CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

CHAIRMAN'S LETTER

On behalf of the board of directors (the "**Board**") of CCT Telecom Holdings Limited (the "**Company**"), I present the interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2012.

In the first half of 2012, deteriorating global economic conditions overshadowed the performance of the Group's manufacturing businesses, which led to a decline of the Group's turnover by 19.5% to $755 million in the current period, as compared to $938 million in the same period last year. Despite the decline in revenue in the first half this year, reported net loss attributable to owners of the parent decreased to $49 million, as compared to a net loss of $56 million for the same period last year. The key elements of performance in the period will be highlighted in the section headed "Review of Operations" below.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK$0.03 per share for 2012 (30 June 2011: HK$0.03 per share) to be payable from the Company's distributable reserve. The interim dividend of HK$0.03 per share will be payable on or around Monday, 8 October 2012 to the shareholders whose names appear on the register of members of the Company on Wednesday, 19 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 September 2012 to Wednesday, 19 September 2012 (both days inclusive), during which period no transfer of share(s) will be effected. In order to qualify for the interim dividend of HK$0.03 per share, 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 Friday, 14 September 2012.

REVIEW OF OPERATIONS

During the period under review, the principal businesses of the Group are (i) the manufacture and sale of telecom, electronic and child products ("**Telecom Product Business**"); (ii) the manufacture and sale of plastic components; (iii) the securities business; (iv) the property development; and (v) the property investment and holding.

Telecom Product Business

The Telecom Product Business is engaged by the Company's principal listed subsidiary, CCT Tech International Limited ("**CCT Tech**") and its subsidiaries (the "**CCT Tech Group**"), and this business represents and remains the largest business sector of the Group, in terms of turnover.

Reported turnover of the CCT Tech Group dropped by 17.2% to $610 million, mainly attributable to lower revenue from the original design manufacturing ("**ODM**") business and the discontinuation of the GE licensed business since the end of last year. Lower income of the ODM business is caused by the traditional fixed line phone market becoming mature and the weakness in European and Asian Pacific markets, where most of the Group's sales were generated. The decrease in revenue is, however, partly compensated by strong growth of the contract manufacturing service ("**CMS**") and contribution from the child product business which was transferred by the Company to CCT Tech in March this year.

Against a backdrop of challenging economic environment, sales of the CMS rose to $82 million during the period, up 134.3% compared to $35 million in the previous corresponding period. This strong growth was largely driven by the CMS business gaining additional customers and broadening its product mix to include audio, video and telecom products, and mobile phone accessories. The CMS products, including the e-Books, the Audio and Stereo Mobile Headsets and the Bluetooth Cell Link Devices continued to receive strong orders during the period.

The child product business has been successfully integrated into the manufacturing operations of the CCT Tech Group and contributed revenue of $53 million to CCT Tech in the first half of 2012 since the intra-group transfer. New models of baby monitors, feeding and nursery products have been launched and these new products have received favourable market response. Benefiting from the strong manufacturing capability and economy of scale of the CCT Tech Group, the child product business has improved its operational efficiency, although this business was affected by the sluggish retail markets in the United States of America ("**US**") and Europe, caused by the complex macroeconomic issues in these regions.

In the first half of 2012, we saw weakness in most of the key markets where the CCT Tech Group sell its products, as these regions were overshadowed by the global financial and economic issues. Sales to Europe, the CCT Tech Group's largest market, amounted to only $342 million, a decrease of 24.8%, led by delayed orders by customers amidst the stagnant

European economy as a result of the euro debt crisis. The CCT Tech Group's business in the Asian Pacific and other regions was not good either as sales declined by 23.0% to $174 million. Sales of the CCT Tech Group to the North American market, however, increased by 67.9%, reaching $94 million for the reporting period. Such increase was driven mainly by the contribution from the child product business to the CCT Tech Group.

Several years ago, the CCT Tech Group already anticipated the traditional fixed line phone market was becoming mature gradually. The CCT Tech Group has therefore invested in the research and development ("**R&D**") of technologically advanced and innovative products and has made significant inroads in these areas. Notably, the introduction of the screen communication tablet and the Android based multimedia phone has received market accolade. During the period, to cope with the maturing residential phone market, the CCT Tech Group has reorganised its R&D team and a new Advanced Product Team has been established. The Advanced Product Team will focus on development of home-use multimedia android devices and broadband telecom products, which the CCT Tech Group believes will have huge business potential in the future. With its strong R&D capability and talented team, the CCT Tech Group believes that it has a competitive edge in developing and introducing technologically advanced new products that can address consumer needs with high performance.

Rising input costs, especially, factory payroll and material costs posed major challenges to the CCT Tech Group during the period. However, benefiting from the timely efforts and measures to restructure and streamline operations and to control costs, the CCT Tech Group has been able to deliver a positive EBITDA (earnings before interest, tax, depreciation and amortisation) of $3 million and to narrow the net loss to $29 million in the this period from $40 million in the last corresponding period. The current period loss of the CCT Tech Group was largely attributable to depreciation of fixed assets. The CCT Tech Group's commitment to optimise efficiency and achievement has shown encouraging results to drive productivity and efficiency in order to recover the business.

Manufacturing of plastic components

The Group's component business continues to provide vertical support to the CCT Tech Group for production of telecom, electronic and child products. Most of the components produced by the Group are sold to the CCT Tech Group. During the period, turnover of the component business was $72 million, a decrease of 45.9% from the last corresponding period. The decline in business was led mainly by the drop in turnover of the Telecom Product Business. Rising costs posed major challenges to the component business as price of plastic resin increased and labor wages soared. As a result, its profit margin was eroded and this business segment posted an operating loss of $23 million during the period.

Securities business

The global financial markets remained volatile in the first half of 2012. In view of the uncertain outlook of the equity market, the Group took advantage of the rebound of the Hong Kong stock market in the first quarter of 2012 and disposed most of its share portfolio. As a result, this business segment realised a net gain of $11 million during the period, as opposed to a net loss of $18 million in the last corresponding period. Our remaining securities portfolio represents mainly low-risk investment in funds denominated in Renminbi ("**RMB**"), which pay us interest on a biannually basis and their value is subject to little price fluctuation. During the period, the Group also bought in the secondary market certain RMB denominated bonds of approximately $51 million. These bonds have a maturity of two years from date of issue and pay interest at a fixed rate. These bonds have been pledged to our principal banker in return for an equivalent amount of Hong Kong dollar loan facility, bearing interest at floating rate on HIBOR basis. This arrangement allows to us to release the investment funds for use in working capital or other investment purposes and at the same time entitles us to earn interest income on the RMB bonds and enjoy exchange gain if RMB appreciates against Hong Kong dollar in the future.

Property development

Our property projects in Anshan, the Liaoning Province, the PRC delivered solid results in the first half this year notwithstanding the central government of the PRC has not lessened its tight grip on the housing market. Such good performance is not by chance but is the result of our effective project management. We have made significant progress in our projects in Anshan and have been recognised as a reputable developer in the city. Our housing projects have received good market response because of their well-planned development, modern design of buildings, quality of construction and spacious public facilities. We offer to house buyers a more comfortable and better living environment than other projects in the region. Amidst a slowing housing market, we stepped up our sale promotional programs during the period. We are delighted to see that sale of the housing units of the second phase of "Landmark City" and the first phase of "Evian Villa" gained momentum in the first half of 2012. During the period, this business has sold an aggregate of 169 housing units and shops with a total gross floor area ("**GFA**") of 17,834 square meters. Reported revenue was $99 million and operating profit was $13 million, up 15.1% and 30.0% respectively, as compared to $86 million and $10 million respectively for the same period last year. We have started construction of the third phase of the "Landmark City" with a total GFA of 108,852 square meters in April, soon after the end of the last winter season. The development of the third phase of "Landmark City" has made good progress and we expect construction of the building structure will be completed by the end of this year.

Property investment and holding

The Group's investment and holding of properties include mainly three luxury residential houses situated in the southern side of the Hong Kong Island and the office properties at Fortis Tower, Wan Chai, Hong Kong. Although the Hong Kong government has imposed a series of measures with a view to curb housing prices and has aggressively increased land supply, all these measures have a short effect and have not cooled down the property market in general. Benefited from the demand-driven market, prices of both residential and commercial properties rose in the first half of 2012. As a result, this segment contributed a net profit before tax of $40 million, attributable to unrealised revaluation gains on investment properties net off against expenses of this segment including mortgage loan interest and depreciation. The segment profit of $40 million for the first six months of this year represented an increase of 185.7% as compared to $14 million for the same period last year.

Medical device business

The medical device business was acquired by the Group in 2011, in which the Group had a 51% interest at period end. The medical device business has not commenced business and is in process of applying for the PRC State Food and Drug Administration approval for its products which are medical devices including coronary dilation and peripheral dilation balloons and catheters. The medical device business is expected to commence commercial operations in the third quarter this year. In view of the huge demand of medical devices in China, we are optimistic in the future prospects of this newly acquired business.

OUTLOOK

Looking forward, we expect that the future is not short of challenges. The economic conditions in Europe and other Western economies will continue to be subdued. Though the European leaders have pledged to preserve the euro, there are fears that the recent Europe rescue is not enough to stem the debt crisis. The economy of the debt-stricken euro countries remains fragile. In the US, the disappointing sluggish recovery and high unemployment rate continue to dampen consumer sales. The US housing market is still depressed. It is difficult to predict when or whether the US Federal Reserve will introduce a new round of quantitative easing (QE3) to stimulate economy and whether President Obama or Mr. Romney will win the US presidential election at the end of this year. All these factors cast uncertainties on the US economic outlook. In the Mainland, the Chinese gross domestic product grew by 7.8% in the first half of 2012, its slowest rate in almost three years, due to lower export demand and slower economic activities. Amidst slowing growth, China's central bank has reduced the deposit reserve requirement ratio three times and has cut interest rate twice in order to boost economy. We believe the Chinese leaders will continue to relax liquidity in order to ensure the Chinese economy will land softly.

Against a backdrop of global economic uncertainties, the management of the CCT Tech Group will strive to improve its performance in the second half of this year. CCT Tech expects orders will increase in the second half as compared to the first half as there is sign to show that customers have started to replenish inventory. The CCT Tech Group will continue to develop and roll out advanced and innovative products which can deliver multiple functions at competitive prices. The CCT Tech Group will strive to maintain a competitive position in the phone business and to penetrate further into the emerging residential multimedia android device market.

The CCT Tech Group has established a strong foothold in the CMS market. Its effective productivity and excellent track record of product quality has achieved favourable market response. CCT Tech is confident on the growth potential of its CMS business. The CCT Tech Group is committed to put in more resources in expanding such business by gaining new customers and expanding its product range and mix.

High production costs will remain a major challenge to the performance of the CCT Tech Group. The management of the CCT Tech Group expects labour wages in China will increase further, due to shortage of labour. To combat rising costs, the management of the CCT Tech Group has taken cost control as an important task of its daily routine and continuous effort will be taken to drive productivity and efficiency. CCT Tech has seen benefits from these efforts and initiatives, which it believes will pave the way for recovery of its business. With the measures and initiatives taken by the CCT Tech Group, together with its healthy financial position and sound business fundamentals, we believe the CCT Tech Group will be able to withstand the adverse impact arising from the weakening operating conditions and to regain a solid financial foothold.

We recognise the problems of the component business and have taken proactive measures to resolve them. We have strengthened the management of this business segment and have stepped up efforts to control costs and to drive productivity and efficiency. These initiatives have begun to show benefits and we will work hard to improve the segment's performance in the second half of this year.

We do not believe the Chinese leaders will relax its austerity measures on the housing market in the near future. However, amidst a slowing economy and drop in inflation rate, we believe there is room for the Chinese central bank to further lower the deposit reserve requirement ratio and interest rates in order to pump liquidity into its banking sector and to bolster its economy. We have seen signs of mild recovery in the housing market in several major cities in China. Our assumption is that the China's housing market will benefit in the future from improved market liquidity and sentiment. We will step up our sale effort on our property projects in the second half this year. Flexible payment methods and promotion programs will be introduced to boost sale of the completed housing units of our projects. We will strive to increase sales in the second half, in a slow market. We are confident that this business segment will continue to deliver strong results in the coming years and will become a key driver for our revenue and profitability growth in the future.

We are optimistic about the property market in Hong Kong as supply falls short of demand at least in the next few years, notwithstanding the Hong Kong government's determination to increase land supply. It is because firstly land available for development in Hong Kong is scarce especially in city areas. Secondly, land supplied to the market today will take two to three years before housing units can be made available to the market. Thirdly, the strong local demand plus influx of huge investment from overseas, notably from China will continue to boost Hong Kong's property market. The effect of the measures announced by the Chief Executive of Hong Kong on 30 August 2012 to cool the currently heated market remains to be seen. The market has generally responded that the short term supply of flats under the new measures is little. These measures are aimed at increasing supply of mass market houses and they should have no effect on the markets of luxury houses and commercial properties in which the Group invests. Our strategy in the property investments has proven to be wise and successful as we have already derived substantial revaluation gains from our property investments. However, given the significant property price hike recently, there may be some price consolidation in the near future. Notwithstanding this, we are confident that the property market in Hong Kong will continue to be robust in the long run, especially under the current low interest rate environment. After the period end, we have made further moves in the property market in Hong Kong. In the first move, we have decided to sell the office building at 17/F of CCT Telecom Building, Fotan, Shatin for a consideration of $42.7 million, which will give us to an unaudited gain of approximately $34 million upon completion of the disposal at the end of October 2012. This office property is disposed of because it is in excess of the Group's office need but we will continue to keep the office property at 18/F of CCT Telecom Building for own use. One week after we announced the disposal of the property at 17/F of the CCT Telecom Building, we signed the provisional sale and purchase agreement with a third party vendor to acquire the shopping arcade situated at the Basement of Podium of Blocks, 1, 2 and 3, City Garden, North Point for a consideration of $159.8 million. The Board is confident in the retail property in Hong Kong because of the buoyant retail market boosted by increasing number of visitors from the mainland China. We believe that the acquisition represents a good expansion to our property investments as the Group will earn a stream of rental income from the acquisition and it will benefit from long term capital gains in the event the property appreciates in value in the future.

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 in combating the challenging operating environment. 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, especially during the current tough and difficult business environment.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 August 2012

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

$ million	Six months ended 30 June **2012** **(Unaudited)**	 2011 (Unaudited) (restated)	 % increase/ (decrease)
Financial results			
Turnover	**755**	938	(19.5%)
Loss for the period	**(65)**	(76)	(14.5%)
Loss attributable to:			
Owners of the parent	**(49)**	(56)	(12.5%)
Non-controlling interests	**(16)**	(20)	(20.0%)
	(65)	(76)	(14.5%)
Loss per share	**($0.081)**	($0.092)	(12.0%)
Dividends per share	**$0.030**	$0.030	-
Other comprehensive income, net of tax			
Change in fair value of available-for-sale investments	**-**	32	N/A
Exchange differences on translation of foreign operations	**(8)**	14	N/A
	(8)	46	N/A

Discussion on Financial Results and Other Comprehensive Income

The Group reported a turnover of $755 million for the six months ended 30 June 2012, a decrease of 19.5% as compared to $938 million for the last corresponding period. The drop in revenue was mainly due to the lower income of the CCT Tech Group, as its business was affected by worsening global economy.

The Group recorded a loss after tax of $65 million for the period, a decrease of 14.5% as compared to the loss after tax of $76 million reported in the last corresponding period, led by a number of factors as explained in other sections of this review. Excluding the share of loss of the non-controlling interest mainly in the CCT Tech Group, the loss attributable to owners of the parent was $49 million in the current period, down 12.5% compared to the loss of $56 million in the previous corresponding period.

Other comprehensive loss of $8 million in the current period represented unrealised exchange loss on translation of the accounts of the property development subsidiaries in the PRC. On the other hand, other comprehensive income of $46 million in the last corresponding period represented: (i) unrealised fair value gains of $32 million on available-for-sale investments, calculated based on market price of such investments as at 30 June 2011; and (ii) the unrealised exchange gain of $14 million on translation of the accounts of the property development subsidiaries in the PRC. The exchange loss or gain arose from the translation of the books of accounts of the PRC subsidiaries kept in RMB into Hong Kong dollar.

ANALYSIS BY BUSINESS SEGMENT

	Turnover Six months ended 30 June				
	2012		2011		
$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited)	Relative %	% increase/ (decrease)
Telecom Product Business	**654**	**86.6%**	834	88.9%	(21.6%)
Component business	**72**	**9.5%**	133	14.2%	(45.9%)
Securities business	**12**	**1.6%**	4	0.4%	200.0%
Property development	**99**	**13.1%**	86	9.2%	15.1%
Property investment and holding	**1**	**0.1%**	1	0.1%	-
Intersegment transactions	**(83)**	**(10.9%)**	(120)	(12.8%)	(30.8%)
Total	**755**	**100.0%**	938	100.0%	(19.5%)

	(Loss)/profit before tax Six months ended 30 June		
$ million	**2012 (Unaudited)**	2011 (Unaudited)	% increase/ (decrease)
Telecom Product Business	**(25)**	(32)	(21.9%)
Component business	**(23)**	(15)	53.3%
Securities business	**11**	(18)	N/A
Property development	**13**	10	30.0%
Property investment and holding	**40**	14	185.7%
Unallocated items	**(72)**	(26)	176.9%
Total	**(56)**	(67)	(16.4%)

The Telecom Product Business continued to be the largest business segment of the Group, which contributed 86.6% of the Group's total turnover for the six months ended 30 June 2012. Despite the decrease in turnover, this business segment was able to narrow its operating loss from $32 million in the previous corresponding period to $25 million in the current period. The improvement was mainly caused by the positive effect from cost saving and restructuring initiatives.

Revenues of the component business decreased by 45.9% to $72 million in the first half this year, led mainly by the decrease in sales of the Telecom Product Business to which the component business supplied most of its components. This business segment incurred an operating loss of $23 million in the current period, up 53.3% as compared to $15 million in the previous corresponding period. The disappointing result was largely due to rise in production costs, notably the plastic resin costs and the factory payroll.

The Group's securities business delivered an operating gain of $11 million in the six months ended 30 June 2012, mainly from divestment of its share portfolio in the period, as opposed to a net loss of $18 million in the same period last year.

The property development business reported turnover of $99 million from sale of housing units and shops with a total GFA of 17,834 square meters, in the Anshan Projects. The turnover for the corresponding period was $86 million. The segment achieved a net operating profit of $13 million, up 30.0% from the net profit of $10 million in the previous corresponding period.

The property investment and holding business recognised a net profit of $40 million in the first six months of 2012, up 185.7% as compared to $14 million for the same period last year. The solid result was due to the unrealised fair value gains arising from revaluation of the Group's investment properties in Hong Kong at period end, as property prices rose in the period.

Unallocated items, representing the head office administrative expenses and other expenses not allocated to the business segments of the Group, increased by 176.9% to $72 million. This increase was caused largely by the unrealised fair value loss of $51 million on the Group's interest in the shares of Merdeka Resources Holdings Limited ("Merdeka Resources") due to decline in the market price of its shares as at 30 June 2012.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Turnover Six months ended 30 June				
	2012		2011		
$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited)	Relative %	% increase/ (decrease)
Europe	**344**	**45.6%**	462	49.3%	(25.5%)
Asian Pacific and others	**287**	**38.0%**	353	37.6%	(18.7%)
North America	**124**	**16.4%**	123	13.1%	0.8%
Total	**755**	**100.0%**	938	100.0%	(19.5%)

European market remained the largest market of the Group and contributed 45.6% of the Group's total turnover for the six months ended 30 June 2012. Sales to Europe dropped by 25.5% to $344 million in the current period as European customers delayed orders amidst stagnant economy in Europe, caused by the euro debt crisis. The Group's business in the Asian Pacific and other regions accounted for 38.0% of the Group's total turnover and contributed revenue of $287 million, dropped 18.7% from $353 million in the last corresponding period. The drop in revenue reflected the adverse impact of the slowing global economy on revenue of our manufacturing business from these regions, which was partly offset by the increase in revenue from our property development business in China. The business in the North American market was somewhat flat and reported revenue of $124 million in the period.

HIGHLIGHTS ON SIGNIFICANT MOVEMENT OF FINANCIAL POSITION

$ million	30 June 2012 (Unaudited)	31 December 2011 (Audited) (restated)	% increase/ (decrease)
NON-CURRENT ASSETS			
Investment properties	**286**	254	12.6%
Available-for-sale investments	**26**	79	(67.1%)
Held-to-maturity debt securities	**51**	-	N/A
CURRENT ASSETS			
Inventories	**126**	156	(19.2%)
Trade receivables	**288**	375	(23.2%)
Properties under development	**235**	192	22.4%
Completed properties held for sale	**362**	437	(17.2%)
Investment property classified as held for sale	**170**	147	15.6%
Financial assets at fair value through profit or loss	**28**	135	(79.3%)
Pledged time deposits	**398**	300	32.7%
Cash and cash equivalents	**456**	573	(20.4%)
CURRENT LIABILITIES			
Trade and bills payables	**358**	562	(36.3%)
Current interest-bearing bank and other borrowings	**599**	549	9.1%
EQUITY AND NON-CURRENT LIABILITIES			
Non-current interest-bearing bank and other borrowings	**442**	412	7.3%
Equity attributable to owners of the parent	**1,824**	1,900	(4.0%)

Discussion on Financial Position

The Group’s investment properties increased from $254 million as at 31 December 2011 to $286 million as at 30 June 2012. The increase represented the unrealised fair value gains arising from the revaluation of the investment properties as at 30 June 2012.

Available-for-sale investments represented largely our holdings of shares in Merdeka Resources. The decrease of the account balance at period end was led mainly by the unrealised fair value loss on our investment in Merdeka Resources.

Held-to-maturity debt securities represented the two-year RMB bonds of $51 million bought during the reporting period, which allow the Group to enjoy a fixed interest rate and future appreciation in RMB, if any. The bonds have been pledged to a bank to secure equivalent amount of Hong Kong dollar loan facilities.

The Group's inventories amounted to $126 million at end of the period, down 19.2%, in line with drop in revenue. The inventory turnover period for the period maintained at a reasonable low level of 36.2 days (31 December 2011: 30.5 days).

Trade receivables amounted to $288 million at end of the current period, down 23.2% from $375 million at end of last year, generally in line with drop in sales.

Properties under development rose to $235 million, up 22.4% during the period. The increase was mainly attributable to the construction and development expenditure incurred on the property projects in Anshan.

As at 30 June 2012, completed properties held for sale amounted to $362 million, which represented the costs of the completed property units in Anshan, which have not yet sold at the period end. The account balance decreased by 17.2% due to housing units sold in the first half this year.

Investment property classified as held for sale was $170 million at end of the reporting period, up 15.6%, led by the revaluation gain on such property during the period.

The decrease in the balance of the financial assets at fair value through profit or loss reflected the disposal of most of our holdings in Hong Kong listed shares during the period. The remaining balance of these assets was $28 million, represented largely the low-risk investment in RMB denominated funds.

Pledged time deposits rose from $300 million as at 31 December 2011 to $398 million as at 30 June 2012, due to increase in deposits pledged to secure additional banking facilities. Of the pledged deposits, a total amount of $306 million (equivalent to RMB251 million) was placed on deposits denominated in RMB, which have been pledged to a banker to secure equivalent amount of Hong Kong dollar loan facilities. Such arrangement is aimed at hedging risk of RMB appreciation against Hong Kong dollar as a large part of the Group's production costs in China are paid in RMB. Under the arrangement, the Group can benefit from any possible exchange appreciation of the RMB deposits against Hong Kong dollar whilst the Group can continue to use the funds for business purposes by drawn down the Hong Kong dollar loan facilities.

Cash and cash equivalents dropped by 20.4% to $456 million as at 30 June 2012. The net decrease in cash and bank balance was used to fund operations of the Group and payment of the 2011 final dividend in the first half of 2012.

Trade and bills payables decreased by 36.3% to $358 million, largely reflecting reduction of purchases following drop in sales.

The aggregate amount of the current and non-current interest-bearing bank and other borrowings increased from $961 million as at 31 December 2011 to $1,041 million as at 30 June 2012, up 8.3%. The net increase represented the Hong Kong dollar loans of $100 million borrowed in the period on the security of an equivalent amount of the RMB deposits for hedging RMB exposure less the net repayment of bank loans during the period.

Equity attributable to owners of the parent declined by 4.0% to $1,824 million as at 30 June 2012, led primarily by the loss incurred and dividend paid during the first half of 2012.

CAPITAL STRUCTURE AND GEARING RATIO

	30 June 2012		31 December 2011	
$ million	**Amount (Unaudited)**	**Relative %**	Amount (Audited) (restated)	Relative %
Bank borrowings	**1,038**	**36.2%**	958	33.5%
Finance lease payable	**3**	**0.1%**	3	0.1%
Total borrowings	**1,041**	**36.3%**	961	33.6%
Equity	**1,824**	**63.7%**	1,900	66.4%
Total capital employed	**2,865**	**100.0%**	2,861	100.0%

The Group's gearing ratio was 36.3% as at 30 June 2012 (31 December 2011: 33.6%). The slight increase in the gearing ratio is led by the net increase of the bank borrowings during the period under review.

Outstanding bank borrowings amounted to $1,038 million at 30 June 2012 (31 December 2011: $958 million). 57.6% of these bank borrowings were arranged on a short-term basis for the manufacturing business activities of the Group and were repayable within one year. The remaining 42.4% of the bank borrowings were of long-term nature, principally comprised of mortgage loans on properties held by the Group. Out of the Group's bank borrowings, bank loans of $719 million (31 December 2011: $763 million) were borrowed to finance the ordinary businesses of the Group and the balance of $319 million (31 December 2011: $195 million) were Hong Kong dollar loans fully secured by equivalent amount of RMB deposits and bonds for hedging against RMB exposure.

Acquisition of certain of the Group's assets was financed by way of finance leases and the total outstanding finance lease payables for the Group as at 30 June 2012 amounted to approximately $3 million (31 December 2011: $3 million).

As at 30 June 2012, the maturity profile of the bank and other borrowings of the Group falling due within one year, in the second to the fifth year and beyond five years amounted to $599 million, $307 million and $135 million, respectively (31 December 2011: $549 million, $251 million and $161 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

$ million	**30 June 2012 (Unaudited)**	31 December 2011 (Audited)
Current assets	**2,352**	2,622
Current liabilities	**1,183**	1,397
Current ratio	**198.8%**	187.7%

The Group's current ratio as at 30 June 2012 was 198.8% (31 December 2011: 187.7%). This liquid position reflected the healthy financial position of the Group.

As at 30 June 2012, the Group's cash balance amounted to $854 million (31 December 2011: $881 million), of which $398 million (31 December 2011: $300 million) was pledged for general banking facilities and for arrangement of hedging against RMB appreciation. Almost all of the Group's cash was placed on deposits with licensed banks in Hong Kong. In view of the Group's current cash position and the banking facilities available, the Group maintains a sound financial position and has sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2012, capital commitment of the Group amounted to $6 million (31 December 2011: $9 million) mainly for construction cost of property development projects in Anshan. The capital commitment will be funded partly by internal resources and partly by bank borrowings.

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

During the period under review, the Group's business receipts were mainly denominated in US dollar and RMB (largely from property development business) with some in Hong Kong dollar. Payments were mainly made in Hong Kong dollar, RMB and US dollar. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, RMB and US dollar. As at 30 June 2012, the Group's borrowings were mainly denominated in Hong Kong dollar, RMB and US dollar and interest on the Group's borrowings 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 RMB in terms of the production costs (including workers' wages and overhead) in the PRC. Regarding 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 of our factories in the PRC are paid in RMB, our production costs will rise due to the further appreciation of RMB. In order to hedge against the RMB appreciation risk, we started to convert some of our surplus funds from Hong Kong dollars to RMB about two years ago. These RMB funds have been placed on short-term deposits or invested in bonds to secure equivalent amount of Hong Kong dollar facilities, which have been drawn down to finance working capital of the Group. Despite the recent adjustments in RMB, we consider such arrangement is an effective way to hedge a substantial part of our exposure against RMB appreciation in the long run.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment as at 30 June 2012 (31 December 2011: Nil).

PLEDGE OF ASSETS

As at 30 June 2012, certain of the Group's assets with a net book value of $1,331 million (31 December 2011: $1,305 million) and time deposits of $398 million (31 December 2011: $300 million) were pledged to secure the general banking facilities granted to the Group and for hedging RMB exposure.

CONTINGENT LIABILITIES

As at 30 June 2012, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2012 was 5,682 (31 December 2011: 6,458). 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 30 June 2012, there were no outstanding share options issued by the Company.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the period for the six months ended 30 June 2012.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the shareholders' transparency and accountability. It is the belief of the Board that the shareholders of the Company can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the shareholders of the Company.

In the opinion of the directors of the Company (the “**Director(s)**”), the Company has complied with the Code Provisions under (i) the Code on Corporate Governance Practices as set out in Appendix 14 before 1 April 2012 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (the “**Old Code**”) throughout the period from 1 January 2012 to 31 March 2012 and (ii) the Corporate Governance Code as set out in Appendix 14 after 31 March 2012 to the Listing Rules (the “**CG Code**”) throughout the period from 1 April 2012 to 30 June 2012, except for the following deviations from the Code Provisions of the Old Code and the CG Code:-

(1) A.2.1: the roles of chairman and chief executive should be separate;

(2) A.4.1: non-executive directors should be appointed for a specific term; and (Note)

(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.

Note: Up to 31 March 2012, all of the independent non-executive directors of the Company (the “**INED(s)**”) were not appointed for a specific term. However, all INEDs signed letters of appointment with the Company on 29 March 2012, under which all INEDs have been appointed by the Company for a term of three years commencing from 1 April 2012. The Company therefore deviated the Code Provision A.4.1 of the Old Code throughout the period from 1 January 2012 to 31 March 2012 and has subsequently complied Code Provision A.4.1 of the CG Code throughout the period from 1 April 2012 to 30 June 2012.

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the corporate governance report contained in the 2011 Annual Report of the Company issued in April 2012 and will be disclosed in the 2012 Interim Report of the Company, which will be despatched to the shareholders of the Company on or before 30 September 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 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, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2012.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2012.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2012 INTERIM REPORT

This interim results announcement is published on the websites of the Company at www.cct.com.hk/eng/investor/announcements.php and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk. The 2012 Interim Report of the Company will be despatched to the shareholders of the Company in the manner as required by the Listing Rules and made available on the websites of the Company and the Stock Exchange in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora and Dr. William Donald Putt and the INEDs are Mr. Tam King Ching, Kenny, Mr. Lau Ho Man, Edward and Mr. Chen Li.

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 August 2012

INTERIM RESULTS

The Board of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2012 together with the comparative figures for the corresponding period in 2011 as follows:

Condensed Consolidated Income Statement
For the six months ended 30 June 2012

HK$ million	Notes	**Six months ended 30 June** **2012** **(Unaudited)**	2011 (Unaudited) (restated)
REVENUE	3	**755**	938
Cost of sales		**(716)**	(871)
Gross profit		**39**	67
Other income and gains	4	**74**	46
Selling and distribution costs		**(19)**	(30)
Administrative expenses		**(80)**	(122)
Other expenses		**(56)**	(21)
Finance costs		**(14)**	(7)
LOSS BEFORE TAX	5	**(56)**	(67)
Income tax expense	6	**(9)**	(9)
LOSS FOR THE PERIOD		**(65)**	(76)
Attributable to:			
Owners of the parent		**(49)**	(56)
Non-controlling interests		**(16)**	(20)
		(65)	(76)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		(HK$0.081)	(HK$0.092)
Diluted		(HK$0.081)	(HK$0.092)

Details of the dividends payable and proposed for the period are disclosed in note 7 to the financial statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

HK$ million	Six months ended 30 June **2012** **(Unaudited)**	2011 (Unaudited) (restated)
LOSS FOR THE PERIOD	**(65)**	(76)
Other comprehensive income, net of tax:		
Change in fair value of available-for-sale investments	**-**	32
Exchange differences on translation of foreign operations	**(8)**	14
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(73)**	(30)
Attributable to:		
Owners of the parent	**(57)**	(10)
Non-controlling interests	**(16)**	(20)
	(73)	(30)

Condensed Consolidated Statement of Financial Position

30 June 2012

HK$ million	Notes	**30 June 2012 (Unaudited)**	31 December 2011 (Audited) (restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**858**	882
Prepayments for acquisition of property, plant and equipment		**-**	7
Investment properties		**286**	254
Prepaid land lease payments		**99**	100
Goodwill		**87**	87
Available-for-sale investments		**26**	79
Held-to-maturity debt securities		**51**	-
Other receivable		**14**	14
Deferred tax assets		**1**	1
Total non-current assets		**1,422**	1,424
CURRENT ASSETS			
Inventories		**126**	156
Properties under development		**235**	192
Completed properties held for sale		**362**	437
Investment property classified as held for sale		**170**	147
Non-current assets held for sale		**-**	20
Trade receivables	10	**288**	375
Prepayment, deposits and other receivables		**289**	279
Financial assets at fair value through profit or loss		**28**	135
Pledged time deposits		**398**	300
Time deposits with original maturity of more than three months		**-**	8
Cash and cash equivalents		**456**	573
Total current assets		**2,352**	2,622
TOTAL ASSETS		**3,774**	4,046

Condensed Consolidated Statement of Financial Position (Continued)

30 June 2012

HK$ million	Notes	**30 June 2012 (Unaudited)**	31 December 2011 (Audited) (restated)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**61**	61
Reserves		**1,763**	1,839
		1,824	1,900
Non-controlling interests		**266**	284
Total equity		**2,090**	2,184
NON-CURRENT LIABILITIES			
Derivative financial instrument		**14**	14
Interest-bearing bank and other borrowings		**442**	412
Other payable		**16**	16
Deferred tax liabilities		**29**	23
Total non-current liabilities		**501**	465
Current liabilities			
Trade and bills payables	11	**358**	562
Tax payable		**35**	39
Other payables and accruals		**189**	244
Receipts in advance		**2**	3
Interest-bearing bank and other borrowings		**599**	549
Total current liabilities		**1,183**	1,397
Total liabilities		**1,684**	1,862
Total equity and liabilities		**3,774**	4,046
Net current assets		**1,169**	1,225
Total assets less current liabilities		**2,591**	2,649

Notes to Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with Hong Kong Accounting Standards ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2011 (the "**2011 Annual Report**").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's 2011 Annual Report.

The following new and revised HKFRSs have been adopted by the Company with effect from 1 January 2012.

HKFRS 1 Amendments	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of HKAS 12 Amendments, the adoption of the new and revised HKFRSs does not have any significant financial effect on the interim financial statements.

The principal effects of adopting the new and revised HKAS are as follows:

Amendments to HKAS 12 Income Taxes – *Deferred Tax: Recovery of Underlying Assets*

In prior years, deferred tax was provided on the basis that the carrying amounts of investment properties would be recovered through use. Following the adoption of HKAS 12 Amendments, deferred tax is provided on the basis that the carrying amounts of the investment properties will be recovered through sale except that the basis of recovery through use will continue to apply to those investment properties which are depreciable and are held with an objective to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. This change in accounting policy has been applied retrospectively.

The impact of the said change in accounting policy have effects on the Group's financial statements as follows:

	Six months ended 30 June	
HK$ million	**2012**	2011
Decrease in income tax expenses	**5**	1
Decrease in loss attributable to ordinary equity holders of the parent	**5**	1
Decrease in loss per share	**HK0.008**	HK0.002

HK$ million	**30/06/2012**	31/12/2011	01/01/2011
Decrease in deferred tax liabilities	**16**	11	10
Increase in net assets	**16**	11	10
Decrease in accumulated losses	**16**	11	10
Increase in total equity	**16**	11	10

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the telecom, electronic and child products segment which is the manufacture and sale of telecom, electronic and child products;

(b) the components segment which is the manufacture and sale of plastic components;

(c) the securities business segment which is the trading in securities and the holding of securities and treasury products;

(d) the property development segment engages in the development and sale of properties; and

(e) the property investment and holding segment which is the investment and holding of properties.

Management monitors the results of its operating segments 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 head office and corporate expenses are excluded from such measurement.

Segment assets exclude non-current assets held for sale, deferred tax assets 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.

2012

HK$ million	Telecom, electronic and child products *(Unaudited)*	Components *(Unaudited)*	Securities business *(Unaudited)*	Property development *(Unaudited)*	Property investment and holding *(Unaudited)*	Reconciliations *(Unaudited)*	Group total *(Unaudited)*
Segment revenue:							
Sales to external customers	**630**	**14**	**12**	**99**	**-**	**-**	**755**
Other revenue	**4**	**2**	**-**	**-**	**-**	**1**	**7**
Intersegment revenue	**24**	**58**	**-**	**-**	**1**	**(83)**	**-**
	658	**74**	**12**	**99**	**1**	**(82)**	**762**
Operating (loss)/profit	**(28)**	**(27)**	**11**	**16**	**43**	**-**	**15**
Interest income	**3**	**-**	**-**	**-**	**-**	**-**	**3**
Finance costs	**(8)**	**-**	**-**	**(3)**	**(3)**	**-**	**(14)**
Reconciled items:							
Corporate and other unallocated expenses	**-**	**-**	**-**	**-**	**-**	**(21)**	**(21)**
Impairment loss on available-for-sale investments	**-**	**-**	**-**	**-**	**-**	**(51)**	**(51)**
Gain on disposal of items of property, plant and equipment	**8**	**4**	**-**	**-**	**-**	**-**	**12**
(Loss)/profit before tax	**(25)**	**(23)**	**11**	**13**	**40**	**(72)**	**(56)**
Other segment information:							
Expenditure for non-current assets	**8**	**1**	**-**	**-**	**5**	**1**	**15**
Depreciation and amortisation	**(24)**	**(8)**	**-**	**-**	**(6)**	**-**	**(38)**
Other material non-cash items:							
Fair value gain on investment properties and investment property classified as held for sale	**-**	**-**	**-**	**-**	**54**	**-**	**54**
Net impairment of trade receivables	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**

2011

HK$ million	Telecom, electronic and child products *(Unaudited)*	Components *(Unaudited)*	Securities business *(Unaudited)*	Property development *(Unaudited)*	Property investment and holding *(Unaudited)*	Reconciliations *(Unaudited)*	Group total *(Unaudited)*
Segment revenue:							
Sales to external customers	830	18	4	86	-	-	938
Other revenue	12	1	-	-	-	10	23
Intersegment revenue	4	115	-	-	1	(120)	-
	846	134	4	86	1	(110)	961
Operating (loss)/profit	(28)	(15)	(17)	10	15	-	(35)
Interest income	1	-	-	-	-	-	1
Finance costs	(5)	-	(1)	-	(1)	-	(7)
Reconciled items:							
Corporate and other unallocated expenses	-	-	-	-	-	(26)	(26)
(Loss)/profit before tax	(32)	(15)	(18)	10	14	(26)	(67)
Other segment information:							
Expenditure for non-current assets	22	1	-	1	-	-	24
Depreciation and amortisation	(27)	(10)	-	-	(4)	-	(41)
Other material non-cash items:							
Fair value gain on investment properties and investment property classified as held for sale	-	-	-	-	21	-	21
Fair value loss on financial assets at fair value through profit or loss	-	-	(21)	-	-	-	(21)

30 June 2012

HK$ million	**Telecom, electronic and child products** *(Unaudited)*	**Components** *(Unaudited)*	**Securities business** *(Unaudited)*	**Property development** *(Unaudited)*	**Property investment and holding** *(Unaudited)*	**Reconciliations** *(Unaudited)*	**Group total** *(Unaudited)*
Segment assets	**1,573**	**165**	**78**	**861**	**889**	**(9)**	**3,557**
Reconciled items:							
Corporate and other unallocated assets	**-**	**-**	**-**	**-**	**-**	**217**	**217**
Total assets	**1,573**	**165**	**78**	**861**	**889**	**208**	**3,774**
Segment liabilities	**1,080**	**46**	**25**	**142**	**299**	**(9)**	**1,583**
Reconciled items:							
Corporate and other unallocated liabilities	**-**	**-**	**-**	**-**	**-**	**101**	**101**
Total liabilities	**1,080**	**46**	**25**	**142**	**299**	**92**	**1,684**

31 December 2011

HK$ million	Telecom, electronic and child products *(Audited)*	Components *(Audited)*	Securities business *(Audited)*	Property development *(Audited)*	Property investment and holding *(Audited)*	Reconciliations *(Audited)*	Group total *(Audited)*
Segment assets	1,694	198	135	881	835	(45)	3,698
Reconciled items:							
Non-current assets held for sale	-	-	-	-	-	20	20
Corporate and other unallocated assets	-	-	-	-	-	328	328
Total assets	1,694	198	135	881	835	303	4,046
Segment liabilities (restated)	1,170	60	56	199	313	(45)	1,753
Reconciled items:							
Corporate and other unallocated liabilities	-	-	-	-	-	109	109
Total liabilities	1,170	60	56	199	313	64	1,862

Geographical information

(a) Revenue from external customers

HK$ million	**Six months ended 30 June 2012 (Unaudited)**	2011 (Unaudited)
Europe	**344**	462
Asian Pacific and others	**287**	353
North America	**124**	123
	755	938

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

(b) Non-current assets

HK$ million	**30 June 2012 (Unaudited)**	31 December 2011 (Audited)
Hong Kong	**725**	693
Mainland China	**697**	731
	1,422	1,424

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

Information about major customers

For the six months ended 30 June 2012, revenue from each of two major customers of the telecom, electronic and child product segment was HK$126 million and HK$91 million, respectively, representing 17% and 12% of the Group's total revenue, respectively.

For the six months ended 30 June 2011, revenue from each of three major customers of the telecom, electronic and child product segment was HK$220 million, HK$212 million and HK$92 million, respectively, representing 23%, 23% and 10% of the Group's total revenue, respectively.

4. OTHER INCOME AND GAINS

HK$ million	Six months ended 30 June **2012** **(Unaudited)**	 2011 (Unaudited)
Fair value gain on investment properties and investment property classified as held for sale	**54**	21
Foreign exchange gain	**1**	2
Gain on disposal of items of property, plant and equipment	**12**	-
Others	**7**	23
	74	46

5. LOSS BEFORE TAX

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

HK$ million	Six months ended 30 June **2012** **(Unaudited)**	 2011 (Unaudited)
Cost of inventories sold	**704**	767
Cost of properties sold	**71**	66
Depreciation	**37**	38
Amortisation of prepaid land lease payments	**1**	3

6. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for the six months ended 30 June 2012 and 2011 as the Group had no profits chargeable to Hong Kong profits tax during that periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK$ million	Six months ended 30 June **2012** **(Unaudited)**	 2011 (Unaudited) (restated)
Current – Elsewhere	**4**	6
Overprovision in prior year	**(3)**	-
PRC land appreciation tax	**2**	1
Deferred tax	**6**	2
Total tax charge for the period	**9**	9

7. DIVIDENDS

The board of directors has declared an interim dividend for 2012 of HK$0.03 per share (30 June 2011: HK$0.03 per share) to be payable from the Company's distributable reserve. The interim dividend will be paid on or around Monday, 8 October 2012 to the shareholders whose names appear on the register of members of the Company on Wednesday, 19 September 2012. The register of members of the Company will be closed from Monday, 17 September 2012 to Wednesday, 19 September 2012 (both days inclusive).

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

The calculation of the basic and diluted loss per share amounts for the period is based on the loss for the period attributable to ordinary equity holders of the parent of HK$49 million (30 June 2011: HK$56 million (restated)), and the weighted average number of 606,144,907 (30 June 2011: 606,144,907) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2012 and 2011 in respect of a dilution as the impact of the outstanding share options granted by a subsidiary of the Company had an anti-dilutive effect on the basic loss per share amounts presented.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the Group acquired fixed assets of approximately HK$15 million (six months ended 30 June 2011: HK$24 million).

10. 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:

	30 June 2012 (Unaudited)		31 December 2011 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**119**	**41**	142	38
31 to 60 days	**94**	**33**	108	28
61 to 90 days	**47**	**16**	100	26
Over 90 days	**28**	**10**	25	8
	288	**100**	375	100

The Group allows an average credit period of 30 to 90 days to its trade customers.

11. 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:

	30 June 2012 (Unaudited)		31 December 2011 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**83**	**23**	233	41
31 to 60 days	**73**	**20**	101	18
61 to 90 days	**45**	**13**	73	13
Over 90 days	**157**	**44**	155	28
	358	**100**	562	100

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange 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.com.hk/eng/investor/announcements.php.