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(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

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 six months ended 30 June 2010. I am pleased to report that the Group has achieved significant improvement in result performance during the period, amidst the continuous adversities in the aftermath of the unprecedented global financial tsunami.

During the period under review, turnover of the Group recorded 12.6% increase to \$698 million. The Group managed to increase the EBITDA (earnings before interest, tax, depreciation and amortisation) to \$28 million from \$10 million of corresponding period last year, which allowed the Group to achieve positive operating cash flow during the current period. Net loss has been substantially narrowed by 84.6% from \$26 million for the last corresponding period to a net loss of only \$4 million for the period.

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 2010 (30 June 2009: nil).

REVIEW OF OPERATIONS

Since the exit of the Group's previous single largest customer from the North American telephony market at the end of 2008 (the “**Discontinuation**”), the Group has been putting greater emphasis on expanding the European market. Despite the debt crisis of certain European countries, we managed to record a substantial growth of revenue from our European customers from \$388 million in the last corresponding period to \$572 million in the current period, up 47.4%. It is encouraging to see that our market niche of supplying mass-market medium value and price competitive products sustained turnover growth in the generally adverse market condition. We in fact recorded substantial increase in order placement from two of our major European branded customers during the period. The Group's sales

to North America further decreased by 78.0% from approximately \$118 million for the first half of 2009 to approximately \$26 million for the first half of 2010, caused mainly by the Discontinuation. Sales to the Asian Pacific and other regions dropped by 12.3% to HK\$100 million for the period, caused by the weak market demand after the global financial tsunami. With continuous effort to nurturing our business in emerging markets, we have achieved good progress in penetrating into new markets including Australia.

The Group's initiatives and efforts in restructuring and revitalising its manufacturing operations in 2009 have continued to improve operational efficiency and reduce overhead in the current period. The significant saving from streamlining operations has continued to impact favourably the Group's costing structure in the current period. As a result, the Group recorded double digit growth of 31.0% in gross profit margin ratio from 5.8% in the last corresponding period to 7.6% in the current period. The Group's commitment to optimisation of efficiency and achievement so far have been enhancing a lot to the Group's profitability as well as its competitiveness.

The Group remains committed to product research and development. Our strong research and development team continues to be our key strength which has continued to bring in new technology to our product development as well as in the areas of the costs and efficiency improvement. We have also adopted a wide range of product strategies to gain our competitive edge and to deliver new and innovative products that meet the market needs and expectation.

THE LICENSE AGREEMENT WITH GE

Since two indirect wholly-owned subsidiaries of the Company (the “**Licensees**”) entered into the GE Trademark License Agreement (the “**License Agreement**”) with GE Trademark Licensing, Inc. (“**GE**”) in February 2010, the Group has achieved great progress in developing this potentially high-growth branded business. The Group has already established its distribution company in the United States of America (the “**US**”) and has hired experienced sales and marketing people in the US to manage this new distribution business. We have developed new lines of GE products that we expect will meet the US market expectation in the current weak economic environment. As the buying season of US retailers for the current year has passed, we expect the Group will re-enter the US market in 2011, which was the Group's largest market and contributed more than 50% of our total annual revenue before the global financial crisis occurred. With regard to development of the markets outside North America for distribution of GE products, in order to save development costs and overhead, we have already appointed experienced distributor to develop the branded distribution business for the rest of world markets.

OUTLOOK

We are encouraging to see the global economy might have broken away the worst period of the financial crisis. Although the global economy has stabilised, we do not expect global consumer confidence to rebound substantially this year especially when the unemployment rates are still in high level in US. Meanwhile, the debt crisis occurred in certain European countries whose governments have committed to cut fiscal deficit by tightening fiscal expenditure and increasing taxes and the current fragile base of global financial stability could slow the economic recovery pace of US and Europe inevitably. Prices of commodity and materials are expected to rise amidst market recovery and inflation is expected to go up especially in the PRC. The recent labor unrests and the shortage of labor in the Guangdong Province have already pushed up labour wages in general. The potential appreciation of Renminbi against the 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 future.

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 in the coming years. 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 and will deliver significant potential benefits to the Group. Our original design manufacturing (“ODM”) business, especially in Europe, has recovered substantially and we expect our ODM business will continue to grow in the second half of the year. 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 withstand the current difficult operating environment, but to regain a strong financial foothold.

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, 24 August 2010

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 2010 together with the comparative figures for the corresponding period in 2009 as follows:

Condensed Consolidated Income Statement

For the six months ended 30 June 2010

HK\$ million	Notes	Six months ended 30 June	
		2010 (Unaudited)	2009 (Unaudited)
REVENUE	3	698	620
Cost of sales		<u>(645)</u>	<u>(584)</u>
Gross profit		53	36
Other income and gains		17	16
Selling and distribution costs		(13)	(10)
Administrative expenses		(53)	(54)
Other expenses		(3)	(11)
Finance costs		<u>(4)</u>	<u>(2)</u>
LOSS BEFORE TAX	4	(3)	(25)
Income tax expense	5	<u>(1)</u>	<u>(1)</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>(4)</u>	<u>(26)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic		<u>(HK0.01 cent)</u>	<u>(HK0.04 cent)</u>
Diluted		<u>(HK0.01 cent)</u>	<u>(HK0.04 cent)</u>

Details of the dividends payable and proposed for the period are disclosed in note 6 to the financial statements.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2010

HK\$ million	Six months ended 30 June	
	2010	2009
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>(4)</u>	<u>(26)</u>

Condensed Consolidated Statement of Financial Position
30 June 2010

HK\$ million	<i>Notes</i>	30 June 2010 (Unaudited)	31 December 2009 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		375	392
Investment properties		178	178
Prepaid land lease payments		45	46
Goodwill		22	22
Total non-current assets		620	638
Current assets			
Inventories		101	68
Trade receivables	9	326	352
Prepayments, deposits and other receivables		51	44
Pledged time deposits		82	62
Cash and cash equivalents		427	349
Total current assets		987	875
Total assets		1,607	1,513
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		654	654
Reserves		60	64
Total equity		714	718
Non-current liabilities			
Interest-bearing bank borrowings		151	29
Deferred tax liabilities		1	1
Total non-current liabilities		152	30
Current liabilities			
Trade and bills payables	10	423	407
Tax payable		9	8
Other payables and accruals		117	136
Interest-bearing bank borrowings		192	214
Total current liabilities		741	765
Total liabilities		893	795
Total equity and liabilities		1,607	1,513
Net current assets		246	110
Total assets less current liabilities		866	748

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 2009 (the “**2009 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s 2009 Annual Report.

The following new and revised HKFRSs have been adopted by the Company with effect from 1 January 2010. The adoption of the new and revised HKFRSs does not have any significant financial effect on the interim financial statements.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

3. 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 profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except the head office and corporate expenses is excluded from such measurement.

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

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

Segment information about the single business segment of the Group for the period ended 30 June 2010 and 2009 is presented as below:

HK\$ million	Telecom and electronic products		Reconciliations		Group total	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
Segment revenue:						
Sales to external customers	<u>698</u>	<u>620</u>	<u>-</u>	<u>-</u>	<u>698</u>	<u>620</u>
Operating profit/(loss)	5	(17)	-	-	5	(17)
Interest income	1	-	-	-	1	-
Finance costs	(4)	(2)	-	-	(4)	(2)
Reconciled items:						
Corporate and other unallocated expenses	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(6)</u>	<u>(5)</u>	<u>(6)</u>
Profit/(loss) before tax	<u>2</u>	<u>(19)</u>	<u>(5)</u>	<u>(6)</u>	<u>(3)</u>	<u>(25)</u>
Expenditure for non-current assets	9	4	-	-	9	4
Depreciation and amortisation	(27)	(33)	-	-	(27)	(33)
Other material non-cash items:						
Net impairment of trade receivables	<u>(3)</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(11)</u>

HK\$ million	Telecom and electronic products		Reconciliations		Group total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2010	2009	2010	2009	2010	2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets	1,604	1,509	-	-	1,604	1,509
Reconciled item:						
Corporate and other unallocated assets	-	-	3	4	3	4
Total assets	<u>1,604</u>	<u>1,509</u>	<u>3</u>	<u>4</u>	<u>1,607</u>	<u>1,513</u>
Segment liabilities	883	785	-	-	883	785
Reconciled item:						
Corporate and other unallocated liabilities	-	-	10	10	10	10
Total liabilities	<u>883</u>	<u>785</u>	<u>10</u>	<u>10</u>	<u>893</u>	<u>795</u>

Geographical information

a) Revenue from external customers

HK\$ million	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
Europe	572	388
North America	26	118
Asian Pacific and others	100	114
	<u>698</u>	<u>620</u>

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	30 June	31 December
	2010	2009
	(Unaudited)	(Audited)
Hong Kong	42	39
Mainland China	577	598
Other countries	1	1
	<u>620</u>	<u>638</u>

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

Information about major customers

For the six months ended 30 June 2010, revenue from each of two major customers of the telecom and electronic products segment was HK\$287 million and HK\$220 million respectively, representing 41% and 32% of the Group's total revenue, respectively.

For the six months ended 30 June 2009, revenue from each of four major customers of the telecom and electronic products segment was HK\$145 million, HK\$144 million, HK\$89 million and HK\$66 million respectively, representing 23%, 23%, 14% and 11% of the Group's total revenue, respectively.

4. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2010 (Unaudited)	2009 (Unaudited)
Cost of inventories sold	645	584
Depreciation	26	32
Amortisation of prepaid land lease payments	1	1

5. INCOME TAX EXPENSE

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

HK\$ million	Six months ended 30 June	
	2010 (Unaudited)	2009 (Unaudited)
Current – Hong Kong	1	–
Current – Elsewhere	–	1
Total tax charge for the period	1	1

6. DIVIDENDS

The directors do not recommend payment of an interim dividend for the six months ended 30 June 2010 (30 June 2009: nil).

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

The calculation of basic and diluted loss per share amount for the period is based on the loss for the period attributable to ordinary equity holders of the parent of HK\$4 million (30 June 2009: HK\$26 million) and the weighted average number of 65,413,993,990 (30 June 2009: 65,413,993,990) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the period ended 30 June 2010 in respect of a dilution as the impact of the outstanding share options 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 period ended 30 June 2009 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during that period.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired fixed assets of approximately HK\$9 million (six months ended 30 June 2009: HK\$4 million).

9. 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:

HK\$ million	30 June 2010 (Unaudited)		31 December 2009 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	136	42	115	33
31 to 60 days	103	32	91	26
61 to 90 days	80	24	114	32
Over 90 days	7	2	32	9
	<u>326</u>	<u>100</u>	<u>352</u>	<u>100</u>

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 end of the reporting period, based on the invoice date, is as follows:

HK\$ million	30 June 2010 (Unaudited)		31 December 2009 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	125	30	103	25
31 to 60 days	109	26	96	24
61 to 90 days	78	18	86	21
Over 90 days	111	26	122	30
	<u>423</u>	<u>100</u>	<u>407</u>	<u>100</u>

Included in the trade and bills payables are trade payables of HK\$70 million (31 December 2009: HK\$70 million) due to Neptune Holding Limited (“**Neptune**”) and Electronic Sales Limited (“**ESL**”), being wholly-owned subsidiaries of CCT Telecom, which are unsecured, interest-free and are repayable within 90 days from the 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		% increase/ (decrease)
	2010 (Unaudited)	2009 (Unaudited)	
Turnover	<u>698</u>	<u>620</u>	12.6%
EBITDA	<u>28</u>	<u>10</u>	180.0%
Loss before tax	(3)	(25)	(88.0%)
Income tax expense	<u>(1)</u>	<u>(1)</u>	–
Loss for the period	<u>(4)</u>	<u>(26)</u>	(84.6%)

Discussion on Financial Results

For the six months ended 30 June 2010, the Group recorded a turnover of \$698 million, 12.6% increase when compared to the last corresponding period. EBITDA has also significantly improved by 180.0% from \$10 million in the first half of 2009 to \$28 million in the first half of 2010. Meanwhile, the Group has narrowed substantially from loss after tax of \$26 million for the last corresponding period to loss after tax of \$4 million for the current period. The significant improvement in the Group's results and turnover was primarily due to growth of our ODM business in Europe and the success of our market strategy.

ANALYSIS BY BUSINESS SEGMENT

HK\$ million	Turnover Six months ended 30 June		Profit/(loss) before tax Six months ended 30 June	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
Telecom and electronic products	<u>698</u>	<u>620</u>	<u>2</u>	<u>(19)</u>

During the period under review, 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 mainly on ODM basis. The operating results improved significantly during the period and turned from an operating loss before tax of \$19 million for the first half of 2009 to an operating profit before tax of \$2 million for the first half of 2010. The improvement in results is caused mainly by the success of the Group's initiatives and measures to restructure and streamline operations to reduce operating costs and improve efficiency.

ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Turnover				
	Six months ended 30 June				
	2010		2009		
	Amount	Relative	Amount	Relative	% increase/ (decrease)
	(Unaudited)	%	(Unaudited)	%	
Europe	572	82.0%	388	62.6%	47.4%
North America	26	3.7%	118	19.0%	(78.0%)
Asian Pacific and others	100	14.3%	114	18.4%	(12.3%)
Total	698	100.0%	620	100.0%	12.6%

Since the European market took over the North America to become the Group's largest market in 2009, it continued to remain the largest market of the Group during the period under review and contributed approximately 82.0% of its total turnover. The sales to the North America and the Asian Pacific regions accounted for 3.7% and 14.3%, respectively, of the Group's total turnover.

The performance in the European market was extremely well, achieving a growth of 47.4% in turnover. Caused by the Discontinuation, sales to North America declined further by 78.0% to only HK\$26 million for the period. Sales to the Asian Pacific and other regions dropped by 12.3% to HK\$100 million, caused by weak market demand.

HIGHLIGHTS ON FINANCIAL POSITION

HK\$ million	30 June	31 December	% increase/ (decrease)
	2010 (Unaudited)	2009 (Audited)	
Non-current assets	620	638	(2.8%)
Inventories	101	68	48.5%
Trade receivables	326	352	(7.4%)
Pledged time deposits	82	62	32.3%
Cash and cash equivalents	427	349	22.3%
Trade and bills payables	423	407	3.9%
Interest-bearing bank borrowings	343	243	41.2%
Other current liabilities	126	144	(12.5%)
Equity attributable to owners of the parent	714	718	(0.6%)

Discussion on Financial Position

The amount of the total non-current assets represents the carrying values of property, plant and equipment, investment properties, prepaid land lease payments and goodwill. The balance of the total non-current assets decreased by approximately 2.8% to \$620 million as at 30 June 2010, attributable mainly to the depreciation of property, plant and equipment and the amortisation of the prepaid land lease payments, net of additions to property, plant and equipment during the period.

As at 30 June 2010, the inventories of the Group increased to \$101 million, represented an increase of 48.5% from \$68 million as at 31 December 2009. Inventories turnover period of the Group for the period maintained at reasonable low level of 23.7 days (31 December 2009: 23.9 days).

Trade receivables of the Group amounted to \$326 million as at 30 June 2010, a slight decrease of 7.4% from \$352 million as at 31 December 2009.

Pledged time deposits increased from \$62 million as at 31 December 2009 to \$82 million as at 30 June 2010 mainly due to increase in pledged time deposits for banking facilities.

Cash and cash equivalents increased by approximately 22.3% to approximately \$427 million as at 30 June 2010. The net increase in cash and bank balance represents net cash inflow due primarily to cash inflow from the operations and net new bank borrowings raised during the period.

Trade and bills payables increased by approximately 3.9% to \$423 million, reflecting increase of purchases in line with the growth in sales.

The amount of interest-bearing bank borrowings increased from approximately \$243 million as at 31 December 2009 to approximately \$343 million as at 30 June 2010, up 41.2%. The increase represents net increase of the bank borrowings during the period in order to cope with the working capital requirements for increase in sales and potential future expansion in business.

Other current liabilities representing mainly other payables and accruals decreased by 12.5%.

Equity attributable to owners of the parent decreased by approximately 0.6% from \$718 million as at 31 December 2009 to \$714 million as at 30 June 2010 due primarily to the loss attributable to the owners of the parent during the first half of the financial year.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	30 June 2010		31 December 2009	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Total borrowings	343	32.5%	243	25.3%
Equity	714	67.5%	718	74.7%
Total capital employed	<u>1,057</u>	<u>100.0%</u>	<u>961</u>	<u>100.0%</u>

The Group's gearing ratio increased to approximately 32.5% as at 30 June 2010 (31 December 2009: 25.3%) as a result of net increase of the bank borrowings 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 increased by 41.2% to approximately \$343 million as at 30 June 2010 (31 December 2009: \$243 million). As at 30 June 2010, the maturity profile of the Group's borrowings falling due within one year, in the second to the fifth year and in the sixth to the tenth year amounted to \$192 million, \$96 million and \$55 million respectively (31 December 2009: \$214 million, \$29 million and nil 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 2010 (Unaudited)	31 December 2009 (Audited)
Current assets	987	875
Current liabilities	<u>741</u>	<u>765</u>
Current ratio	<u>133.2%</u>	<u>114.4%</u>

The Group financial position remains healthy and strong. The current ratio of the Group improved to 133.2% as at 30 June 2010 from 114.4% as at 31 December 2009. Among the total cash balance of \$509 million, approximately \$82 million (31 December 2009: \$62 million) was pledged for general banking facilities.

In view of the Group's current cash position, funds generated from the operations and the unutilised banking facilities available, the Group is maintaining in a sound financial position and have sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2010, capital commitment of the Group amounted to approximately \$2 million (31 December 2009: \$4 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 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 and medium-term deposits denominated in Hong Kong dollar and US dollar. As at 30 June 2010, the Group's borrowings were mainly denominated in Hong Kong dollar and US dollar. As at 30 June 2010, 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 the interest rates currently remain at extremely low level. 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 overhead) 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 dollar, which are to be paid out of our sales receipts in US dollar, the management considers that the foreign exchange exposure risk for the US dollar is not material.

For Renminbi exposure, as wages and overhead 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 period under review.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment as at 30 June 2010 (31 December 2009: Nil).

PLEDGE OF ASSETS

As at 30 June 2010, certain of the Group's assets with net book value of \$456 million (31 December 2009: \$461 million) and time deposits of approximately \$82 million (31 December 2009: \$62 million) were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2010, 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 2010 was 5,281 (31 December 2009: 5,108). The Group's remuneration policy is built on principle of equality, 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 related bonuses. Share options may also be granted to eligible employees and persons of the Group. As at 30 June 2010, there were outstanding share options of approximately 600,000,000 (31 December 2009: 600,000,000).

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 period for the six months ended 30 June 2010.

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 2010, 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 2009 Annual Report of the Company issued in April 2010 and will be disclosed in the 2010 Interim Report of the Company, which will be despatched to the shareholders of the Company on or before 30 September 2010.

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 primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company’s financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company. 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 unaudited condensed consolidated interim results of the Group for the six months ended 30 June 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 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 2010.

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 2010. The Board comprises three INEDs, one of whom has accounting and financial expertise, and the three INEDs bring strong independent judgement, knowledge and experience to the Board.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2010 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 at www.hkexnews.hk. The 2010 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 of Hong Kong Limited 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 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, 24 August 2010

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited 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.