CCT TECH INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011.

The year 2011 has turned out to be another turbulent year for the global economy and financial markets, after the global financial crisis happened in 2008. In 2011, the Group encountered numerous challenges led by various events occurred globally (the "**Material Adverse Events**"), details of which have been disclosed in the Company's announcement dated 29 December 2011. The Material Adverse Events have caused the Group to terminate the license agreement with GE Trademark Licensing, Inc. ("**GE**") with effect from 31 December 2011 (the "**Discontinuation**") and then to discontinue the business of manufacturing and distributing the GE licensed products worldwide (the "**License Business**"). As a result of the Material Adverse Events, the Group has incurred certain one-off costs and losses in an aggregate amount of $107 million (the "**Exceptional Losses**") associated with the License Business, the Discontinuation and the measures to restructure the Group's manufacturing operations. These Exceptional Losses have material negative impact on the Group's results for the year ended 31 December 2011.

During the year under review, the Group's turnover was $1,553 million, decreased by approximately 1.3% as compared with the corresponding previous year. Rising costs posed a major challenge to the Group in 2011. The combined impact of rising costs and the Exceptional Losses has resulted in the Group's net loss surging from $5 million in 2010 to approximately $165 million in 2011.

As we intend to retain cash resource to finance operations and future development of our business, the Board does not propose and recommend payment of a final dividend for the year ended 31 December 2011.

REVIEW OF OPERATIONS

The Group is principally engaged in the manufacture and sale of telecom and electronic products. The ultimate holding company of the Company is CCT Telecom Holdings Limited ("**CCT Telecom**") whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As the Discontinuation occurred only at the end of 2011, it has little impact on the Group's revenue for 2011. Nor the Discontinuation is expected to have any significant impact on the Group's revenue for future years as the revenue of the License Business represents only 10.2% of the Group's total revenue for 2011. Adversely affected by the sluggish economy in the United States of America ("**US**"), its high unemployment rate, and unprecedented sovereign credit downgrading, the US consumer market has been dampened and as a result, the sale performance of the License Business is much lower than expected. Compounded with its high ramp-up and operating costs, the License Business has recorded loss since commencement and its loss increased further in 2011, owing to the Material Adverse Events. The Discontinuation has resulted in the Group incurring certain one-off costs and losses associated with closure of the Group's US distribution company, winding-up of the operations and clearing of the inventory of the License Business. Furthermore, certain moulds and tools used to manufacture GE licensed products, which may not be used to produce other products of the Group have been impaired. Although the exceptional losses arising from the License Business and the Discontinuation have materially adversely impacted the Group's result for 2011, the Discontinuation has enabled the Group to eliminate the loss-making License Business and this is expected to have a positive impact on the Group's performance for the future financial years.

Traditional cordless phones remain our core products while new innovated products saw significant growth in revenue. Most of our sales are generated from original design manufacturing ("**ODM**") business. Europe remains the largest market of the Group, contributing 56.7% of the Group's total turnover during the year. However, sales to Europe declined by 25.9% in 2011, led by the stagnant economy in Europe as the eurozone debt crisis deepened. The Asian Pacific and other regions, accounting for 33.6% of the Group's turnover, continued to outperform other market regions of the Group. Revenue derived from these market regions rose 61.1% due to strong sales of the screen communication tablet in Australia and expansion of our business in the emerging markets like the People's Republic of China ("**PRC**" or "**China**"), South America and Mexico. The North American market contributed $151 million in turnover, increased by a 143.5% over the last corresponding year mainly attributable to sales of our GE telephony products in the US before the Discontinuation.

We are strong in radio-frequency and broadband technologies and have invested substantially in product research and development ("**R&D**") activities. Our strong R&D and manufacturing capability has enabled us to develop and introduce well-designed products with multi-functions and superior quality. During the year, 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 continued to sell well. We have also launched the Android based Multimedia Phone in 2011, which has a 3.2 inches large display touch-screen operation, built-in WiFi, CAT-iq 2.0 compatible and this new product has received good market response.

Amidst challenging operating environment, it is encouraging to see that the contract manufacturing service ("**CMS**") delivered strong growth in revenue to approximately $131 million during the year, surged 254.1% as compared with $37 million in the previous corresponding year. The CMS business has added new customers and has broadened its product mix to include audio, video and other consumer products. The e-Books, which are electronic books in multimedia tablets equipped with Android 2.3 or above operating system with colour TFT display, was launched in 2011. Other new products include the Audio and Stereo Mobile headsets and the Bluetooth Cell Link Devices enabling audio or music playback routing from mobile phone to its tailor-made audio system and equipped with Apple devices connectors for charging and synchronization with iTunes. These new CMS products have achieved strong sales and favourable market response.

Besides the impact of the Discontinuation, our result performance was also adversely affected by a significant increase in the operating costs. Factory payroll soared approximately 41.0% in 2011, led by increase in minimum wages and acute shortage of labor in the Guangdong Province. This was compounded with new charges and levies imposed by local government, rising cost of materials and commodities (including petroleum), high inflation and continuing appreciation in Renminbi ("**RMB**"), which together caused a material negative impact on the Group's profitability in 2011. As a result, the Group's gross margin declined sharply from 6.9% in 2010 to only 3.0% in 2011.

To combat rising costs, measures have been implemented not only to trim costs all across the board, but also to consolidate, centralise, and restructure the Group's manufacturing operations, in order to rationalise both variable and fixed operational expenses at a lower level. Such restructuring initiatives will improve efficiency, productivity and competitiveness of the Group in the long run but have resulted in certain one-off losses which formed part of the Exceptional Losses charged to the Group's accounts for 2011.

As a result of the rising operating costs and the Exceptional Losses, the Group's net loss for 2011 soared to approximately $165 million.

OUTLOOK

The global economy and financial markets continue to face unabated uncertainties. The downgrade of the credit ratings of the US and various eurozone countries by credit rating agencies in 2011 and in early 2012 indicates continued downside risks in the world economic outlook. The debt crisis in the euro countries will not be resolved in the near term and new wave of turbulences may arise going forward. China has lowered its economic growth target this year to 7.5%, below the symbolic 8% level as it prepares to face myriad challenges in the external environment. Despite a lower growth rate, it is expected that the PRC government will adhere to a proactive fiscal policy and prudent monetary policy, aiming to deliver steady and robust economic development.

Notwithstanding that the outlook of the manufacturing industry will remain uncertain and challenging in 2012, we plan for improvement to our operation and performance in the current year. On the sales front, we will strive to gain orders from existing ODM customers and enhance its product offerings and product mix by development of a full range of broadband and advance products at competitive prices. We will step up expansion of our CMS business by gaining new CMS customers and enhancing and diversifying our CMS product range. We are optimistic about the potentials and prospects of the CMS business and expect that this business may become a key driver of growth for the Group in the future. The acquisition of the baby and child product business from CCT Telecom has just been completed following approval by the independent shareholders of the Company in the special general meeting held on 26 March 2012. This acquisition will enable the Group to broaden its revenue stream, to expand its product mix and to enhance its customer base, which will help the Group to alleviate part of the negative impacts of the Discontinuation and the Material Adverse Events.

On the cost side, we expect payroll and production costs will continue to rise in China. We will endeavour to take appropriate actions to shift some of the cost increases to our customers with a view to improving our gross margin. We will continue to take initiatives to drive productivity and competitiveness and to exercise tight cost control over our operations.

CONCLUSION

We expect that the Group will start to see benefits from the restructuring and revitalised measures in 2012. With the measures and initiatives taken by the Group, together with its healthy financial position and sound business fundamentals, we believe we will be able to withstand the adverse impact arising from the weakening operating conditions and to regain a solid 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, 29 March 2012

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS

$ million	2011	2010	% increase/ (decrease)
Turnover	**1,553**	1,573	(1.3%)
Gross profit	**47**	108	(56.5%)
Gross margin	**3.0%**	6.9%	(56.5%)
Loss before tax	**(164)**	(2)	8,100.0%
Income tax expense	**(1)**	(3)	(66.7%)
Loss for the year	**(165)**	(5)	3,200.0%

Discussion on Financial Results

The Group recorded a turnover of $1,553 million for the year ended 31 December 2011, representing a 1.3% decrease over the $1,573 million for the last corresponding year. Suffered from surging operating costs, the gross profit and gross margin ratio dropped from $108 million and 6.9% respectively in 2010 to only $47 million and 3.0% respectively in 2011. Rising costs and the Exceptional Losses pushed up the Group's net loss for 2011 to $165 million, as compared with a loss of only $5 million in 2010.

ANALYSIS BY BUSINESS SEGMENT

	Turnover		(Loss)/profit before tax	
$ million	2011	2010	2011	2010
Telecom and electronic products	**1,553**	1,573	**(161)**	1

Same as previous years, the Group's turnover and operating results for 2011 continued to be derived from one single business segment which is the manufacture and sale of telecom and electronic products. This sole business segment of the Group recorded an operating loss of approximately $161 million for the year as compared to an operating profit of $1 million in the last corresponding year. The significant deterioration of the Group's result was caused by the significant increase in production costs and the Exceptional Losses.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Turnover				
	2011		2010		% increase/
$ million	**Amount**	**Relative %**	Amount	Relative %	(decrease)
Europe	**880**	**56.7%**	1,187	75.5%	(25.9%)
Asian Pacific and others	**522**	**33.6%**	324	20.6%	61.1%
North America	**151**	**9.7%**	62	3.9%	143.5%
Total	**1,553**	**100.0%**	1,573	100.0%	(1.3%)

European market remained the largest market of the Group during the year and contributed approximately 56.7% of the Group's total turnover. Sales to Europe dropped by 25.9% to $880 million in the year amidst the debt crisis in the eurozone. The Group's business in the Asian Pacific and other regions, however, rose significantly by 61.1% to $522 million, contributing 33.6% to the Group's total turnover. The increase in business in these regions was mainly generated from strong growth of sales of the screen communication product in Australia and expansion of our business in the emerging markets. North American market registered rise in turnover of 143.5% to $151 million, accounting for 9.7% to the Group's total turnover, mainly attributable to sale of the GE telephony products in the US during the year.

HIGHLIGHTS ON SIGNIFICANT MOVEMENTS ON FINANCIAL POSITION

$ million	**31 December 2011**	31 December 2010	% increase/ (decrease)
Inventories	**127**	92	38.0%
Trade receivables	**294**	385	(23.6%)
Pledged time deposits	**217**	83	161.4%
Cash and cash equivalents	**320**	388	(17.5%)
Current and non-current interest-bearing bank and other borrowings	**473**	389	21.6%
Equity attributable to owners of the parent	**548**	713	(23.1%)

Discussion on Financial Position

Inventory increased by 38.0% in the year under review. Despite the increase in inventory balance, the inventory turnover period maintained at a healthy level of only 26.6 days (31 December 2010: 19.9 days).

Trade receivables of the Group amounted to $294 million as at 31 December 2011, a decrease of 23.6% from $385 million as at 31 December 2010, indicating continuing improved management in trade debt collection.

Pledged time deposits rose from $83 million at end of 2010 to $217 million at the end of 2011. The increase in pledged deposits was to secure additional banking facilities granted to the Group. Of the pledged deposits, a total amount of $126 million (equivalent to RMB102 million) deposits are denominated in RMB which have been pledged to a banker to secure equivalent amount of Hong Kong dollar loans. Such arrangements are aimed at hedging RMB appreciation risk under which the Group is entitled to benefit from exchange appreciation of the pledged RMB deposits whilst the Group can continue to use the funds borrowed in Hong Kong dollars for business purpose.

Cash and cash equivalents dropped by 17.5% to approximately $320 million as at 31 December 2011. The net decrease in cash and bank balance represents net cash used for operations and the net repayment of working-capital bank loans during the year.

The aggregate amount of the current and non-current interest-bearing bank and other borrowings increased from approximately $389 million as at 31 December 2010 to approximately $473 million as at 31 December 2011, up 21.6%. The net increase of the bank borrowings represents additional Hong Kong loans of approximately $126 million secured by an equivalent amount of pledged RMB deposits for hedging against RMB exposure, less net repayment of working-capital bank loans during the year.

Equity attributable to owners of the parent declined 23.1% from $713 million as at 31 December 2010 to $548 million as at 31 December 2011 due primarily to the loss attributable to the owners of the parent for the year.

CAPITAL STRUCTURE AND GEARING RATIO

	31 December 2011		31 December 2010	
$ million	**Amount**	**Relative %**	Amount	Relative %
Bank borrowings	**473**	**46.3%**	388	35.2%
Finance lease payable	**-**	**-**	1	0.1%
Total borrowings	**473**	**46.3%**	389	35.3%
Equity	**548**	**53.7%**	713	64.7%
Total capital employed	**1,021**	**100.0%**	1,102	100.0%

The Group's gearing ratio increased to approximately 46.3% as at 31 December 2011 (2010: 35.3%) as a result of net increase of the bank and other borrowings during the year. Taking into account the pledged time deposits, the unpledged 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 $473 million as at 31 December 2011 (2010: $389 million), due mainly to the additional Hong Kong dollar loans of approximately $126 million borrowed for hedging RMB appreciation. As at 31 December 2011, the maturity profile of the Group's bank and other borrowings falling due within one year, in the second to the fifth year and beyond five years amounted to $368 million, $86 million and $19 million respectively (2010: $264 million, $82 million and $43 million respectively).

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

LIQUIDITY AND FINANCIAL RESOURCES

$ million	31 December 2011	31 December 2010
Current assets	**1,028**	1,077
Current liabilities	**941**	858
Current ratio	**109.2%**	125.5%

Current ratio as at 31 December 2011 maintained at a healthy level of 109.2% (31 December 2010: 125.5%). The decline in current ratio is caused by additional Hong Kong dollar borrowings to hedge against RMB exposure. Among the total cash balance of $545 million, approximately $217 million (31 December 2010: $83 million) was pledged for general banking facilities and for arrangement of hedging RMB appreciation.

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

CAPITAL COMMITMENTS

As at 31 December 2011, capital commitment of the Group amounted to approximately $4 million (2010: $9 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 2011, 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 RMB and some made in Euro. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, US dollar and RMB. As at 31 December 2011, the Group's borrowings were mainly denominated in Hong Kong dollar, US dollar and RMB and interest on the borrowing was principally determined 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 RMB 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 dollar, the management considers that the foreign exchange exposure risk for the US dollar is not material.

As for RMB exposure, as wages and overhead in our factories in the PRC are paid in RMB, our production costs will rise due to the further appreciation of RMB. During the year, we converted some of our surplus funds from Hong Kong dollars to RMB. We have accumulated approximately RMB102 million in cash up to the end of the year and the RMB funds have been placed on short-term deposits to secure equivalent amount of Hong Kong dollar loans, which have been drawn down to finance working capital of the Group. As we will be entitled to the exchange gain that may be generated from further appreciation of the RMB deposits, we consider such initiative is an effective way to hedge a substantial part of our exposure against RMB depreciation.

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 2011 (2010: Nil).

PLEDGE OF ASSETS

As at 31 December 2011, certain of the Group's assets with a net book value of $467 million (31 December 2010: $468 million) and time deposits of approximately $217 million (31 December 2010: $83 million) were pledged to secure the general banking facilities granted to the Group to finance operations and for hedging RMB exposure.

CONTINGENT LIABILITIES

As at 31 December 2011, 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 2011 was 4,247 (2010: 4,685). 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 2011, there were outstanding share options of approximately 600,000,000 shares (2010: 600,000,000 shares).

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 2011 and will be disclosed in the corporate governance report contained in the 2011 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2012.

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. Lau Ho Kit, Ivan, Mr. Chow Siu Ngor and Mr. Chen Li, one of whom is a qualified accountant and has extensive experience in accounting and financial matters. The Audit Committee is currently chaired by Mr. Lau Ho Kit, Ivan who is an INED.

The Audit Committee has reviewed the adopted accounting principles and practices and discussed the auditing, internal control and financial reporting matters of the Company. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2011. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee held three meetings in 2011.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2011 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2012.

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 2011. The Remuneration Committee is currently chaired by Mr. Chow Siu Ngor who is an INED.

Further information of the Remuneration Committee will be disclosed in the corporate governance report contained in the 2011 annual report of the Company, which will be despatched to the shareholders of the Company on or before 30 April 2012.

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, all INEDs of the Company are still considered to be independent.

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 2011. 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 2011 is published on the websites of the Company at www.cct-tech.com.hk/eng/investor/statutory.php 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 2012.

ANNUAL GENERAL MEETING

The 2012 annual general meeting of the Company will be held at 31/F., Fortis Tower, 77-79 Gloucester Road, Hong Kong on Thursday, 24 May 2012 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 Tuesday, 22 May 2012 to Thursday, 24 May 2012 (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 Monday, 21 May 2012.

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 2012

ANNUAL RESULTS

The Board presents the consolidated annual results of the Group for the year ended 31 December 2011, together with the comparative amounts for the previous year as follows:

Consolidated Income Statement

For the year ended 31 December 2011

HK$ million	*Notes*	2011	2010
REVENUE	*4*	**1,553**	1,573
Cost of sales		**(1,506)**	(1,465)
Gross profit		**47**	108
Other income and gains		**28**	57
Selling and distribution costs		**(57)**	(49)
Administrative expenses		**(102)**	(103)
Other expenses		**(69)**	(7)
Finance costs	*5*	**(11)**	(8)
LOSS BEFORE TAX	*6*	**(164)**	(2)
Income tax expense	*7*	**(1)**	(3)
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**(165)**	(5)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**(HK0.25 cents)**	(HK0.01 cents)
Diluted		**(HK0.25 cents)**	(HK0.01 cents)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2011

HK$ million	2011	2010
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(165)**	(5)

Consolidated Statement of Financial Position

31 December 2011

HK$ million	*Notes*	**31 December 2011**	31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment		**300**	344
Investment properties		**178**	178
Prepaid land lease payments		**66**	69
Prepayments for acquisition of property, plant and equipment		**1**	8
Goodwill		**22**	22
Total non-current assets		**567**	621
Current assets			
Inventories		**127**	92
Non-current assets held for sale		**-**	70
Trade receivables	*11*	**294**	385
Prepayments, deposits and other receivables		**62**	59
Time deposits with original maturity of more than three months		**8**	-
Pledged time deposits		**217**	83
Cash and cash equivalents		**320**	388
Total current assets		**1,028**	1,077
Total assets		**1,595**	1,698
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**654**	654
Reserves		**(106)**	59
Total equity		**548**	713
Non-current liabilities			
Interest-bearing bank and other borrowings		**105**	125
Deferred tax liabilities		**1**	2
Total non-current liabilities		**106**	127
Current liabilities			
Trade and bills payables	*12*	**417**	456
Tax payable		**9**	9
Other payables and accruals		**147**	129
Interest-bearing bank and other borrowings		**368**	264
Total current liabilities		**941**	858
Total liabilities		**1,047**	985
Total equity and liabilities		**1,595**	1,698
Net current assets		**87**	219
Total assets less current liabilities		**654**	840

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 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*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

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 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments*: *Disclosures – Transfers of Financial Assets*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments*: *Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments*: *Presentation – Offsetting Financial Assets and Financial Liabilities*[5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

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 the 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 single business segment of the Group for the year ended 31 December 2011 and 2010 is presented as below:

HK$ million	Telecom and electronic products 2011	2010	Reconciliations 2011	2010	Group total 2011	2010
Segment revenue:						
Revenue from external customers	**1,553**	1,573	**-**	-	**1,553**	1,573
Operating (loss)/profit	**(159)**	7	**-**	-	**(159)**	7
Interest income	**3**	2	**-**	-	**3**	2
Finance costs	**(11)**	(8)	**-**	-	**(11)**	(8)
Reconciled item:						
Corporate and other unallocated expenses	**-**	-	**(3)**	(3)	**(3)**	(3)
Gain on disposal of a subsidiary	**6**	-	**-**	-	**6**	-
(Loss)/profit before tax	**(161)**	1	**(3)**	(3)	**(164)**	(2)
Other segment information:						
Expenditure for non-current assets	**20**	72	**-**	-	**20**	72
Depreciation and amortisation	**(49)**	(53)	**-**	-	**(49)**	(53)
Other material non-cash items:						
Provision for slow-moving and obsolete inventories	**(15)**	-	**-**	-	**(15)**	-
Net reversal of impairment/ (impairment) of trade receivables	**7**	(7)	**-**	-	**7**	(7)
Write-off of items of property, plant and equipment	**(8)**	-	**-**	-	**(8)**	-
Loss on disposal of items of property, plant and equipment	**(5)**	-	**-**	-	**(5)**	-
Reversal of impairment of items of property, plant and equipment	**-**	26	**-**	-	**-**	26
Segment assets	**1,590**	1,614	**-**	-	**1,590**	1,614
Reconciled items:						
Non-current assets held for sale	**-**	-	**-**	70	**-**	70
Corporate and other unallocated assets	**-**	-	**5**	14	**5**	14
Total assets	**1,590**	1,614	**5**	84	**1,595**	1,698
Segment liabilities	**1,035**	973	**-**	-	**1,035**	973
Reconciled item:						
Corporate and other unallocated liabilities	**-**	-	**12**	12	**12**	12
Total liabilities	**1,035**	973	**12**	12	**1,047**	985

Geographical information

Additional disclosures on segment information by geographical location for the year ended 31 December 2011 and 2010 are shown below:

(a) Revenue from external customers

HK$ million	2011	2010
Europe	**880**	1,187
Asian Pacific and others	**522**	324
North America	**151**	62
	1,553	1,573

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	2011	2010
Hong Kong	**36**	43
Mainland China	**531**	577
Other countries	**-**	1
	567	621

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

Information about major customers

For the year ended 31 December 2011, revenue from each of three major customers of the telecom and electronic products segment was HK$398 million, HK$393 million and HK$161 million, respectively, representing 26%, 25% and 10% of the Group's total revenue, respectively.

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% respestively of the Group's total revenue.

5. FINANCE COSTS

An analysis of finance costs is as follows:

HK$ million	**2011**	2010
Interest on bank loans wholly repayable within five years	**5**	3
Interest on bank loans wholly repayable beyond five years	**6**	5
Total interest expense on financial liabilities not at fair value through profit or loss	**11**	8

6. LOSS BEFORE TAX

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

HK$ million	**2011**	2010
Cost of inventories sold	**1,500**	1,465
Depreciation	**47**	52
Amortisation of prepaid land lease payments	**2**	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% (2010: 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	**2011**	2010
Current – PRC corporate income tax:		
Charge for the year	**2**	2
Deferred	**(1)**	1
Total tax charge for the year	**1**	3

8. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2011 (2010: 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$165 million (2010: HK$5 million), and the weighted average number of 65,413,993,990 (2010: 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 2011 and 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 amounts presented.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2011, the Group acquired fixed assets of approximately HK$20 million (2010: HK$48 million). During the year, the Group disposed of fixed assets of approximately HK$9 million (2010: Nil).

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:

	2011		2010	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**75**	**26**	131	34
31 to 60 days	**105**	**36**	126	33
61 to 90 days	**95**	**32**	114	30
Over 90 days	**19**	**6**	14	3
	294	**100**	385	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:

	2011		2010	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**110**	**26**	112	25
31 to 60 days	**104**	**25**	122	27
61 to 90 days	**79**	**19**	70	15
Over 90 days	**124**	**30**	152	33
	417	**100**	456	100

Included in the trade and bills payables are trade payables of HK$40 million (31 December 2010: 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

On 1 February 2012, the Company entered into an agreement (the "S&P Agreement") with CCT Telecom for the acquisition of the entire shareholding in and the shareholder's loan of Wiltec Industries Investment Limited ("WIIL") at a total consideration of approximately HK$67 million, which was satisfied by the promissory note issued by the Company as deferred payment of the consideration. The principal activities of WIIL and its subsidiaries are the manufacture and sale of baby and child products. The S&P Agreement and all the transactions contemplated under the S&P Agreement were approved by the independent shareholders of the Company in the special general meeting held on 26 March 2012 and the acquisition has been completed thereafter.

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/eng/investor/statutory.php.