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 2009

CHAIRMAN'S LETTER

I am pleased to announce the interim results of CCT Tech International Limited (the "Company") and its subsidiaries (the "Group") for the six months ended 30 June 2009.

In the first half of 2009, the Group achieved encouraging improvement in results, despite a decrease in revenue. The Group's operations managed to contribute positive EBITDA (earnings before interest, tax, depreciation and amortization) of approximately HK$10 million for the current period compared to LBITDA (loss before interest, tax, depreciation and amortization) of approximately HK$51 million for the last corresponding period. Loss attributable to owners of the parent has also narrowed substantially from HK$123 million for the six months ended 30 June 2008 to only HK$26 million for the six months ended 30 June 2009, which demonstrates strong signs of recovery of our manufacturing operations.

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 2009 (30 June 2008: nil).

REVIEW OF OPERATIONS

In the first half of 2009, the turnover of the Group's telecom product operations was adversely affected by the combined impact of the discontinuation by its largest single customer of its retail telephony business in North America in November 2008 (the "Discontinuation") and the shrinking global consumer demand for telecom products as a result of the unprecedented financial tsunami. The Group's turnover in the first half of 2009 dropped by 54.2% to HK$620 million due mainly to the substantial decrease in sales to our previous largest market, the United States of America (the "US"). European market accounted for 62.6% of the Group's turnover in the current period and has replaced the US to become the largest market of the Group. The Group has dedicated itself to expanding its market share in Europe. It is encouraging to see that some of our European customers have outsourced more production to us in search for lower costs and good quality products. The Group has also made good progress in penetrating into the rest of the world markets including Latin America, Middle East, Australia and the Asian Pacific countries. The result of these measures is positive and has successfully reduced our reliance in any one single country and increased our market diversification.

In response to the weak market condition, the Group has modified its business strategies by adopting more proactive and flexible marketing strategy and strengthening the marketing development. The Group has dedicated more resources in product development to modify products by strengthening the product structure and enhancing the research and production ability. In addition to developing innovative and advanced telecom and electronic products, our R&D team has placed effort in re-engineering products structure in order to improve products competitiveness. In products pricing aspect, the Group has adopted a more proactive business strategy in positioning its products and has been able to improve the gross margin of its telecom products during the period under review.

To combat the difficult and complex business environment, our Group has taken decisive and swift actions toward cost optimization and enhancing efficiency. These measures to restructure and streamline our operations have been implemented in all levels and to all our business locations and have successfully reduced production costs and improved production efficiency and as a result improved the profit margin significantly. In addition, the Group has continued to adopt a series of proactive, decisive and effective initiatives to strengthen the internal control, to improve the internal operational efficiency and to reduce production cost and administrative expenses. Achievements have been made through these measures and both the overall profitability and efficiency of the operations have been improved. The improvement in the financial performance is encouraging as the Group managed to achieve improvement in gross margin and a positive EBITDA in the first half of the year.

OUTLOOK

There is little doubt that the consumer demand will continue to be weak in the second half of the year. With the support of the governments of different countries and the implementation of certain decisive fiscal policies from these governments, the economic contraction in the US and European economies has become stabilized. Based on the recent economic data, more and more people believe that the global economy has hit bottom and has shown signs of recovery. We are optimistic about the future outlook of our telecom product business. With our resilient management team and healthy financial position, the Group is well positioned to pull itself out of the storm and is placed to enter into next cycle of growth.

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, 18 September 2009

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 2009 together with the comparative figures for the corresponding period in 2008 as follows:

Condensed Consolidated Income Statement
For the six months ended 30 June 2009

		Six months ended 30 June	
		2009	2008
HK$ million	*Notes*	***(Unaudited)***	*(Unaudited)*
REVENUE	*3*	**620**	1,354
Cost of sales*		**(555)**	(1,341)
Gross profits*		**65**	13
Other income and gains		**16**	25
Selling and distribution costs		**(10)**	(16)
Administrative expenses		**(50)**	(57)
Other expenses		**(11)**	(16)
Earnings/(loss) before interest, tax, depreciation and amortisation (EBITDA/(LBITDA))		**10**	(51)
Depreciation and amortization		**(33)**	(64)
Finance costs		**(2)**	(4)
LOSS BEFORE TAX	*4*	**(25)**	(119)
Tax	*5*	**(1)**	(4)
LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT		**(26)**	(123)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	*7*		
— Basic		**(0.04 cent)**	(0.188 cent)
— Diluted		**N/A**	N/A

(excluding depreciation and amortisation)*

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
HK$ million	***(Unaudited)***	*(Unaudited)*
Loss for the period	**(26)**	(123)
Other comprehensive gain, after tax:		
Exchange difference on translating foreign operations	**—**	1
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(26)**	(122)

Condensed Consolidated Statement of Financial Position

30 June 2009

HK$ million	*Notes*	**30 June 2009 (Unaudited)**	31 December 2008 (*Audited*)
ASSETS			
Non-current assets			
Property, plant and equipment		**421**	449
Investment properties		**178**	178
Prepaid land lease payments		**46**	47
Goodwill		**22**	22
Total non-current assets		**667**	696
Current assets			
Inventories		**80**	106
Trade and bills receivables	*9*	**184**	402
Prepayments, deposits and other receivables		**39**	32
Pledged time deposits		**86**	86
Cash and cash equivalents		**252**	455
Total current assets		**641**	1,081
Total assets		**1,308**	1,777

Condensed Consolidated Statement of Financial Position *(continued)*
30 June 2009

HK$ million	*Notes*	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**654**	654
Reserves		**55**	81
Total equity		**709**	735
Non-current liabilities			
Deferred tax liabilities		**2**	2
Total non-current liabilities		**2**	2
Current liabilities			
Trade and bills payables	*10*	**299**	610
Tax payable		**7**	9
Other payables and accruals		**124**	156
Interest-bearing bank loans and other borrowings		**167**	265
Total current liabilities		**597**	1,040
Total Liabilities		**599**	1,042
Total equity and liabilities		**1,308**	1,777

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 2008 (the "2008 Annual Report").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the consolidated financial statements for the year ended 31 December 2008.

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's 2008 Annual Report, except for the impact of the adoption of the Standards and Interpretation described below.

HKAS 1 (Revised) Presentation of Financial Statements *(effective for annual periods beginning on or after 1 January 2009)*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present in two statements (a separate income statement and a statement of comprehensive income).

HKFRS 8 Operating Segments *(effective for annual periods beginning on or after 1 January 2009)*

HKFRS 8 is a disclosure standard that has resulted in a re-designation of the Group's reportable segments and disclosure of information about business segments, but has no impact on the results or financial positions of the Group.

The following amendments and interpretations issued by the HKICPA which are or have become effective and did not have any significant impact on the accounting policies of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs
HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "*Operating Segments*" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. HKFRS 8 replaces the requirement under HKAS 14 to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of HKFRS 8 did not have any effect on the Group's results of operations or financial position.

The Group determines that it has only one single reportable segment which is the manufacture and sale of telecom and electronic products.

Segment information about the single business segment of the Group for the period ended 30 June 2009 and 2008 is presented as below:

	Telecom and electronic products		**Reconciliations**		**Group Totals**	
	2009	2008	**2009**	2008	**2009**	2008
HK$ million	***(Unaudited)***	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenues	**620**	1,354	**—**	—	**620**	1,354
Operating loss	**(17)**	(110)	**—**	—	**(17)**	(110)
Interest income	**—**	3	**—**	—	**—**	3
Finance costs	**(2)**	(4)	**—**	—	**(2)**	(4)
Reconciled item:						
Unallocated corporate head office income/(expenses)	**—**	—	**(6)**	(8)	**(6)**	(8)
Loss before tax	**(19)**	(111)	**(6)**	(8)	**(25)**	(119)
Expenditure for non-current assets	**4**	41	**—**	—	**4**	41
Depreciation and amortisation	**33**	64	**—**	—	**33**	64
Other material non-cash items:						
Net impairment of trade receivables	**11**	2	**—**	—	**11**	2
Write off of deferred development costs	**—**	13	**—**	—	**—**	13

HK$ million	Telecom and electronic products 30 June 2009 *(Unaudited)*	31 December 2008 *(Audited)*	Reconciliations 30 June 2009 *(Unaudited)*	31 December 2008 *(Audited)*	Group Totals 30 June 2009 *(Unaudited)*	31 December 2008 *(Audited)*
Segment assets	**1,299**	1,760	**—**	—	**1,299**	1,760
Reconciled item:						
Unallocated corporate assets	**—**	—	**9**	17	**9**	17
Total assets	**1,299**	1,760	**9**	17	**1,308**	1,777
Segment liabilities	**590**	1,030	**—**	—	**590**	1,030
Reconciled items:						
Unallocated corporate liabilities	**—**	—	**—**	1	**—**	1
Tax payable	**—**	—	**7**	9	**7**	9
Deferred tax liabilities	**—**	—	**2**	2	**2**	2
Total liabilities	**590**	1,030	**9**	12	**599**	1,042

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

Additional disclosures on segment information by geographical location for the period ended 30 June 2009 and 2008 are shown below:

2009

HK$ million	**Europe** *(Unaudited)*	**US** *(Unaudited)*	**Asia Pacific and others** *(Unaudited)*	**Group totals** *(Unaudited)*
Revenue	**388**	**118**	**114**	**620**

2008

HK$ million	Europe *(Unaudited)*	US *(Unaudited)*	Asia Pacific and others *(Unaudited)*	Group totals *(Unaudited)*
Revenue	469	714	171	1,354

Revenues are attributed to regions with reference to the final locations where the Group's products were sold to consumers. The geographical information for the prior period which allocated revenues to regions where the Group's customers were incorporated has been restated to conform with the current period's basis of allocation.

For the six months ended 30 June 2009, revenues from each of four major customers of the telecom and electronic products segment represent HK$145 million, HK$144 million, HK$89 million and HK$66 million of the Group's total revenues, respectively.

For the six months ended 30 June 2008, revenues from each of three major customers of the telecom and electronic products segment represent HK$625 million, HK$164 million and HK$134 million of the Group's total revenues, respectively.

4. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2009	2008
HK$ million	***(Unaudited)***	*(Unaudited)*
Cost of inventories sold	**584**	1,401
Depreciation	**32**	46
Amortisation of prepaid land lease payments	**1**	1
Amortisation of deferred development costs	**—**	17
Write off of deferred development costs	**—**	13

5. TAX

	Six months ended 30 June	
	2009	2008
HK$ million	***(Unaudited)***	*(Unaudited)*
Current — Hong Kong	**—**	1
Current — Elsewhere	**1**	3
Total tax charge for the period	**1**	4

No Hong Kong profits tax has been provided for the six months ended 30 June 2009 as the Group had no profits chargeable to Hong Kong profits tax during the period whereas Hong Kong profits tax was provided at the rate of 16.5% for the corresponding period in 2008. 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.

There were no income tax relating to the other comprehensive income during the period (2008: Nil).

6. DIVIDEND

The directors do not recommend payment of an interim dividend for the six months ended 30 June 2009 (30 June 2008: nil).

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of basic loss per share attributable to owners of the parent for the six months ended 30 June 2009 is based on the loss attributable to owners of the parent for the six months ended 30 June 2009 of HK$26 million (2008: HK$123 million), and the weighted average number of 65,413,993,990 ordinary shares in issue (2008: 65,413,993,990 ordinary shares) during the period.

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

HK$ million	Six months ended 30 June **2009** *(Unaudited)*	2008 *(Unaudited)*
Loss		
Loss attributable to owners of the parent	**(26)**	(123)
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the period	**65,413,993,990**	65,413,993,990

Dilutive loss per share amount for the period ended 30 June 2009 and 2008 has not been disclosed as no diluting events existed during the periods.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009, the Group acquired fixed assets of approximately HK$4 million (six months ended 30 June 2008: approximately HK$14 million) and there was no disposal of fixed assets during the period under review (six months ended 30 June 2008: 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 2009 *(Unaudited)*		31 December 2008 *(Audited)*	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**87**	**47**	136	34
31 to 60 days	**78**	**42**	112	28
61 to 90 days	**16**	**9**	139	34
Over 90 days	**3**	**2**	15	4
Total	**184**	**100**	402	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 2009		31 December 2008	
	(Unaudited)		*(Audited)*	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**110**	**37**	111	18
31 to 60 days	**57**	**19**	82	14
61 to 90 days	**71**	**24**	159	26
Over 90 days	**61**	**20**	258	42
Total	**299**	**100**	610	100

Included in trade and bills payables are trade payables of HK$32 million (31 December 2008: HK$108 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.

11. COMPARATIVE FIGURES

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

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS

HK$ million	Six months ended 30 June 2009 (Unaudited)	2008 (Unaudited)	% decrease
Turnover	**620**	1,354	(54.2%)
EBITDA/(LBITDA)	**10**	(51)	N/A
Depreciation and amortization	**(33)**	(64)	(48.4%)
Finance costs	**(2)**	(4)	(50.0%)
Tax	**(1)**	(4)	(75.0%)
Loss for the period	**(26)**	(123)	(78.9%)

Discussion on financial results

The significant decrease in the Group's turnover for the six months ended 30 June 2009 was primarily caused by the Discontinuation and the weak global consumer market. The Group's results, however, have shown significant improvement due to the implementation by the Group of decisive and swift actions to restructure operations, trim costs and improve efficiency. During the period, the Group posted a positive EBITDA of HK$10 million turnaround from a LBITDA of HK$51 million for the last corresponding period. The depreciation and amortization charges decreased significantly by approximately 48.4% over the last corresponding period to HK$33 million, due to the provision for impairment loss of non-current assets arising from the Discontinuation made in last year, which has reduced the annual charges for depreciation and amortization of these non-current assets since 1 January 2009. The remarkable improvement in financial performance of the Group led to a significant reduction in loss for the period by approximately 78.9% to only HK$26 million, reflecting that the Group's manufacturing operations are in the course of recovery.

Analysis by Business Segment

	Turnover (including bank interest income)		**Loss before tax**	
	Six months ended 30 June		**Six months ended 30 June**	
HK$ million	**2009 (Unaudited)**	2008 (Unaudited)	**2009 (Unaudited)**	2008 (Unaudited)
Telecom and electronic products	**620**	1,354	**(19)**	(111)

The Group's turnover and operating results was derived from one single business segment which is the manufacture and sale of telecom and electronic products. The significant drop in turnover of the telecom product business was caused primarily by the Discontinuation and lower sales due to the financial turmoil. The significant decrease in the operating loss of the business segment from HK$111 million in the first half of 2008 to HK$19 million in the first half of 2009 was resulted from the Group's strategy and actions to revitalize its manufacturing operations.

Analysis by Geographical Segment

	Turnover (including bank interest income)				
	Six months ended 30 June				
	2009		2008		
	Amount	**Relative %**	Amount	Relative %	% decrease
HK$ million	***(Unaudited)***		*(Unaudited)*		
Europe	**388**	**62.6%**	469	34.7%	(17.3%)
US	**118**	**19.0%**	714	52.7%	(83.5%)
Asia Pacific and others	**114**	**18.4%**	171	12.6%	(33.3%)
Total	**620**	**100.0%**	1,354	100.0%	(54.2%)

As a result of the Discontinuation, the Group's turnover from the US market fell by 83.5% in the current financial period to only HK$118 million. Sales to Europe and Asia Pacific and others also dropped (to a less extent than the US market) in the period as global consumer demand fell due to the financial turmoil. The Group's sales to the European market amounted to approximately HK$388 million, accounting for approximately 62.6% of the Group's total turnover during the period under review. As a result of the market change, Europe has overtaken US to become the largest market of the Group. The Group has adopted the market diversification strategy to reduce its reliance on any single country or customer. This strategy has proven to be successful. The Group will continue to dedicate resources in gaining market share in Europe and the emerging markets.

Highlights on Financial Position

HK$ million	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)	% decrease
Non-current assets	**667**	696	(4.2%)
Inventories	**80**	106	(24.5%)
Trade and bills receivables	**184**	402	(54.2%)
Cash and cash equivalents	**252**	455	(44.6%)
Bank and other borrowings	**167**	265	(37.0%)
Other current liabilities	**430**	775	(44.5%)
Shareholders' funds	**709**	735	(3.5%)

Discussion on financial position

The amount of the total non-current assets represents the carrying values of fixed assets, prepaid land lease payments and goodwill. The balance of the total non-current assets decreased by approximately 4.2% to HK$667 million as at 30 June 2009, attributable mainly to the depreciation of fixed assets and the amortisation of the prepaid land lease payments during the period.

As at 30 June 2009, the level of inventories of the Group declined to HK$80 million, represented a drop of 24.5% from HK$106 million as at 31 December 2008. The drop in inventories level is in line with the decrease in the Group's turnover and also reflects further improvement in inventory control during the period under review.

Trade and bills receivables of the Group amounted to HK$184 million as at 30 June 2009, a 54.2% decrease from HK$402 million as at 31 December 2008. The drop in the amount of trade and bills receivables is in line with the decrease in the Group's turnover and also reflects the good creditability and payment records of our customers.

As at 30 June 2009, cash and cash equivalents amounted to approximately HK$252 million. The decrease in cash and cash equivalents by approximately 44.6% was primarily attributable to net cash outflow from operating activities due primarily to repayment of trade and other payables and the net cash outflow for repayment of bank and other borrowings during the six months ended 30 June 2009.

The amount of bank and other borrowings decreased from approximately HK$265 million as at 31 December 2008 to approximately HK$167 million as at 30 June 2009, represented a decrease of 37.0%. The decrease was mainly caused by the repayment of some of the bank and other borrowings during the six months ended 30 June 2009, which lowers the gearing ratio of the Group from 26.5% as at 31 December 2008 to 19.1% as at 30 June 2009.

The amount of other current liabilities represents mainly trade and bills payables. The decrease in trade and bills payables is in line with the decrease in the Group's turnover.

Shareholders' funds decreased by approximately 3.5% from HK$735 million as at 31 December 2008 to HK$709 million as at 30 June 2009 due primarily to the loss attributable to the owner of the parent during the first half of the financial year.

Capital Structure and Gearing Ratio

HK$ million	**30 June 2009** Amount *(Unaudited)*	**30 June 2009** Relative %	31 December 2008 Amount *(Audited)*	31 December 2008 Relative %
Total borrowings	**167**	**19.1%**	265	26.5%
Equity	**709**	**80.9%**	735	73.5%
Total capital employed	**876**	**100.0%**	1,000	100.0%

The Group's gearing ratio decreased to approximately 19.1% as at 30 June 2009 (31 December 2008: 26.5%) as a result of the repayment of some of the bank loans during the period under review. After taking into account the cash on hand, the Group did not have any net borrowings.

The Group's outstanding bank borrowings amounted to approximately HK$167 million as at 30 June 2009 (31 December 2008: HK$265 million). As at 30 June 2009, 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$111 million and HK$56 million respectively (31 December 2008: HK$184 million and HK$81 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	**30 June 2009** *(Unaudited)*	31 December 2008 *(Audited)*
Current assets	**641**	1,081
Current liabilities	**597**	1,040
Current ratio	**107.4%**	103.9%

The Group continues to maintain a strong and healthy financial position. The current ratio of the Group improved to 107.4% as at 30 June 2009 from 103.9% as at 31 December 2008. As at 30 June 2009, the Group's cash balance amounted to HK$338 million (31 December 2008: HK$541 million), of which HK$86 million (31 December 2008: HK$86 million) was pledged for general banking facilities. Almost all the Group's cash was placed on deposits with licensed banks in Hong Kong.

In view of the Group's current cash position, funds generated from the operations and the unutilized banking facilities available, the Group is maintaining in a sound financial position and have sufficient resources to finance its operations even under the uncertain business environment.

Capital Commitments

As at 30 June 2009, capital commitment of the Group amounted to approximately HK$3 million (31 December 2008: HK$2 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 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 possible further appreciation of Renminbi. The Group will continue to explore ways and methods to hedge future appreciation of Renminbi and will only consider entering into any forward contracts at appropriate costs and pricing.

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 2009 (31 December 2008: Nil).

Pledge of Assets

As at 30 June 2009, certain of the Group's assets with net book value of HK$466 million (31 December 2008: HK$475 million) and time deposits of approximately HK$86 million (31 December 2008: HK$86 million) were pledged to secure general banking facilities granted to the Group.

Contingent Liabilities

As at 30 June 2009, the Group did not have any significant contingent liabilities.

Employees and Remuneration Policy

The total number of employees of the Group as at 30 June 2009 was 4,930 (31 December 2008: 7,892). The Group's remuneration policy is built on the principle of equitable, motivating, performance-oriented and market-competitive remuneration package to employees. 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-based bonuses. Share options may also be granted to eligible employees and persons of the Group. As at 30 June 2009, there were no outstanding share options granted by the Company (31 December 2008: Nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company during the six months ended 30 June 2009.

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 2009, 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 2008 Annual Report of the Company issued in April 2009 and will be disclosed in the 2009 Interim Report of the Company, which will be despatched to the shareholders of the Company on or before 30 September 2009.

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 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. 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 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 period for the six months ended 30 June 2009. 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 2009 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 2009 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, Ms. Cheng Yuk Ching, Flora, Mr. Tam Ngai Hung, Terry 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, 18 September 2009

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange'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-tech.com.hk.