiatives like (i) exploring new markets and expand its sales to Europe, the Middle East, the Asian Pacific Regions, and other countries outside North America; (ii) trimming down costs and overheads relating to non-performing business units; (iii) stringent control on capital expenditures and employee recruitments; and (iv) a salary reduction plan for senior management have been implemented. These measures have shown positive effect and as a result the gross margins in the second half of 2008 has improved from that in the first half.

These prudent moves have enabled the Group to rationalise both variable and fixed operational expenses at a lower level and to retain a sharper focus on its remaining production capacity. The exceptional loss and costs relating to the Discontinuation though have a short-term adverse impact on the Group's results for 2008, they will improve the cost structure and efficiency of the Group in the longer term.

Measures have been implemented to look right across the whole operations for ways to drive better efficiencies and lift productivity and these measures have gradually shown positive effect.

Manufacturing of Plastic and Electronic Components

The Group's component business (including manufacture of plastic casing, power supply and transformers) mainly provides vertical support to its telecom product business. Some of the plastic component products are sold to independent third parties. Same as the telecom product business, the component business encountered similar business challenges and production issues like lower demand, high production costs and appreciation of Renminbi in 2008. In addition, due to the Discontinuation, certain production facilities of our component business have also became under-utilised and their value has impaired. As a result, the component business suffered a loss in 2008. Measures and actions have been taken by the Group to control costs and regain the competitiveness of its component business and encouraging signs have shown in the first few months of 2009 signaling the effectiveness of the Group's strategies to combat the operational challenges.

Infant and Child Product Business

Despite the adverse business environment, the Group's infant and child product business still reported an operating profit of approximately HK$8 million for the year ended 31 December 2008. The management was able to maintain profitability in the infant and child product business by taking measures to control costs and improve efficiency. We will continue to devote efforts to offer our customers high quality products at competitive prices. Although the financial tsunami on the global economy has badly affected global consumption, the demand of quality infant and child products is still high. We believe that the infant and child product business has excellent growth potential and will devote additional efforts and resources to develop new business opportunities.

Securities Business

2008 is an unprecedented volatile year for global financial market. The turmoil in the credit market, triggered initially by a downturn in the U.S. housing market and associated failure of complicated financial products, finally led to a severe worldwide financial crisis. In response, global government authorities undertook massive fiscal stimulus and bailout measures combined with aggressive interest rate cuts to prevent a full-blown global financial meltdown. Under such adverse financial environment, the stock market in Hong Kong plummeted in 2008. The Hang Seng Index has fallen over 50% from its historical peak level in October 2007. As a result of the market downturn, the Group's securities business incurred a net realized loss of approximately HK$149 million and posted unrealized mark-to-market losses in the value of the listed shares and financial instruments of approximately HK$396 million for the year ended 31 December 2008. The Group, however, derived gains of HK$130 million from its securities business in 2007 due to buoyant stock market in that year.

Under such uncertain financial environment, the Group remained cautious in managing our investment portfolio during the year. As most of our investments in securities business are in H-shares and Hang Seng Index constituent stocks, we are confident that when the stock market in Hong Kong recovers in the future, the Group's securities will return to positive contribution and provide satisfactory returns in the following years.

Property Development and Holding Business

The financial tsunami that shattered the global financial market has also affected the PRC economy. Inside the PRC, negative factors such as deteriorating exports and imports, increasing unemployment and reducing foreign investments have posed significant challenges to the PRC real estate market. In 2008, the PRC real estate market experienced obvious slowdown in the pace of sales where both sales volume and average price fell. During the year under review, the Group disposed a piece of land in the PRC and recognised a gain on disposal of the property in the amount of approximately HK$6 million. The Group's property development projects are located in the Liaoning Province of the PRC where property price is relatively stable and whose real estate market still recorded growth in 2008. Under current uncertain market environment, the Group has adopted a conservative approach to the pace of project development and construction. We will develop the existing projects by phases in response to the market condition.

In line with the PRC government's effort to encourage domestic consumption as the main pillar of the economic growth going forward, the Group remains cautiously optimistic about the long- term outlook for the PRC economy. Underpinned by rapid urbanization, strong accumulation of wealth and a high savings rate in the PRC, the long-term outlook for the real estate market in China remains positive. We believe that the property development business will generate business growth and contribute satisfactory returns to the Group in the coming years.

With regard to our property holding in Hong Kong, the Group plans to hold certain properties for investment and dispose some of these properties as when opportunities arise. The properties held by the Group are luxury residential properties located in the prime residential areas in the southern side of the Hong Kong Island. Because of the scarcity of supply we believe the property holding business will generate satisfactory return as when the property market in Hong Kong recover in the future.

Forestry Resources Business

The forestry project acquired by CCT Resources is huge in size and has excellent business potential. Despite the global economic downturn, the Group is still optimistic towards the long-term prospect of the forestry resources business. The PRC is still the world's largest wood consumer in terms of timber products. We believe that the forestry resources business is a high-growth business with huge potential and good future prospect.

Concrete business plans have been drawn up to develop the timber business. Experienced staff and workers have been hired. The timber operations are expected to start operations in the first half of 2009 and to generate revenue to CCT Resources in latter part of this year.

ANNUAL RESULTS

The Board of the Company is pleased to announce the results of the Group for the year ended 31 December 2008 together with the comparative figures for the previous year as follows:

Consolidated Income Statement
For the year ended 31 December 2008

HK$ million	*Notes*	**2008**	2007
REVENUE	*4*	**2,935**	3,729
Cost of sales		**(3,066)**	(3,441)
Gross profit/(loss)		**(131)**	288
Other income and gains		**42**	667
Selling and distribution costs		**(45)**	(56)
Administrative expenses		**(303)**	(324)
Other expenses		**(432)**	(118)
Finance costs	*7*	**(24)**	(43)
Share of loss of an associate		**(15)**	—
		(908)	414
Costs in connection with the Discontinuation and restructuring, net	*5*	**(376)**	—
PROFIT/(LOSS) BEFORE TAX	*6*	**(1,284)**	414
Tax	*8*	**(5)**	(17)
PROFIT/(LOSS) FOR THE YEAR		**(1,289)**	397
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Equity holders of the parent		**(1,123)**	484
Minority interests		**(166)**	(87)
		(1,289)	397
DIVIDENDS	*9*		
Paid interim		**21**	20
Proposed final		**20**	24
		41	44
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic		**(HK$1.36)**	HK$0.61
Diluted		**N/A**	HK$0.57

Consolidated Balance Sheet
31 December 2008

HK$ million	*Notes*	2008	2007
NON-CURRENT ASSETS			
Property, plant and equipment		**886**	1,287
Investment properties		**171**	315
Prepaid land lease payments		**213**	219
Other intangible assets		**—**	32
Goodwill		**55**	55
Interest in an associate		**229**	—
Available-for-sale financial assets		**4**	11
Deferred tax assets		**1**	2
Total non-current assets		**1,559**	1,921
CURRENT ASSETS			
Inventories		**135**	223
Property for development		**113**	—
Property held for sale		**87**	—
Trade and bills receivables	*11*	**422**	718
Prepayment, deposits and other receivables		**256**	276
Financial assets at fair value through profit or loss		**446**	398
Pledged time deposits		**89**	250
Cash and cash equivalents		**786**	1,673
Total current assets		**2,334**	3,538
CURRENT LIABILITIES			
Trade and bills payables	*12*	**551**	851
Tax payable		**29**	31
Other payables and accruals		**211**	300
Derivative financial instruments		**47**	62
Interest-bearing bank loans and other borrowings		**351**	212
Total current liabilities		**1,189**	1,456
NET CURRENT ASSETS		**1,145**	2,082
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,704**	4,003

HK$ million	*Notes*	2008	2007
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings		**124**	224
Deferred tax liabilities		**3**	4
Total non-current liabilities		**127**	228
Net assets		**2,577**	3,775
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**85**	80
Reserves		**2,108**	3,121
Proposed final dividend		**20**	24
		2,213	3,225
Minority interests		**364**	550
Total equity		**2,577**	3,775

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, available-for-sale financial assets and financial assets at fair value through profit or loss, which have been measured at fair value. Property held for sale is stated at the lower of its carrying amounts and fair values less costs to sell. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest million (HK$ million) except when otherwise indicated.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to 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 interpretations and amendments has had no significant effect on these financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

(a) Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures — Reclassification of Financial Assets

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing in the near term, if specified criteria are met.

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held-to-maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1 July 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

(b) HK(IFRIC)-Int 11 HKFRS 2 — Group and Treasury Share Transactions

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group buys the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on the financial position or results of operations of the Group.

(c) HK(IFRIC)-Int 12 Service Concession Arrangements

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for the obligations undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of operations of the Group.

(d) HK(IFRIC)-Int 14 HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has had no effect on these financial statements.

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 business segment engages in the trading in securities and the holding of securities and treasury products;

(d) the property development and holding segment engages in holding of property and property development; and

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

In determining the Group's geographical segments, revenues are attributed to the segments based on the final location where the Group's products were sold to consumers, and assets are attributed to the segments based on the location of the assets.

(a) Business segments

The following tables present revenue and profit/(loss) for the Group's business segments for the years ended 31 December 2008 and 2007.

HK$ million	Telecom and electronic products 2008	2007	Infant and child products 2008	2007	Securities business 2008	2007	Property development and holding 2008	2007	Corporate and others 2008	2007	Consolidated 2008	2007
Segment revenue:												
Sales to external customers	**2,776**	3,374	**140**	115	**(149)**	149	**123**	4	**25**	43	**2,915**	3,685
Other revenue	**30**	18	**2**	2	**—**	—	**—**	—	**10**	1	**42**	21
Total revenue	**2,806**	3,392	**142**	117	**(149)**	149	**123**	4	**35**	44	**2,957**	3,706
Segment results	**(623)**	(201)	**8**	9	**(555)**	130	**(26)**	52	**(69)**	423	**(1,265)**	413
Interest income											**20**	44
Finance cost											**(24)**	(43)
Share of loss of an associate											**(15)**	—
Profit/(loss) before tax											**(1,284)**	414
Tax											**(5)**	(17)
Profit/(loss) for the year											**(1,289)**	397

(b) Geographical segments

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

	North America 2008 *HK$ million*	2007 *HK$ million*	Europe 2008 *HK$ million*	2007 *HK$ million*	Asia Pacific 2008 *HK$ million*	2007 *HK$ million*	Consolidated 2008 *HK$ million*	2007 *HK$ million*
Segment revenue:								
Sales to external customers	**1,355**	1,907	**1,180**	1,183	**380**	595	**2,915**	3,685
Other revenue	**—**	—	**—**	—	**42**	21	**42**	21
Total revenue	**1,355**	1,907	**1,180**	1,183	**422**	616	**2,957**	3,706

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, net realised gain or loss from securities investment (which includes dividend income), gross proceeds from sale of properties and rental income from investment properties.

Revenue from the following activities has been included in turnover:

HK$ million	**2008**	2007
Revenue		
Manufacture and sale of telecom and electronic products	**2,776**	3,374
Manufacture and sale of infant and child products	**140**	115
Realised gain/(loss) from securities investment, net *(note)*	**(150)**	101
Sale of a property	**122**	—
Provision of e-commerce service	**25**	43
Rental income from investment properties	**1**	4
Interest income from held-to-maturity financial assets and financial assets at fair value through profit or loss	**1**	48
Bank interest income	**20**	44
	2,935	3,729

Note: *The Group's gross proceeds from the sale of financial assets at fair value through profit or loss and the corresponding carrying amount were separately shown and included in "Revenue" and "Cost of sales", respectively in the prior year's consolidated income statement. During the current year, the Group changed its presentation, as it is more appropriate to account the net realised gain/loss from sale of financial assets at fair value through profit or loss on a net basis as "Revenue" in the consolidated income statement.*

5. COSTS IN CONNECTION WITH THE DISCONTINUATION AND RESTRUCTURING, NET

The costs incurred and accrued as at 31 December 2008 in connection with the Discontinuation and restructuring, are summarised below:

HK$ million	**2008**
Impairment of items of property, plant and equipment	**310**
Impairment of deferred development costs	**22**
Redundancy costs and severance payments	**27**
Other related losses	**17**
	376

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

HK$ million	2008	2007
Cost of inventories sold	**2,921**	3,408
Depreciation	**140**	136
Amortisation		
— Prepaid land lease payments	**6**	6
— Deferred development expenditure	**24**	36
Fair value loss on investment properties	**20**	—
Fair value loss on financial assets at fair value through profit or loss	**402**	—

and after crediting:

Fair value gain on investment properties	**—**	19
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 derivative financial instruments	**6**	—
Fair value gain on financial assets at fair value through profit or loss	**—**	18

7. FINANCE COST

HK$ million	2008	2007
Interest on bank loans and overdrafts wholly repayable within five years	**12**	14
Interest on bank loans wholly repayable after five years	**12**	12
Interest on convertible bonds	**—**	3
Interest on other liability	**—**	14
Total interest expenses on financial liabilities not at fair value through profit or loss	**24**	43

8. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year. Prior year's Hong Kong profits tax had been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during that 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.

HK$ million	2008	2007
Group:		
Current — Hong Kong:		
Charge for the year	—	6
Underprovision/(overprovision) in prior years	1	(1)
Current — Elsewhere		
Charge for the year	2	9
Underprovision in prior years	2	—
Deferred	—	3
	5	17

9. DIVIDENDS

HK$ million	2008	2007
Paid interim — HK$0.025 (2007: HK$0.025) per ordinary share	21	20
Proposed final — HK$0.030 (2007: HK$0.030) per ordinary share	20	24
Total	41	44

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

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts for the year is based on the loss for the year attributable to ordinary equity holders of the parent of HK$1,123 million (2007: profit of HK$484 million), and the weighted average number of 825,137,009 (2007: 796,359,311) ordinary shares in issue during the year.

A diluted loss per share amount for the year ended 31 December 2008 has not been disclosed, as the convertible bonds outstanding during the year had an anti-dilutive effect on the basic loss per share for the year.

The calculation of the diluted earnings per share amount for the prior year 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 prior year, as used in the basic profit 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 for the prior year are based on:

HK$ million	2007
Earnings	
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	484
Interest on convertible bonds *(note 7)*	3
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	487

	Number of shares 2007
Shares	
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	796,359,311
Effect of dilution — weighted average number of ordinary shares:	
Convertible bonds	57,261,612
	853,620,923

11. 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			
	2008		2007	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**147**	**35**	217	30
31 to 60 days	**113**	**27**	223	31
61 to 90 days	**149**	**35**	199	28
Over 90 days	**13**	**3**	79	11
	422	**100**	718	100

12. 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			
	2008		2007	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**106**	**19**	184	22
31 to 60 days	**76**	**14**	229	27
61 to 90 days	**134**	**24**	159	18
Over 90 days	**235**	**43**	279	33
	551	**100**	851	100

FINANCIAL REVIEW

Highlights on Financial Results

HK$ million	2008	2007	% increase/ (decrease)
Turnover	**2,935**	3,729	(21.3%)
Other income and gains	**42**	667	(93.7%)
Profit/(loss) from operation before exceptional items	**(908)**	414	N/A
Costs in connection with the Discontinuation and restructuring, net	**(376)**	—	N/A
Profit/(loss) before tax	**(1,284)**	414	N/A
Tax	**(5)**	(17)	(70.6%)
Profit/(loss) for the year	**(1,289)**	397	N/A
Profit/(loss) attributable to:			
— Equity holders of the parent	**(1,123)**	484	N/A
— Minority interests	**(166)**	(87)	90.8%
	(1,289)	397	N/A

Discussion on Financial Results

The Group reported a turnover of approximately HK$2,935 million during the financial year 2008, which represents a decrease of approximately 21.3% over the corresponding year in 2007. The decrease in turnover is mainly attributable to the decrease in sales of the Group's telecom product business as a result of the contraction of global consumption, as affected by the financial tsunami.

Other income and gains amounted to approximately HK$42 million in 2008, substantially decreased by 93.7% from HK$667 million in 2007. The other income and gains in 2007 was mainly attributable to investment gains.

Due to the absence of any investment gains in 2008, the loss of the telecom product business, the charge of exceptional items associated with the Discontinuation and the substantial losses of its securities business in 2008, the Group's results turned from a profit of approximately HK$397 million in 2007 to a substantial loss of approximately HK$1,289 million in 2008.

The exceptional items associated with the Discontinuation represent impairment loss on certain under-utilised fixed assets and intangible assets and the restructuring costs relating to the business with the U.S. Customer. The losses of the Group's securities business represent the net realized loss from trading of listed shares and the unrealized mark-to-market losses in the value of the listed shares and financial instruments for the financial year 2008 due to the market downturn of the year.

Analysis by Business Segment

	Turnover				
	2008		2007		
HK$ million	**Amount**	**Relative %**	Amount	Relative %	% increase/ (decrease)
Telecom product business	**2,776**	**94.6%**	3,374	90.5%	(17.7%)
Infant and child product business	**140**	**4.8%**	115	3.1%	21.7%
Securities business (gain/(loss))	**(149)**	**(5.1%)**	149	4.0%	N/A
Property development and holding	**123**	**4.2%**	4	0.1%	(2,975.0%)
Corporate and others	**45**	**1.5%**	87	2.3%	(48.3%)
Total	**2,935**	**100.0%**	3,729	100.0%	(21.3%)

	Operating profit/(loss) before finance costs and tax		
HK$ million	**2008**	2007	% increase/ (decrease)
Telecom product business	**(623)**	(201)	210.0%
Infant and child product business	**8**	9	(11.1%)
Securities business	**(555)**	130	N/A
Property development and holding	**(26)**	52	N/A
Corporate and others	**(69)**	423	N/A
Total	**(1,265)**	413	N/A

During the year, the telecom product business continued to be the principal business of the Group, accounting for 94.6% (2007: 90.5%) of the Group's total turnover. Turnover from the telecom product business declined by approximately 17.7% to HK$2,776 million in 2008, as compared to HK$3,374 million in 2007, due to the contraction of global consumption as affected by the financial tsunami. The telecom product business posted an operating loss of approximately HK$623 million for the year ended 31 December 2008, as compared to an operating loss of approximately HK$201 million in the previous corresponding year. The unsatisfactory results of the telecom product business was due to the combined effect of the reduced sales volume, high material and labour costs which affected the gross margins of the business, and the exceptional items related to the Discontinuation. The telecom product business has shown encouraging improvement in its operating performance as the operating loss before exceptional items in the second half of 2008 has reduced by 29.7% from that in the first half, signals a positive sign of the Group's efforts in reviving its manufacturing business.

Despite the adverse business environment, the turnover of our infant and child business segment reported an impressive growth from approximately HK$115 million in 2007 to approximately HK$140 million in 2008, up approximately 21.7%. Although the infant and child product business group remains small which accounted for only 4.8% (2007: 3.1%) of the Group's total turnover for the year ended 31 December 2008, it reported an operating profit of approximately HK$8 million in 2008. The satisfactory performance of the infant and child business segment is mainly due to successful efforts of the management to improve efficiency and control costs.

Net realised loss of HK$149 million for 2008 (net realised gain of HK$149 million for 2007) derived from securities business on a net basis was accounted for as "revenue" in the consolidated income statement to conform with the current year's presentation. The performance of the Group's securities business was seriously affected by the volatility and the downturn of the Hong Kong stock market in 2008 and as a result, the Group's securities business posted a substantial loss of HK$555 million, attributable to the net realized loss from trading of listed shares and the unrealized mark-to-market loss on the Group's investment in listed shares and financial instruments as at 31 December 2008. The securities business, however, posted a gain of approximately HK$130 million for 2007, attributable to gains and income from listed shares and equity-linked notes in the buoyant Hong Kong stock market in 2007.

The turnover of the property development and holding segment represent sale of property and rental income. This business segment incurred a loss of HK$26 million in 2008, mainly due to unrealized fair value loss on revaluation of investment properties. The profit of last year was mainly derived from disposal of a property.

Corporate and others segment represent head office income and administrative expenses. The gains in the corporate and others segment for 2007 included mainly the one-off investment gains made by the Group in 2007 but no investment gains were derived by the Group in 2008.

Analysis by Geographical Segment

	Turnover (including bank interest income)				
	2008		2007		
HK$ million	**Amount**	**Relative %**	Amount	Relative %	% increase/ (decrease)
North America	**1,355**	**46.2%**	1,907	51.1%	(28.9%)
Europe	**1,180**	**40.2%**	1,183	31.7%	(0.3%)
Asia Pacific region	**400**	**13.6%**	639	17.2%	(37.4%)
Total	**2,935**	**100.0%**	3,729	100.0%	(21.3%)

In order to better reflect the geographical risks of the Group's sales, the geographical classification in the current year is prepared with reference to the final locations where the Group's products were sold to consumers instead of where the Group's customers were incorporated. The geographical segment information for the prior year has been reclassified to conform with the current year's presentation.

Turnover of each market segment dropped due to the decrease in customers' order stemming from diminishing customer's demand as a result of the financial turmoil. The North America was the largest market of the Group, accounting for approximately 46.2% (2007: 51.1%) of the Group's total turnover for the year ended 31 December 2008. The sale to the European market contributed approximately 40.2% (2007: 31.7%) of the Group's total turnover. The sale to the Asia Pacific region accounted for approximately 13.6% (2007: 17.2%) of the Group's turnover.

Highlights on Financial Position and Major Balance Sheet Items

HK$ million	**31 December 2008**	31 December 2007	% increase/ (decrease)
NON-CURRENT ASSETS			
Property, plant and equipment	**886**	1,287	(31.2%)
Investment properties	**171**	315	(45.7%)
Other intangible assets	**—**	32	(100.0%)
Interest in an associate	**229**	—	N/A
Available-for-sale financial assets	**4**	11	(63.6%)
CURRENT ASSETS			
Inventories	**135**	223	(39.5%)
Trade and bills receivable	**422**	718	(41.2%)
Property for development	**113**	—	N/A
Property held for sale	**87**	—	N/A
Financial assets at fair value through profit or loss	**446**	398	12.1%
Cash and cash equivalents	**786**	1,673	(53.0%)
CURRENT LIABILITIES			
Current interest-bearing bank loans and other borrowings	**351**	212	65.6%
EQUITY AND NON-CURRENT LIABILITIES			
Non-current interest-bearing bank loans and other borrowings	**124**	224	(44.6%)
Minority interests	**364**	550	(33.8%)
Equity attributable to shareholders' of the Company	**2,213**	3,225	(31.4%)

Discussion on Financial Position and Major Balance Sheet Items

As at 31 December 2008, the balance of property, plant and equipment decreased significantly by approximately 31.2% to approximately HK$886 million, attributable mainly to depreciation of the fixed assets during the year and the impairment in the value of the under-utilised production facilities arisen from the Discontinuation.

Decrease in the investment properties from HK$315 million as at 31 December 2007 to HK$171 million as at 31 December 2008 was attributable to the disposal of a property during the year, the reclassification of an investment property to property held for sale due to a change of its use and unrealized fair value loss made for the investment properties during the year 2008.

Other intangible assets represented the carrying value of the capitalised deferred development costs relating to products developed and designed for the U.S. Customer. Due to the Discontinuation, the value of the capitalized deferred developments cost has impaired entirely. As a result, the capitalized deferred development costs brought forward in the amount of approximately HK$22 million was written off and was charged to the consolidated income statement of the Group for the year ended 31 December 2008.

The consideration of the acquisition by CCT Resources of the forest project in Indonesia was satisfied (i) by cash and (ii) by convertible bonds (the "MCL Convertible Bonds") issued by CCT Resources to the vendor, Merdeka Commodities Limited. In consideration of the potential voting rights resulting from the exercise of the conversion rights attaching to the MCL Convertible Bonds, the Group's interest in CCT Resources was accounted for as an interest in an associate. Subsequent to 31 December 2008, due to the partial conversion of the MCL Convertible Bonds into shares of CCT Resources, the Group's shareholding interest in CCT Resources has been diluted to 48.34% as at the date of this result announcement. The Group's interest in an associate as at 31 December 2008 of HK$229 million represents the Group's share of the net assets of the CCT Resources Group under the equity method of accounting.

Available-for-sale financial assets decreased by 63.6% to HK$4 million as at 31 December 2008, attributable to disposal of a club debenture during the year ended 31 December 2008.

As at 31 December 2008, inventories of the Group amounted to approximately HK$135 million, a drop of approximately 39.5% as compared to the balance as at 31 December 2007. The significant decrease in inventories is in line with the decrease in turnover of the Group and reflects improvement in inventory control during the year under review. Given the uncertain global business environment, the Group's inventories level was maintained at a reasonable low level.

As at 31 December 2008, trade and bills receivable of the Group dropped by approximately 41.2% to approximately HK$422 million. The reduction in trade and bills receivable is in line with the decrease in turnover of the Group and reflects good payment records of the Group's customers even during the financial turmoil.

Due to change of use of property, the Group reclassified an investment property from 2007 as property held for sale which had a carrying value of HK$87 million at the end of 2008.

Financial assets at fair value through profit or loss represented the fair value of the Group's investment in listed shares. The increase in value of the financial assets was due to additional investments of the securities business during the year under review.

Cash and cash equivalents decreased by 53.0% to HK$786 million as at 31 December 2008 mainly due to net cash outflow for the Group's operations and the subscription of the convertible bonds in the principal amount of HK$138.8 million issued by CCT Resources for the acquisition of the forest project.

Current interest-bearing bank and other borrowings increased due to additional bank borrowings raised in 2008 and re-classification of certain bank borrowings from non-current liability to current liability.

Decrease in minority interests was mainly due to the sharing of loss of the CCT Tech Group for 2008 by the minority shareholders of CCT Tech.

Shareholders' funds decreased from HK$3,225 million as at 31 December 2007 to HK$2,213 million as at 31 December 2008, due to the loss attributable to the equity shareholders of the Company for the year ended 31 December 2008.

Capital Structure and Gearing Ratio

	31 December 2008		31 December 2007	
HK$ million	**Amount**	**Relative %**	Amount	Relative %
Bank loans	**470**	**17.5%**	385	10.5%
Convertible bonds (liability component)	**—**	**—**	43	1.2%
Finance lease payable	**5**	**0.2%**	8	0.2%
Total borrowings	**475**	**17.7%**	436	11.9%
Equity	**2,213**	**82.3%**	3,225	88.1%
Total capital employed	**2,688**	**100.0%**	3,661	100.0%

The Group's gearing ratio increased to approximately 17.7% as at 31 December 2008 from 11.9% as at 31 December 2007 as a result of new bank loans raised by the Group and the decrease in equity due to loss of the year. Although the gearing ratio increased, it is still maintained at a low level. 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$400 million.

Outstanding bank borrowings amounted to HK$470 million at 31 December 2008 (31 December 2007: HK$385 million). Approximately 73.8% 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 26.2% of the bank borrowings was of long-term nature, principally comprised of mortgage loans on properties held by the Group.

Acquisition of certain assets of the Group was financed by way of finance leases and the total outstanding finance lease payable as at 31 December 2008 amounted to approximately HK$5 million (31 December 2007: HK$8 million).

As at 31 December 2008, the maturity profile of the bank and other borrowings 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$351 million, HK$85 million and HK$39 million respectively (31 December 2007: HK$212 million, HK$163 million and HK$61 million respectively). All the Group's bank borrowings were borrowed to finance the ordinary business of the Group. There is no material effect of seasonality on the Group's borrowing requirements.

Liquidity and Financial Resources

HK$ million	**31 December 2008**	31 December 2007
Current assets	**2,334**	3,538
Current liabilities	**1,189**	1,456
Current ratio	**196%**	243%

The current ratio of the Group changed from 243% as at 31 December 2007 to 196% as at 31 December 2008, reflecting a very healthy liquidity position even during the financial turmoil. Due to funds used for businesses and operations of the Group, the Group's cash balance reduced from HK$1,923 million as at 31 December 2007 to HK$875 million as at 31 December 2008, of which HK$89 million (31 December 2007: HK$250 million) was pledged for general banking facilities. Almost all of the Group's cash was placed on deposits with licensed banks in Hong Kong.

In view of the substantial level of the Group's cash and bank balances, funds generated internally from the Group's operations and the unutilized banking facilities available, the Board is confident that Group will have sufficient resources to meet its debt repayment and finance its operations during the financial turmoil.

CAPITAL COMMITMENTS

As at 31 December 2008, the capital commitment of the Group was approximately HK$208 million (2007: HK$79 million). The capital commitment will be funded partly 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 financial year 2008, the Group's receipts were mainly denominated in U.S. dollars, with some in Hong Kong dollars and the Euro. Payments were mainly made in Hong Kong dollars, U.S. 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 U.S. dollars. As at 31 December 2008, the Group's borrowings were mainly denominated in Hong Kong dollars and U.S. dollars. As at 31 December 2008, 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 U.S. dollar in terms of receipts and the Renminbi in terms of the production costs (including mainly wages and overhead) in China. For U.S. dollar exposure, since the Hong Kong dollar remains pegged to the U.S. dollar, the exchange fluctuation is not expected to be significant. Above all, as most of the Group's purchases are also made in U.S. dollars, which are to be paid out of our sales receipts in U.S. dollars, the management considers that the foreign exchange exposure risk for the U.S. dollar is not material.

For Renminbi exposure, as our wages and overheads in our factories in China are paid in Renminbi, our production costs may be increased by the possible further appreciation of Renminbi. The Group will continue to explore ways and methods to hedge future appreciation of Renminbi and will only consider to enter into any forward contracts at appropriate costs and pricing.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

SIGNIFICANT INVESTMENT

Save as the investment in CCT Resources, the Group did not hold any significant investment as at 31 December 2008 (31 December 2007: Nil).

PLEDGE OF ASSETS

As at 31 December 2008, certain of the Group's assets with a net book value of HK$714 million (31 December 2007: HK$804 million) and time deposits of HK$89 million (31 December 2007: HK$250 million) were pledged to secure the general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2008, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2008 was 10,943 (31 December 2007: 16,278). 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 2008, there were no outstanding share options issued 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 2008 and will be disclosed in the corporate governance report contained in the 2008 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2009.

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 2008, the Audit Committee consisted of three members comprising the three independent non-executive directors of the Company ("INED(s)"). As at 1 January 2008, the three INEDs were Mr. Lau Ho Man, Edward, Mr. Tam King Ching, Kenny and Mr. 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 2008 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 2008.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2008 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2009.

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 2008, the Remuneration Committee consisted of five members comprising the three INEDs and the two executive directors of the Company. As at 1 January 2008, the three INEDs were Mr. Lau Ho Man, Edward, Mr. Tam King Ching, Kenny and Mr. Samuel Olenick, and the two executive directors of the Company were Mr. Mak Shiu Tong, Clement and Mr. 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 one meeting in 2008. 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 2008 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2009.

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 2008 is published on the websites 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 websites of the Company and The Stock Exchange of Hong Kong Limited on or before 30 April 2009.

ANNUAL GENERAL MEETING

The 2009 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 Tuesday, 2 June 2009 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 Friday, 29 May 2009 to Tuesday, 2 June 2009 (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 Wednesday, 27 May 2009.

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, 21 April 2009

This announcement will be published and remains on the "Latest Listed Company Information" page of The Stock Exchange of Hong Kong Limited's website at www.hkexnews.hk for at least seven days from the day of its publication and will be published and remains on the website of the Company at www.cct.com.hk.