CCT TECH INTERNATIONAL LIMITED

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

CHAIRMAN'S LETTER

On behalf of the board of directors (the "**Board**") of CCT Tech International Limited (the "**Company**"), I present the results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2010.

During the year under review, turnover of approximately $1,573 million was recorded, representing an increase of approximately 8.8% over $1,446 million reported in the previous corresponding year. Despite generally adverse business environment, the Group continued to achieve improved result performance in 2010. Net loss of the Group has further narrowed by approximately 73.7% from approximately $19 million in 2009 to a net loss of only approximately $5 million in 2010.

REVIEW OF OPERATIONS

2010 is a year of a slight recovery for the global economy. Though most of the economic indicators are showing affirmative signals for recovery, impressive economic growth in real term has yet been noted in the major North American and European markets. Despite economic uncertainty, the Group has been able to take advantage of this minor recovery to get back to the right business track and to reposition itself in the market. 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 basically lost the North American market, which once contributed more than 50% of the Group's revenue. To ease part of the adverse impact arising from the Discontinuation, the Group has expanded the European market and has diversified into the Asian Pacific and other regions. In Europe, the Group continued to gain market share in 2010, and managed to achieve revenue of approximately $1,187 million, representing an increase of approximately 11.2% from the corresponding year. It is encouraging to see that the Group's effort to diversify its business into markets outside North America and Europe has begun to see results. Sales to the Asian Pacific and other regions increased sharply by approximately 44.0% to approximately $324 million for the year, contributed approximately 20.6% of the Group's total turnover.

The entering by the Group of the GE Trademark License Agreement (the "**License Agreement**") with GE Trademark Licensing, Inc. ("**GE**") in February 2010 marked an important milestone of the Group, which not only reduces our reliance on our original designing manufacturing ("**ODM**") business but also opens up a new avenue for business growth from distribution of GE telecom products worldwide. Since the execution of the License Agreement, the Group has already established a distribution company in the United States of America ("**US**") and has developed new lines of GE telecom products that are expected to be able to fit the current poor US retail market sentiment. We have already established a foothold in the US market and we expect that our new GE telecom products will enter the US retail shelves in 2011.

With regard to the development of the branded distribution business in the markets outside North America ("**European and ROW Markets**"), the Group has engaged an experienced professional distributor with established distribution networks in these markets. We believe such initial open up strategy would help our GE telecom products to penetrate into the European and ROW Markets in a timely and cost effective manner. This strategy has proven to be successful as the branded distribution business has contributed revenue of approximately $18 million from the European and ROW Markets in the fourth quarter of 2010.

Our track record of strong product innovation and offerings continues. The Group launched a new series of SOHO products for use in small and home offices during the year, which were well received by the market. The new innovated product produced by us, the screen communication tablet with integrated home phone built on Linux technology with multi-functions including internet access, photos display, easy-to-use touch big-screen operation and filled with music formats, has achieved strong sales and received favorable response from the market. To step up our commitment in product research and development ("**R&D**"), in October 2010, the Group acquired office premises in Shenzhen in order to relocate its R&D centre which is currently housed in a leased office in Shenzhen. The newly acquired premises will be used as the R&D centre and back-up supporting office, which will provide enough space for the Group to cope with the future growth and development of the Group's business. We believe the newly acquired premises will improve management efficiency, coordination and reduction in costs in the long term.

Rising costs posed a major challenge to the Group in 2010. Increase in minimum wages in the Mainland China, rising costs of materials, high inflation and the continuing appreciation of Renminbi ("**RMB**") have negatively impacted our margins. However, the Group continued to benefit from the cost restructuring initiatives taken in previous years and the efforts to streamline operations and improve efficiency during the year, resulting in an overall improvement in result in 2010.

OUTLOOK

We are encouraging to see the global economy might have broken away the worst period of the financial crisis. However, the global markets are still fragile and volatile. Fears of renewed fiscal crises, high unemployment rate in the US, faltering consumer confidence have all contributed to sluggish conditions. Furthermore, the debt crisis occurred in certain European countries and the recent social unrest and political instability in Libya and the Middle East has given rise to further global economic uncertainty. The regional unstable political situation has begun to show its impact on the global economy as the price of crude oil had been pushed up to a level of US$100 a barrel. The multiple disasters in Japan has caused world stocks to tumble and make the global economy look even more cloudy. On the other hand, inflation is expected to go up at a faster pace globally and commodity and material prices are expected to rise further in the light of the gradual recovery in the world economy and large-scale reconstruction efforts in Japan. The continued shortage of labor in the Guangdong Province and further increase in minimum wage are expected to push up labor cost further. Coupled with the further future appreciation of Renminbi, the Group's business will be facing difficult challenges and unusual uncertainty in 2011.

On the positive side, our internal restructuring initiatives taken in previous years will continue to provide positive impact to our costs and efficiency. We will continue to step up our effort to counteract costs increase and to improve productivity. We will continue to enhance our product offerings and optimizing our product mix to meet market expectation. Our ODM business, especially in Europe and the Asian Pacific and other regions, will continue to grow in 2011. 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 enable the Group to re-enter the US market, which once was the largest single market of the Group. Broadband is moving with fast pace into homes worldwide. We have been taking this new business opportunity at an early stage by introducing new cordless technologies like CAT-iq (Cordless Advanced Technology – internet and quality) and VoIP (Voice over Internet Protocol). Furthermore, new generation communication devices are being planned and introduced by telco operators. We have been investing already into new product technologies like Android OS based products with touch screen, DECT/CAT-iq, WiFi and Bluetooth. We will progressively increase our R&D investment in such broadband connected products. We will also expand our contract manufacturing services ("**CMS**"), enhance our CMS customer base and will diversify our product range to audio, video and other consumer electronic products. We believe such new business will grow and will become a significant revenue contributor in the years to come. Given the unusual uncertainty ahead, we must remain cautious in terms of expansion. With our strong management team and the prudent approach we have taken, we remain confident that the Group will continue to make steady progress in performance.

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, 29 March 2011

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS

HK$ million	2010	2009	% increase/ (decrease)
Turnover	**1,573**	1,446	8.8%
EBITDA	**59**	50	18.0%
Loss before tax	**(2)**	(17)	(88.2%)
Income tax expense	**(3)**	(2)	50.0%
Loss for the year	**(5)**	(19)	(73.7%)

Discussion on Financial Results

During the year under review, the Group recorded a turnover of $1,573 million, representing an increase of 8.8% as compared to the last corresponding year. The Group turned in further improvement in result in 2010, compared with 2009. EBITDA increased by 18.0% to $59 million in 2010 whilst loss after tax further reduced by 73.7% to only $5 million in the year.

ANALYSIS BY BUSINESS SEGMENT

HK$ million	Turnover 2010	Turnover 2009	Profit/(loss) before tax 2010	Profit/(loss) before tax 2009
Telecom and electronic products	**1,573**	1,446	**1**	(12)

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 mainly on ODM basis. The operating results turned around from an operating loss before tax of $12 million in 2009 to an operating profit before tax of $1 million in 2010. The improvement in results is caused mainly by the growth of the Group's ODM business in Europe, the success of the Group's market diversification and initiatives and measures to restructure and streamline operations and costs. This year's results has accounted for certain costs incurred by the Group in the development and set-up of the GE telecom product business, which is expected to provide benefit to the Group in the long run after the branded distribution business is built up.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Turnover				
	2010		2009		% increase/
HK$ million	**Amount**	**Relative %**	Amount	Relative %	(decrease)
Europe	**1,187**	**75.5%**	1,067	73.8%	11.2%
Asian Pacific and others	**324**	**20.6%**	225	15.5%	44.0%
North America	**62**	**3.9%**	154	10.7%	(59.7%)
Total	**1,573**	**100.0%**	1,446	100.0%	8.8%

Europe continued to remain the largest market of the Group during the year under review and contributed approximately 75.5% of its total turnover. The sales to the Asian Pacific and other regions and the North America accounted for 20.6% and 3.9% respectively, of the Group's total turnover, reflecting diversification of geographical markets following the Discontinuation.

The performance in the European market was encouraging, achieved a further growth of 11.2% in turnover during the year. Sales to the Asian Pacific and other regions increased by 44.0% to $324 million, reflecting success of the Group's strategy by penetrating its business into markets in the Asian Pacific and other regions. Sales to North America declined further by 59.7% to only $62 million for the year, as a result of the Discontinuation.

HIGHLIGHTS ON FINANCIAL POSITION

HK$ million	**31 December 2010**	31 December 2009	% increase/ (decrease)
Non-current assets	**621**	638	(2.7%)
Inventories	**92**	68	35.3%
Trade receivables	**385**	352	9.4%
Pledged time deposits	**83**	62	33.9%
Cash and cash equivalents	**388**	349	11.2%
Trade and bills payables	**456**	407	12.0%
Current and non-current interest-bearing bank and other borrowings	**389**	243	60.1%
Other current liabilities	**138**	144	(4.2%)
Equity attributable to owners of the parent	**713**	718	(0.7%)

Discussion on Financial Position

The amount of the total non-current assets represents the total carrying values of property, plant and equipment, investment properties, prepaid land lease payments, prepayments for acquisition of property, plant and equipment and goodwill. As at 31 December 2010, the balance of the non-current assets decreased by 2.7% to approximately $621 million. The decrease was largely attributable to depreciation of property, plant and equipment, the amortisation of the prepaid land lease payments and after netting of net additions to property, plant and equipment during the year.

As at 31 December 2010, inventories of the Group increased to $92 million, represented an increase of 35.3% from $68 million as at 31 December 2009. Inventory turnover period of the Group for the year further improved to 19.9 days (2009: 23.9 days).

Trade receivables of the Group amounted to $385 million as at 31 December 2010, a slight increase of 9.4% from $352 million as at 31 December 2009. The trade receivables increased in line with increase in sales.

Additional time deposits were pledged to banks to secure additional banking facilities, resulting in the increase in the pledged time deposits from $62 million as at 31 December 2009 to $83 million as at 31 December 2010.

Cash and cash equivalents increased by 11.2% to $388 million as at 31 December 2010. The net increase in cash and bank balance represents net cash inflow during the year.

Trade and bills payables increased by approximately 12.0% to $456 million, reflecting increase of purchases in line with the growth in sales.

The aggregate amount of the current and non-current interest-bearing bank and other borrowings increased from approximately $243 million as at 31 December 2009 to approximately $389 million as at 31 December 2010. The increase represents net increase of the bank and other borrowings during the year 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 4.2% during the year.

Equity attributable to owners of the parent decreased slightly by approximately 0.7% from $718 million as at 31 December 2009 to $713 million as at 31 December 2010 due primarily to the loss attributable to the owners of the parent during the financial year.

CAPITAL STRUCTURE AND GEARING RATIO

	31 December 2010		31 December 2009	
HK$ million	**Amount**	**Relative %**	Amount	Relative %
Bank borrowings	**388**	**35.2%**	243	25.3%
Finance lease payable	**1**	**0.1%**	-	-
Total borrowings	**389**	**35.3%**	243	25.3%
Equity	**713**	**64.7%**	718	74.7%
Total capital employed	**1,102**	**100.0%**	961	100.0%

The Group's gearing ratio increased to approximately 35.3% as at 31 December 2010 (2009: 25.3%) as a result of net increase of the bank and other borrowings during the year. Taking into account the pledged time deposits and the free cash on hand, the Group, however, did not have any net borrowings, indicating the healthy financial position of the Group.

The Group's outstanding bank and other borrowings increased to approximately $389 million as at 31 December 2010 (2009: $243 million). As at 31 December 2010, the maturity profile of the Group's bank and other borrowings falling due within one year, in the second to the fifth year and in the sixth to the tenth year amounted to $264 million, $82 million and $43 million respectively (2009: $243 million, nil and nil respectively).

All of the Group's bank and other borrowings were borrowed to finance the ordinary business of the Group. There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	**31 December 2010**	31 December 2009 (Restated)
Current assets	**1,077**	875
Current liabilities	**858**	794
Current ratio	**125.5%**	110.2%

The Group financial position remains healthy. The current ratio of the Group improved to 125.5% as at 31 December 2010 from 110.2% as at 31 December 2009. Among the total cash balance of $471 million (2009: $411 million), approximately $83 million (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 31 December 2010, capital commitment of the Group amounted to approximately $9 million (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 financial year 2010, 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 31 December 2010, the Group's borrowings were mainly denominated in Hong Kong dollar and US dollar. As at 31 December 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 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 dollars, 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 2011 in order not to cause too much damage to the Chinese economy. We will continue to explore methods to hedge against RMB appreciation but will only consider to enter into any currency derivative product that will not give rise to high risk.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

SIGNIFICANT INVESTMENT

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

PLEDGE OF ASSETS

As at 31 December 2010, certain of the Group's assets with a net book value of $468 million (31 December 2009: $461 million) and time deposits of approximately $83 million (2009: $62 million) were pledged to secure the general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2010, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2010 was 4,685 (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. At 31 December 2010, there were outstanding share options of approximately 600,000,000 (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 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 2010 and will be disclosed in the corporate governance report contained in the 2010 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2011.

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.

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 2010. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee held four meetings in 2010.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2010 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2011.

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 2010. The Remuneration Committee is chaired by an INED.

Further information of the Remuneration Committee will be disclosed in the corporate governance report contained in the 2010 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2011.

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.

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 year ended 31 December 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 ANNUAL RESULTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The results announcement of the Company for the year ended 31 December 2010 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 2011.

ANNUAL GENERAL MEETING

The 2011 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 Friday, 27 May 2011 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 Wednesday, 25 May 2011 to Friday, 27 May 2011 (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 Tuesday, 24 May 2011.

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, 29 March 2011

ANNUAL RESULTS

The Board is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2010, together with the comparative amounts for the previous year as follows:

Consolidated Income Statement

For the year ended 31 December 2010

HK$ million	*Notes*	**2010**	2009
REVENUE	*4*	**1,573**	1,446
Cost of sales		**(1,465)**	(1,330)
Gross profit		**108**	116
Other income and gains		**57**	23
Selling and distribution costs		**(49)**	(24)
Administrative expenses		**(103)**	(111)
Other expenses		**(7)**	(18)
Finance costs	*5*	**(8)**	(3)
LOSS BEFORE TAX	*6*	**(2)**	(17)
Income tax expense	*7*	**(3)**	(2)
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**(5)**	(19)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**(HK0.01cent)**	(HK0.03 cent)
Diluted		**(HK0.01cent)**	(HK0.03 cent)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

HK$ million	2010	2009
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(5)**	(19)

Consolidated Statement of Financial Position

31 December 2010

HK$ million	*Notes*	**31 December 2010**	31 December 2009 (Restated)	1 January 2009
ASSETS				
Non-current assets				
Property, plant and equipment		**344**	392	449
Investment properties		**178**	178	178
Prepaid land lease payments		**69**	46	47
Prepayments for acquisition of property, plant and equipment		**8**	-	-
Goodwill		**22**	22	22
Total non-current assets		**621**	638	696
Current assets				
Inventories		**92**	68	106
Non-current assets held for sale		**70**	-	-
Trade receivables	*11*	**385**	352	402
Prepayments, deposits and other receivables		**59**	44	32
Pledged time deposits		**83**	62	86
Cash and cash equivalents		**388**	349	455
Total current assets		**1,077**	875	1,081
Total assets		**1,698**	1,513	1,777
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Issued capital		**654**	654	654
Reserves		**59**	64	81
Total equity		**713**	718	735
Non-current liabilities				
Interest-bearing bank and other borrowings		**125**	-	-
Deferred tax liabilities		**2**	1	2
Total non-current liabilities		**127**	1	2
Current liabilities				
Trade and bills payables	*12*	**456**	407	610
Tax payable		**9**	8	9
Other payables and accruals		**129**	136	156
Interest-bearing bank and other borrowings		**264**	243	265
Total current liabilities		**858**	794	1,040
Total liabilities		**985**	795	1,042
Total equity and liabilities		**1,698**	1,513	1,777
Net current assets		**219**	81	41
Total assets less current liabilities		**840**	719	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. Non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest million 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 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in May 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in April 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised) and HK Interpretation 5, the adoption of above new and revised HKFRSs has had no significant financial effect on these financial statements.

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

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010. The adoption of these revised standards does not have any significant financial effect on these financial statements.

(b) HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The interpretation requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement. Prior to the adoption of this interpretation, the Group's term loan was classified in the consolidated statement of financial position separately as to current and non-current liability portions based on the maturity date of repayment. Upon the adoption of this interpretation, certain term loan has been reclassified entirely as a current liability. The interpretation has been applied by the Group retrospectively and comparative amounts have been restated. In addition, as a result of this change and as required by HKAS 1 *Presentation of Financial Statements*, these financial statements also include a statement of financial position as at 1 January 2009.

The above change has had no effect on the consolidated income statement. The effect on the consolidated statement of financial position is summarised as follows:

HK$ million	31 December 2010	31 December 2009	1 January 2009
CURRENT LIABILITIES			
Increase in interest-bearing bank and other borrowings	-	29	-
NON-CURRENT LIABILITIES			
Decrease in interest-bearing bank and other borrowings	-	(29)	-

There was no impact on the net assets of the Group.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORT 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 Amendment	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards - Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters* [2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [4]
HKFRS 9	*Financial Instruments* [6]
HKAS 12 Amendments	Amendment to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [5]
HKAS 24 (Revised)	*Related Party Disclosures* [3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation - Classification of Rights Issues* [1]
HK (IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

[1] Effective for annual periods beginning on or after 1 February 2010
[2] Effective for annual periods beginning on or after 1 July 2010
[3] Effective for annual periods beginning on or after 1 January 2011
[4] Effective for annual periods beginning on or after 1 July 2011
[5] Effective for annual periods beginning on or after 1 January 2012
[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 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 that interest income, finance costs, equity-settled share option expense as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude non-current assets held for sale and 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 business segment of the Group for the year ended 31 December 2010 and 2009 is presented as below:

HK$ million	Telecom and electronic products 2010	2009	Reconciliations 2010	2009	Group total 2010	2009
Segment revenue:						
Revenue from external customers	**1,573**	1,446	**-**	-	**1,573**	1,446
Operating profit/(loss)	**7**	(9)	**-**	-	**7**	(9)
Interest income	**2**	-	**-**	-	**2**	-
Finance costs	**(8)**	(3)	**-**	-	**(8)**	(3)
Reconciled items:						
Unallocated expenses						
- Equity-settled share option expense	**-**	-	**-**	(2)	**-**	(2)
- Corporate and other unallocated expenses	**-**	-	**(3)**	(3)	**(3)**	(3)
Profit/(loss) before tax	**1**	(12)	**(3)**	(5)	**(2)**	(17)
Other segment information:						
Expenditure for non-current assets	**72**	11	**-**	-	**72**	11
Depreciation and amortisation	**(53)**	(64)	**-**	-	**(53)**	(64)
Other material non-cash items:						
Net impairment of trade receivables	**(7)**	(13)	**-**	-	**(7)**	(13)
Equity-settled share option expense	**-**	-	**-**	(2)	**-**	(2)
Write off of items of property, plant and equipment	**-**	(5)	**-**	-	**-**	(5)
Reversal of impairment of items of property, plant and equipment	**26**	-	**-**	-	**26**	-
Segment assets	**1,614**	1,509	**-**	-	**1,614**	1,509
Reconciled items:						
Non-current assets held for sale	**-**	-	**70**	-	**70**	-
Corporate and other unallocated assets	**-**	-	**14**	4	**14**	4
Total assets	**1,614**	1,509	**84**	4	**1,698**	1,513
Segment liabilities	**973**	785	**-**	-	**973**	785
Reconciled item:						
Corporate and other unallocated liabilities	**-**	-	**12**	10	**12**	10
Total liabilities	**973**	785	**12**	10	**985**	795

Geographical information

Additional disclosures on segment information by geographical location for the year ended 31 December 2010 and 2009 are shown below:

(a) Revenue from external customers

HK$ million	**2010**	2009
Europe	**1,187**	1,067
Asian Pacific and others	**324**	225
North America	**62**	154
	1,573	1,446

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	**2010**	2009
Hong Kong	**43**	39
Mainland China	**577**	598
Other countries	**1**	1
	621	638

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

Information about major customers

For the year ended 31 December 2010, revenue from each of three major customers of the telecom and electronic products segment was HK$604 million, HK$443 million and HK$160 million, respectively, representing 38%, 28% and 10% of the Group's total revenue, respectively.

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.

5. FINANCE COSTS

An analysis of finance costs is as follows:

HK$ million	2010	2009
Interest on bank loans wholly repayable within five years	**3**	3
Interest on bank loans wholly repayable after five years	**5**	-
Total interest expenses on financial liabilities not at fair value through profit or loss	**8**	3

6. LOSS BEFORE TAX

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

HK$ million	2010	2009
Cost of inventories sold	**1,465**	1,339
Depreciation	**52**	63
Amortisation of prepaid land lease payments	**1**	1
Reversal of impairment of items of property, plant and equipment	**(26)**	-

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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	2010	2009
Current – Elsewhere:		
Charge for the year	**2**	1
Underprovision in prior years	**-**	2
Deferred	**1**	(1)
Total tax charge for the year	**3**	2

8. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2010 (2009: Nil).

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

The calculation of the basic and diluted loss per share amount for the year is based on the loss for the year attributable to ordinary equity holders of the parent of HK$5 million (2009: HK$19 million), and the weighted average number of 65,413,993,990 (2009: 65,413,993,990) ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2010 and 2009 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2010, the Group acquired fixed assets of approximately HK$48 million (2009: HK$11 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:

	2010		2009	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**131**	**34**	115	33
31 to 60 days	**126**	**33**	91	26
61 to 90 days	**114**	**30**	114	32
Over 90 days	**14**	**3**	32	9
	385	**100**	352	100

The Group allows an average credit period of 30 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:

	2010		2009	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**112**	**25**	103	25
31 to 60 days	**122**	**27**	96	24
61 to 90 days	**70**	**15**	86	21
Over 90 days	**152**	**33**	122	30
	456	**100**	407	100

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 and Electronic Sales Limited, being wholly-owned subsidiaries of CCT Telecom, which are unsecured, interest-free and are repayable within 90 days from the invoice date.

13. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group entered into an agreement for the disposal of certain non-current assets held for sale for a consideration of approximately HK$70 million, with a reversal of impairment of approximately HK$26 million being recognised in the consolidated income statement for the year ended 31 December 2010.

14. COMPARATIVE AMOUNTS

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

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.