CCT TECH INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 00261)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

CHAIRMAN'S LETTER

On behalf of the board of directors (the "Board") of CCT Tech International Limited (the "Company"), I present herein the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009. I am pleased to report that the Group has achieved significant improvement in result performance during the year, amidst extremely difficult and challenging business conditions.

During the year, the Group managed to achieve a positive EBITDA (earnings before interest, tax, depreciation and amortisation) of approximately $50 million for the year, compared to a LBITDA (loss before interest, tax, depreciation and amortisation) of approximately $189 million for the last corresponding year. Loss attributable to owners of the parent has also narrowed substantially from $317 million for the previous corresponding year to only $19 million for the year. The strong improvement in result performance reflects resilience of the Group's management in bringing difficult business situation under control. Group's revenue for the year, however, declined by 47.6% to $1,446 million, caused by the poor world economy and the exit of the Group's previous single largest customer from the North American telephony market (the "Discontinuation").

REVIEW OF OPERATIONS

The financial year 2009 is again another difficult and challenging year for the Group, given the continued impact of global financial tsunami that has dragged down the world economy since 2008. Shrinking of consumer demand on telecom products and the Discontinuation significantly affected the Group's turnover. The Group's sales to North America, our previous largest market, decreased sharply by 87.5% from approximately $1,234 million for 2008 to approximately $154 million for 2009. In response to the weak market situation, the Group has modified its business strategies by adopting more proactive and flexible marketing strategy and strengthening the market development. Greater emphasis has been put on exploring new markets in Europe and emerging markets in the rest of the world. During the year, European market replaced the North American market to become the largest market of the Group and accounted for 73.8% of the Group's turnover in the current financial year. The Group has dedicated itself to expand its market share in Europe. It is encouraging to see that some of our European customers outsourced more production to us during the year. Our effort to nurturing our business in emerging markets has shown result as the Group has made good progress in penetrating into new markets including Latin America, Middle East, the PRC 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.

During the economic downturn, the Group remained committed to product research and development. To increase competitiveness, we have continuously enhanced product offerings and actively pursued design improvements for our products. Our investment in research and development has paid off and has improved our profit margins and attracted new customers.

Amidst challenging times, the Group has taken decisive and swift actions to restructure and revitalize our manufacturing operations. We have consolidated manufacturing operations and reallocated resources by integrating our production facilities in three different locations into the main factory in Huiyang, the Guangdong Province. These initiatives have enabled us to save costs and improve efficiency. Furthermore, various measures have been implemented across the board at all level of the Group toward cost optimization and enhancing efficiency. In turn, achievements have been made on improvement of the efficiency of the operation and the overall profitability.

ENTERING A LICENSE AGREEMENT WITH GE

Through months of negotiation with GE Trademark Licensing, Inc. ("GE"), two subsidiaries of the Company (the "Licensees") entered into the GE Trademark License Agreement (the "License Agreement") with GE in February 2010, pursuant to which GE has agreed to grant to the Licensees the license and right to use the GE trademark on certain telecommunication products, for sale and distribution by the Licensees worldwide. At the same time, the Company entered into the guarantee, pursuant to which the Company will guarantee the obligations of the Licensees under the License Agreement in favor of GE.

We believe that the entering of the License Agreement will bring in significant potential benefits to the Group. The License Agreement will enable the Group to re-enter the US market, which represents our previous largest market before the Discontinuation. In addition, the License Agreement will enable the Group to enter into the branded distribution business hence reduce its reliance on its ODM business. Furthermore, the license by the Group of such strong and well-known GE trademark will enhance the international recognition of the Company and the Group's products.

OUTLOOK

We are encouraging to see the global economy has hit bottom. Although the global economy has stabilized, we do not expect global consumer confidence to rebound substantially this year especially when the unemployment rates are still in high level in the United States and European countries. We anticipate the business environment will remain uncertain going forward. Prices of commodity, materials and wages are expected to rise amidst market recovery and inflation is expected to go up especially in the PRC this year. The shortage of labor in the Guangdong Province has becoming acute and has already affected our telecom product business. The potential appreciation of Renminbi against US dollar is another risk that may affect performance of our manufacturing business. All these uncertain factors may increase our production costs and affect our profit margin in the coming years. On the positive side, as we have streamlined and slimmed our organization and our operating costs, we are in a good position to seize the opportunity arising from market turnaround and strive to improve sales this year. We believe that the license of the GE trademark under the License Agreement will open a new avenue for the future business growth of the Group. We are cautiously optimistic about the future outlook of our telecom product business. With our resilient management team and healthy financial position, We believe that the Group is well positioned not only to pull itself out of the storm, but to grow even stronger.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to the directors, the management and all employees of the Group for their strong commitment and contribution towards the execution of the Group's strategies and operations. 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, 20 April 2010

FINANCIAL REVIEW

Highlights on Financial Results

HK$ million	2009	2008	% decrease
Turnover	**1,446**	2,758	(47.6%)
EBITDA/(LBITDA)	**50**	(189)	N/A
Depreciation and amortisation	**(64)**	(117)	(45.3%)
Finance costs	**(3)**	(9)	(66.7%)
Tax	**(2)**	(2)	–
Loss for the year	**(19)**	(317)	(94.0%)

Discussion on Financial Results

The significant decrease in the Group's turnover for the year was primarily caused by the Discontinuation and the weak global consumer market. The Group's results, however, have shown significant improvement. Despite a fall in turnover, the Group posted a positive EBITDA of $50 million for the year as compared to a LBITDA of $189 million for the last corresponding year, due to the success of our initiatives to restructure and revitalize operations. The Group's depreciation and amortisation charges decreased significantly by approximately 45.3% over the last corresponding year to $64 million, due to the provision for impairment loss of fixed assets made by the Group in 2008, resulting in reduction in annual depreciation and amortisation charges since 1 January 2009. The remarkable improvement in business performance of the Group led to a significant reduction in loss for the year by approximately 94.0% to only $19 million, demonstrating strong recovery of the Group's operations.

Analysis by Business Segment

HK$ million	Turnover (including bank interest income) 2009	2008	Loss before tax 2009	2008
Telecom and electronic products	**1,446**	2,758	**(12)**	(317)

During the year under review, the Group's turnover and operating results were 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 to the Group's major markets due to weak consumer demand. Despite the fall in revenue, the Group's business segment managed to narrow its loss before tax significantly from $317 million for 2008 to only $12 million for 2009, reflecting success of the Group's strategy and actions to revitalize its manufacturing operations.

Analysis by Geographical Segment

	Turnover (including bank interest income)				
	2009		2008		
HK$ million	**Amount**	**Relative %**	Amount	Relative %	% decrease
Europe	**1,067**	**73.8%**	1,130	41.0%	(5.6%)
North America	**154**	**10.7%**	1,234	44.7%	(87.5%)
Asia Pacific and others	**225**	**15.5%**	394	14.3%	(42.9%)
Total	**1,446**	**100.0%**	2,758	100.0%	(47.6%)

As a result of the Discontinuation, the Group's turnover from the North American market fell by 87.5% to only $154 million. Sales to Europe, Asia Pacific and other regions also dropped by 5.6% and 42.9% respectively as global consumer demand declined due to the financial turmoil. The Group's sales to the European market amounted to approximately $1,067 million, accounting for approximately 73.8% of the Group's total turnover during the year under review. As a result of the market change, Europe overtook North America to become the largest market of the Group.

Highlights on Financial Position

HK$ million	**31 December 2009**	31 December 2008	% decrease
Non-current assets	**638**	696	(8.3%)
Inventories	**68**	106	(35.8%)
Trade receivables	**352**	402	(12.4%)
Cash and cash equivalents	**349**	455	(23.3%)
Trade and bills payables	**407**	610	(33.3%)
Bank borrowings	**243**	265	(8.3%)
Other current liabilities	**144**	165	(12.7%)
Shareholders' funds	**718**	735	(2.3%)

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 8.3% to $638 million as at 31 December 2009, attributable mainly to the depreciation of fixed assets and the amortisation of the prepaid land lease payments for the year.

At the year end, the inventories of the Group declined to $68 million, represented a drop of 35.8%. The drop in inventories level is generally in line with the decrease in the Group's turnover. Inventories turnover period of the Group for the year maintained at a reasonable low level of 23.9 days (2008: 19.2 days).

Trade receivables of the Group amounted to $352 million as at 31 December 2009, a decrease of 12.4% from $402 million as at 31 December 2008. The drop reflects the decrease in the Group's sales and change of market mix during the year.

Cash and cash equivalents decreased by approximately 23.3% to approximately $349 million as at 31 December 2009. The decrease represents net cash outflow due primarily to increased repayment of trade and other payables and net repayment of bank borrowings for the year.

Trade and bills payables decreased by approximately 33.3% to $407 million, reflecting reduction of purchases in line with the reduction in sales.

The amount of bank borrowings decreased from approximately $265 million as at 31 December 2008 to approximately $243 million as at 31 December 2009, represented a decrease of 8.3%. The decrease represents repayment of some of the bank borrowings during the year.

Other current liabilities representing mainly other payables and accruals decreased by 12.7%.

Shareholders' funds decreased by approximately 2.3% from $735 million as at 31 December 2008 to $718 million as at 31 December 2009 due primarily to the loss attributable to owners of the parent for the year.

Capital Structure and Gearing Ratio

	31 December 2009		31 December 2008	
HK$ million	**Amount**	**Relative %**	Amount	Relative %
Total borrowings	**243**	**25.3%**	265	26.5%
Equity	**718**	**74.7%**	735	73.5%
Total capital employed	**961**	**100.0%**	1,000	100.0%

The Group's gearing ratio slightly decreased to approximately 25.3% as at 31 December 2009 (2008: 26.5%) as a result of net repayments of the bank borrowings during the year. After taking into account the cash on hand, the Group did not have any net borrowings.

The Group's outstanding bank borrowings decreased by 8.3% to approximately $243 million at the year end. The maturity profile of the Group's borrowings falling due within one year and in the second to the fifth year amounted to $214 million and $29 million respectively (2008: $265 million that all falling due within one year). 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 2009**	31 December 2008
Current assets	**875**	1,081
Current liabilities	**765**	1,040
Current ratio	**114.4%**	103.9%

The Group financial position remains healthy and strong. The current ratio of the Group improved to 114.4% as at 31 December 2009 from 103.9% as at 31 December 2008. The Group's cash balance was $411 million as at the 31 December 2009, decreased by $130 million, due mainly to net cash outflow to finance operations during the year. Out of the cash balance, approximately $62 million (2008: $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 31 December 2009, capital commitment of the Group amounted to approximately $4 million (2008: $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 year, the Group's receipts were mainly denominated in US dollar, with some in Hong Kong dollar and the Euro. Payments were mainly made in Hong Kong dollar, US dollar and Renminbi and some made in Euro. Cash was generally placed in short-term deposits denominated in Hong Kong dollar and US dollar. 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 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 workers' wages and overheads) in the PRC. 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 a large portion 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 wages and overheads in our factories in the PRC are paid in Renminbi, our production costs will rise due to the possible further appreciation of Renminbi. Despite call from the US for faster appreciation of Renminbi against the US dollar, the Group believes that the PRC government will only allow Renminbi to appreciate against the US dollar modestly in 2010 and in the future years in order not to cause too much damage to the Chinese economy.

Acquisitions and Disposals of Material Subsidiaries and Associates

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

Significant Investment

The Group did not hold any significant investment as at 31 December 2009 (2008: Nil).

Pledge of Assets

As at 31 December 2009, certain of the Group's assets with net book value of $461 million (2008: $475 million) and time deposits of approximately $62 million (2008: $86 million) were pledged to secure general banking facilities granted to the Group.

Contingent Liabilities

As at 31 December 2009, the Group did not have any significant contingent liabilities as at 31 December 2009.

Employees and Remuneration Policy

The total number of employees of the Group as at 31 December 2009 was 5,108 (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. At 31 December 2009, there were outstanding share options of approximately 600,000,000 (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 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 2009 and will be disclosed in the corporate governance report contained in the 2009 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2010.

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. The Audit Committee consists of three members comprising three independent non-executive directors (the "INED(s)"), namely Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan 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 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 2009. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee held three meetings in 2009.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2009 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2010.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with specific written terms of reference in line with the code provisions under the CG Code. The Remuneration Committee consists of five members comprising three INEDs, namely Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Chen Li, and two executive directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee held one meeting in 2009. 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 2009 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2010.

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Each of the INEDs of the Company has filed a written confirmation to the Company confirming his independence pursuant to Rule 3.13 of the Listing Rules and has undertaken to inform The Stock Exchange of Hong Kong Limited and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, the INEDs of the Company are still considered to be independent. The INEDs of the Company are not appointed for any specific terms, but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

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

The results announcement of the Company for the year ended 31 December 2009 is published on the websites of the Company at www.cct-tech.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 2010.

ANNUAL GENERAL MEETING

The 2010 annual general meeting of the Company will be held at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong on Monday, 31 May 2010 at 10:00 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 Thursday, 27 May 2010 to Monday, 31 May 2010 (both days inclusive), during which period, no transfer of share(s) will be effected. In order 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, 26 May 2010.

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 of the Company 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, 20 April 2010

ANNUAL RESULTS

The Board is pleased to announce that the consolidated annual results of the Group for the year ended 31 December 2009, together with the comparative figures for the previous year are as follows:

Consolidated Income Statement
For the year ended 31 December 2009

HK$ million	*Notes*	2009	2008
REVENUE	*4*	**1,446**	2,758
Cost of sales		**(1,330)**	(2,781)
Gross profit/(loss)		**116**	(23)
Other income and gains		**23**	36
Selling and distribution costs		**(24)**	(36)
Administrative expenses		**(111)**	(149)
Other expenses		**(18)**	(8)
Finance costs	*6*	**(3)**	(9)
		(17)	(189)
Costs in connection with the Discontinuation and restructuring, net		**–**	(126)
LOSS BEFORE TAX	*5*	**(17)**	(315)
Income tax expense	*7*	**(2)**	(2)
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**(19)**	(317)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**(HK0.03 cent)**	(HK0.48 cent)
Diluted		**(HK0.03 cent)**	(HK0.48 cent)

Details of the dividends payable and proposed for the year are disclosed in note 8 below.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2009

HK$ million	2009	2008
LOSS FOR THE YEAR	**(19)**	(317)
Other comprehensive income, net of tax:		
Exchange differences on translating foreign operations	**–**	1
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(19)**	(316)

Consolidated Statement of Financial Position
31 December 2009

HK$ million	*Notes*	2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment		**392**	449
Investment properties		**178**	178
Prepaid land lease payments		**46**	47
Goodwill		**22**	22
Total non-current assets		**638**	696
Current assets			
Inventories		**68**	106
Trade receivables	*11*	**352**	402
Prepayments, deposits and other receivables		**44**	32
Pledged time deposits		**62**	86
Cash and cash equivalents		**349**	455
Total current assets		**875**	1,081
Total assets		**1,513**	1,777
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**654**	654
Reserves		**64**	81
Total equity		**718**	735
Non-current liabilities			
Interest-bearing bank borrowings		**29**	–
Deferred tax liabilities		**1**	2
Total non-current liabilities		**30**	2
Current liabilities			
Trade and bills payables	*12*	**407**	610
Tax payable		**8**	9
Other payables and accruals		**136**	156
Interest-bearing bank borrowings		**214**	265
Total current liabilities		**765**	1,040
Total liabilities		**795**	1,042
Total equity and liabilities		**1,513**	1,777
Net current assets		**110**	41
Total assets less current liabilities		**748**	737

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, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest million except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

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*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
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 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
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*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)	Amendments to a number of HKFRSs

* Included in *Improvements* to *HKFRSs 2009* (as issued in May 2009)

Other than as further explained below regarding the impact of HKAS1 (Revised) and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements are as follows:

(a) HKFRS 8 *Operating Segments*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. These revised disclosures, including the related revised comparative information, are shown in note 4 below.

(b) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*[1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*[2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*[4]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*[2]
HKFRS 3 (Revised)	*Business Combinations*[1]
HKFRS 9	*Financial Instruments*[6]
HKAS 24 (Revised)	*Related Party Disclosures*[5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*[3]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[5]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*[1]
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*[2]

Apart from the above, the HKICPA has issued *Improvements* to *HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2010
[3] Effective for annual periods beginning on or after 1 February 2010
[4] Effective for annual periods beginning on or after 1 July 2010
[5] Effective for annual periods beginning on or after 1 January 2011
[6] Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has only one reportable operating segment which is the manufacture and sale of telecom and electronic products and accessories.

Management monitors the results of its operating segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that interest income, equity-settled share option expense, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

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

HK$ million	Telecom and electronic products 2009	2008	Reconciliations 2009	2008	Group total 2009	2008
Segment revenue:						
Revenue from external customers	**1,446**	2,752	**–**	6	**1,446**	2,758
Operating loss	**(9)**	(308)	**–**	–	**(9)**	(308)
Interest income	**–**	–	**–**	6	**–**	6
Finance costs	**(3)**	(9)	**–**	–	**(3)**	(9)
Reconciled items:						
Unallocated expenses						
– Equity-settled share option expense	**–**	–	**(2)**	–	**(2)**	–
– Corporate office expenses	**–**	–	**(3)**	(4)	**(3)**	(4)
Loss before tax	**(12)**	(317)	**(5)**	2	**(17)**	(315)
Other segment information:						
Expenditure for non-current assets	**11**	62	**–**	–	**11**	62
Depreciation and amortisation	**(64)**	(117)	**–**	–	**(64)**	(117)
Other material non-cash items:						
Net impairment of trade receivables	**(13)**	(48)	**–**	–	**(13)**	(48)
Equity-settled share option expense	**–**	–	**(2)**	–	**(2)**	–
Write-off of deferred development costs	**–**	(6)	**–**	–	**–**	(6)
Impairment of deferred development costs	**–**	(22)	**–**	–	**–**	(22)
Write-off of items of property, plant and equipment	**(5)**	(2)	**–**	–	**(5)**	(2)
Impairment of items of property, plant and equipment	**–**	(60)	**–**	–	**–**	(60)
Segment assets	**1,509**	1,760	**–**	–	**1,509**	1,760
Reconciled item:						
Unallocated corporate assets	**–**	–	**4**	17	**4**	17
Total assets	**1,509**	1,760	**4**	17	**1,513**	1,777
Segment liabilities	**785**	1,030	**–**	–	**785**	1,030
Reconciled item:						
Unallocated corporate liabilities	**–**	–	**10**	12	**10**	12
Total liabilities	**785**	1,030	**10**	12	**795**	1,042

Additional disclosures on segment information by geographical location for the year ended 31 December 2009 and 2008 are shown below:

(a) Revenue from external customers

HK$ million	**2009**	2008
Europe	**1,067**	1,130
North America	**154**	1,234
Asia Pacific and Others	**225**	394
	1,446	2,758

The revenue information above is based on the final locations where the Group's products were sold to customers.

(b) Non-current assets

HK$ million	**2009**	2008
Hong Kong	**39**	41
Mainland China	**598**	652
Other countries	**1**	3
	638	696

The non-current assets information is based on the location of assets.

Information about major customers

For the year ended 31 December 2009, revenue from each of three major customers of the telecom and electronic products segment was HK$541 million, HK$277 million and HK$156 million respectively, representing 37%, 19% and 11% of the Group's total revenue, respectively.

For the year ended 31 December 2008, revenue from each of two major customers of the telecom and electronic products segment was HK$1,034 million and HK$542 million respectively, representing 37% and 20% of the Group's total revenue, respectively.

5. LOSS BEFORE TAX

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

HK$ million	**2009**	2008
Cost of inventories sold	**1,339**	2,764
Depreciation	**63**	92
Amortisation of prepaid land lease payments	**1**	1
Amortisation of deferred development costs	**–**	24
Write-off of deferred development costs	**–**	6

6. FINANCE COSTS

HK$ million	**2009**	2008
Interest on bank loans wholly repayable within five years	**3**	9

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK$ million	**2009**	2008
Current – Hong Kong:		
Underprovision in prior years	**–**	1
Current – Elsewhere:		
Charge for the year	**1**	1
Underprovision in prior years	**2**	2
Deferred	**(1)**	(2)
Total tax charge for the year	**2**	2

8. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2009 (2008: Nil).

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

The calculation of basic and diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent of HK$19 million (2008: HK$317 million), and the weighted average number of 65,413,993,990 (2008: 65,413,993,990) ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2009 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2008 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during that year.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2009, the Group acquired fixed assets of HK$11 million (2008: HK$35 million). The Group did not dispose of any fixed assets during the year (2008: HK$1 million).

11. TRADE RECEIVABLES

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

	2009		2008	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**115**	**33**	136	34
31 to 60 days	**91**	**26**	112	28
61 to 90 days	**114**	**32**	139	34
Over 90 days	**32**	**9**	15	4
Total	**352**	**100**	402	100

The Group allows an average credit period of 60 to 90 days to its trade customers.

12. TRADE AND BILLS PAYABLES

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

	2009		2008	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**103**	**25**	111	18
31 to 60 days	**96**	**24**	82	14
61 to 90 days	**86**	**21**	159	26
Over 90 days	**122**	**30**	258	42
Total	**407**	**100**	610	100

Included in trade and bills payables are trade payables of HK$70 million (2008: HK$108 million) due to Neptune Holding Limited and Electronic Sales Limited, being wholly-owned subsidiaries of CCT Telecom Holdings Limited, which are unsecured, interest-free and are repayable within 90 days from the invoice date.

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