CCT FORTIS HOLDINGS LIMITED
（中建富通集團有限公司）

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

CHAIRMAN'S LETTER

On behalf of the board of directors (the "**Board**") of CCT Fortis Holdings Limited (the "**Company**"), I am pleased to report the annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2013.

2013 was an exciting year for CCT, marked by our success to reposition and reshape the Group and our efforts to capture new business opportunities. As a result of these initiatives, a stronger CCT has emerged and the Company has changed its name from CCT Telecom to CCT Fortis to reflect that the Company has entered into a new era. The Board is very pleased to report that the Group was able to return to profit in 2013. Net profit attributable to owners of the parent was $232 million in 2013, compared with a loss of $31 million in 2012. The Group's revenue in the year was approximately $1,805 million, representing a year-on-year increase of approximately 16.9%. This exciting recovery in earning performance was primarily led by the overwhelming success of sale of the shop units at MaxiBase, located at the Basement of City Garden, North Point and the overall improvement in results of our main business units. The "Review of Operations" below gives further details of our performance in 2013.

PROPOSED FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK$0.035 per share for the year 2013 to the shareholders whose names appear on the register of members of the Company on Thursday, 29 May 2014, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company. The proposed final dividend will be payable from the Company's distributable reserve and will be paid on or around Thursday, 12 June 2014 following the shareholders' approval at the forthcoming annual general meeting of the Company. Taking into account the HK$0.030 per share interim dividend paid in October 2013 and the HK$0.100 per share special interim dividend declared in December 2013 and paid in January 2014, the total dividend per share amounted to HK$0.165 for the financial year 2013.

REVIEW OF OPERATIONS

During the year under review, the principal businesses of the Group were: (i) the newly established property development and trading business in Hong Kong; (ii) property investment and holding; (iii) the property development business in Mainland China; (iv) manufacture and sale of telecom, electronic and child products (the "**Telecom Product Business**"), (v) manufacture and sale of plastic components; and (vi) the securities business.

Property development and trading in Hong Kong

The Group acquired the retail property located at the Basement of Maximall, City Garden, North Point, Hong Kong in 2012 (which was subsequently renamed as "MaxiBase") with the original intention of holding it as investment property producing rental income. Since acquisition, the rental yield and value of the property have risen because of its convenient access to public transport (including the MTR stations) and its close proximity to cluster of large housing estates and highly developed commercial areas in the nearby regions. There is currently scarce supply of retail mall of such a large scale similar to the scale of the property in the North Point district. Capturing this business opportunity, CCT decided to redesign the property by sub-dividing the property into over 300 shop units and to enhance its value by proposing creative layout and designs, quality renovation and upgrading. In July 2013, CCT offered the shop units for sale to public. This project was met with tremendous success as all the shop units offered for sale have been sold out within a short period of time, amid a sluggish secondary property market which has been dampened by the various cooling measures introduced by the Hong Kong government earlier in the year. In terms of results, the project contributed significant operating profit of $246 million during the year. Furthermore, the success of this project marked an important milestone for CCT, as the Group has set a strong foothold into the property development sector in Hong Kong. We believe we can capitalize our strengths in this new business area, which opens a new platform for the Group to grow.

Property investment and holding

The property market activities in Hong Kong, especially in the secondary market, have slowed down significantly following the launch of various government measures to regulate and cool the market in the year. However, these unfavourable policies have not deterred us from expansion. Our holdings of investment properties already include luxury houses, office properties and mass residential properties. To expand our property holdings, we also acquired additional investment properties in 2013, which include four shops located on Ground Floor and First Floor of Gramercy, No. 38 Caine Road, Mid-Levels, Hong Kong. Gramercy is a newly constructed composite building consisting of multi-storey luxury residential building and the 2-storey shopping space which we acquired. The building is adjacent to Soho district and the Central-Mid-Levels escalator. Soon after completion of the purchase, we have leased the shops to quality tenants selling foods, beverage and restaurant operators, at a good rental yield to us. In 2013, this business unit reported increase in rental income and fair value gains of its investment property holdings. The sustained outstanding performance of this business unit demonstrates our excellence in vision and insight in selecting properties and perfect timing of our investment. In 2013, the property investment division reported a net operating profit of $100 million, primarily attributable to the unrealised revaluation gain of $124 million of our investment properties held.

Property development in Mainland China

The Group's mainland property developments are located in Anshan, Liaoning Province, China, where the residential market is predominately underpinned by end-user demand. We have developed and launched several successful projects in the city, which have been well received by homebuyers. The high quality of our Anshan projects in terms of materials, landscaping, layouts and designs has earned us strong reputation in the Anshan property sector. We will continue our pursuit of project quality and service excellence. As a result, CCT Land China has established a solid foundation and a strong reputation in the region. In 2013, we continued to roll out new project, which was the Landmark City Phase III. This project consists of eight blocks of residential buildings, car parks and community facilities with a total saleable gross floor area of approximately 108,000 square meter. The launch of the project received positive market response despite a slow market in Anshan, which was impacted by the continuing tightening policies introduced by the Chinese leaders to cool property market. During 2013, our Anshan developments continued to deliver satisfactory performance. Contract sales were $161 million, up 15.8% from previous year, while an operating profit of $10 million was recorded in 2013.

On 19 April 2013, the Company entered into a contract with CCT Land Holdings Limited ("**CCT Land**"*)*, a non wholly-owned listed subsidiary of the Company, under which CCT Land subscribed for new shares in the holding company of the Anshan development companies. After the subscription, the Anshan property companies have become almost wholly-owned subsidiaries of CCT Land. Upon completion of the restructuring transactions during the year, the mainland property development business has been carried on by the CCT Land Group but its results will continue to be consolidated into the accounts of the Company. Details of the transactions have been set out in the Company's announcement dated 24 April 2013 and its circular dated 14 June 2013.

Telecom Product Business

The Telecom Product Business is engaged by CCT Land and its subsidiaries (the "**CCT Land Group**"). CCT Land was previously named as "CCT Tech International Limited". The name change was made in 2013, following the intra-group restructuring transaction outlined in the section above, to reflect a refresh corporate identity and a broadened business focus of CCT Land. After the name change, the CCT Land Group will continue to be engaged in the Telecom Product Business under the former business name of CCT Tech.

Turnover of the Telecom Product Business dropped by 23.1% to $1,067 million in 2013. The decline in revenue was led by lower revenue from ODM and CMS, partially offset by higher revenue from child products. The reduction of turnover was primarily caused by slow economy in our major markets and weaker consumer demand. The decrease in revenue of CCT Tech did not surprise us as it was within our expectation. In recent years, we do not aim at fast top-line growth of our manufacturing unit but rather we strive for enhancing our competitive position and target for improving our bottom-line profitability. This strategy has proven to be right as the performance and financial position of CCT Tech has been improving.

CCT Tech's cordless phone products continued to sell well in 2013. The launch of new design phones attracted good market attention. As for the child product line, sales of baby monitors was $56 million, up 96.0% in the year. Other child products such as bottle warmers, baby feeding and cleaning kit sets also achieved increase in sales.

In 2013, shortage of labour in Mainland China continued to exert pressure on costs. To combat this, CCT Tech kept on streamlining production process and improving productivity. Our relentless efforts of cost management have paid off and significant cost savings were achieved. The productivity gains and cost savings arising from such initiatives were more than offset the cost rise and as a result, gross profit of the Telecom Product Business increased to $47 million in 2013 from $45 million in 2012, despite a reduction in turnover during the year.

Manufacturing of plastic components

This business segment of the Group produces plastic components and supplies most of the components produced to CCT Tech for manufacture of telecom and child products.

In 2013, turnover of the component business was $130 million, a decrease of 24.9% from the last corresponding year, in line with the drop in turnover of the Telecom Product Business. During the year, the component business encountered similar difficulty as CCT Tech as shortage of labour and rising labour costs remained a major problem to operations. In 2013, this segment reported operating loss $35 million, same as previous year. The net loss after tax of the segment was $32 million, reduced from $48 million in 2012.

Securities business

In view of the volatility of the stock market, the Group has scaled down its securities business since 2012. At the year end, our existing investment portfolio mainly consisted of low-risk bonds of approximately $53 million. These bonds are denominated in RMB and carry interest at fixed rate. An equivalent amount of Hong Kong dollar loan has been borrowed against security of the RMB bonds. The arrangement was entered into for the purpose of hedging appreciation of RMB against Hong Kong dollar. In 2013, this business unit recorded an operating profit of $2 million, which was derived from the interest income received from the RMB bonds and the exchange gain on those bonds recognised during the year.

OUTLOOK

Looking ahead to 2014, developed countries are likely to achieve modest economic recovery while the developing economies can expect to see their growth stablise. Despite uncertainties arising from the tapering in the US, the Federal Reserve's commitment to keep low interest rate for a considerable time will help to boost global economic growth. With the anticipated improvement of the global economy and the implementation of economic reform and urbanisation, China can expect its domestic consumption and economic growth to stablise this year.

In 2014, CCT will continue to pursue several strategic objectives which are: (1) to strengthen the Group's financial resources; (2) to further reposition and reform the Group's manufacturing business units; (3) to seek expansions in our main business units including the Hong Kong property development and trading business, property investment, and mainland property developments; and (4) to capture new business opportunities. We will continue to capitalise our competitive edges in each of our main businesses, targeting for enhancing long term sustainable growth of the Group. Further, we will seek new business opportunities which will offer good prospects for business growth and profitability.

Despite the policy headwinds launched by the Hong Kong government, low mortgage interest rates, weakness in Hong Kong dollar, reasonable repayment affordability, continued income growth and scarcity of land supply at least in the short term, will continue to support demand of good quality properties in Hong Kong. We believe price of properties will go up further in the longer term. We believe that the newly established Hong Kong property development business has good prospects and will open a new avenue for the Group to grow. We also believe we have a business niche and insight in this sector and will place more resources to grow this business. We will explore opportunities to acquire new projects which we consider to have good development or gain potentials. However, we would be selective and would exercise care in deciding new acquisition of property projects. In November 2013 and in February 2014, the Group entered into provisional sale and purchase agreements to acquire three retail properties at a total price of HK$373 million. Two of the properties are located at 8 Russell Street, which is the centre of the prime shopping and tourist areas in Causeway Bay. The other property is located in Kennedy Town, Sai Wan, facing the waterfront of the Western District and near a future MTR station of the West Island Line. The West Island Line is expected to open at end of this year and it will rapidly gentrify Kennedy Town and the Western District. The acquisitions will be completed this year. We believe the properties have good potentials to appreciate in value and may be successful projects of the Group in the current year.

Rental yields of the commercial buildings and shops are expected to increase modestly in 2014. The low interest rate environment, weakness in Hong Kong dollar and inflation back the demand in the local property market that benefits the Group's investment properties. Our rental properties consist of wide range of different types of properties, ranging from luxury houses, mass residential properties, retail shops and office properties. We will continue to build up our rental property portfolio. We expect the investment properties will deliver significant recurrent rental income in the future and will generate further value appreciation in the long term.

The Group will continue to be engaged in the mainland property development business through CCT Land Group. Despite a relatively competitive market in 2014, we will strive to boost sales of property units in the current year. We will restructure and strengthen our marketing team and enhance marketing and promotions with a view to further improve both the top line and the bottom line of our Anshan business unit. We are confident in the prospects of our Anshan developments given the optimistic long-term economic outlook in the Mainland China and our strong project team. We expect the mainland property business will become one of the key drivers for growth of CCT Land in the future.

We expect shortage of labour will continue to be the major challenge to the CCT Tech Group as it has become increasingly difficult to recruit and retain Chinese workers. This problem will not only increase labour costs but will also affect productivity. To combat this problem, the CCT Tech Group will continue to improve its competitive advantages and will continue to pursue measures to drive productivity and efficiency and to save costs. It will strive to improve performance of its manufacturing business in 2014.

To pursue our strategy of capturing new business opportunities, the Group has established and started in a new venture of investment and trading in classic cars earlier this year. We realize that classic cars have been a very good performer in terms of value appreciation. These cars have outperformed collectibles such as gold, wine, stamps and coins over the last 10 years. We also notice that the demand for vintage cars is rising and record price has been set for classic cars sold at auction. We will place resources to grow this new business sector. We believe this business has huge potentials to grow and will open a new avenue for revenue and profitability growth of the Group in the future.

APPRECIATION

On behalf of the Board, I want to thank the directors, the management and all our employees for their strong commitment, loyalty and hard work during the year. I also want to thank our shareholders, investors, bankers, customers and suppliers for their continued encouragement and strong support to the Group.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 25 March 2014

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

$ million	**2013**	2012	% increase/ (decrease)
Turnover	**1,805**	1,544	16.9%
Gross profit	**387**	81	377.8%
Profit/(loss) before tax	**264**	(5)	N/A
Income tax expense	**(63)**	(62)	1.6%
Profit/(loss) after tax	**201**	(67)	N/A
Profit/(loss) attributable to:			
Owners of the parent	**232**	(31)	N/A
Non-controlling interests	**(31)**	(36)	(13.9%)
Profit/(loss) for the year	**201**	(67)	N/A
Earnings/(loss) per share	**$0.38**	($0.05)	N/A
Dividends per share	**$0.165**	$0.065	153.8%
Other comprehensive income, net of tax	**18**	8	125.0%

Discussion on Financial Results and Other Comprehensive Income

The Group's turnover was $1,805 million for the year ended 31 December 2013, an increase of 16.9% as compared to $1,544 million for the last corresponding year. During the year, gross profit soared to $387 million, up 377.8% as compared to last corresponding year. The Group was able to return to profit and delivered net profit attributable to owners of the parent of $232 million, as compared to the net loss attributable to owners of the parent of $31 million in 2012. The improvement in results was largely driven by our remarkable success of the sale of shop units at MaxiBase and the fair value gains of our investment properties, offset by losses of the manufacturing business and other corporate items.

Other comprehensive income of $18 million reported in the Consolidated Statement of Comprehensive Income represented unrealised exchange gains on translation of the accounts of the property subsidiaries in Mainland China, attributable to appreciation of RMB.

ANALYSIS BY BUSINESS SEGMENT

	Turnover				
	2013		2012		% increase/
$ million	**Amount**	**Relative %**	Amount	Relative %	(decrease)
Property development and trading in Hong Kong	**554**	**30.7%**	-	0.0%	N/A
Property investment and holding	**7**	**0.4%**	5	0.3%	40.0%
Property development in Mainland China	**161**	**8.9%**	139	9.0%	15.8%
Telecom Product Business	**1,067**	**59.1%**	1,388	89.9%	(23.1%)
Component business	**130**	**7.2%**	173	11.2%	(24.9%)
Securities business	**2**	**0.1%**	13	0.8%	(84.6%)
Elimination of Intersegment transactions	**(116)**	**(6.4%)**	(174)	(11.2%)	(33.3%)
Total	**1,805**	**100.0%**	1,544	100.0%	16.9%

	Operating profit/(loss)		
$ million	**2013**	2012	% increase/ (decrease)
Property development and trading in Hong Kong	**246**	-	N/A
Property investment and holding	**100**	134	(25.4%)
Property development in Mainland China	**10**	15	(33.3%)
Telecom Product Business	**(18)**	(25)	(28.0%)
Component business	**(35)**	(35)	-
Securities business	**2**	13	(84.6%)
Total	**305**	102	199.0%

Marked by the success of the sale of shop units at MaxiBase, the Hong Kong property development and trading business concluded contracted sales of shop units of $682 million and recorded net turnover of $554 million in 2013. It is exciting that the project achieved an operating profit of $246 million in the year.

The property investment and holding business continued to perform in 2013. This division recognised an operating profit of $100 million in 2013, while an operating profit of $134 million was recorded in 2012. Both years' solid result was mainly driven by unrealised fair value gains arising from revaluation of the Group's investment properties.

Despite the slower residential property market in Anshan, the China property development business was able to deliver satisfactory results in 2013. The turnover in 2013 increased by 15.8% to $161 million as compared to $139 million in previous year, while operating profit of $10 million was recorded in 2013. Previous year's operating profit was $15 million. The decrease in operating profit was due to continuing and additional tightening measures imposed by the Chinese leaders on mainland property market during the year.

The Telecom Product Business was able to narrow its operating loss from $25 million in 2012 to $18 million in 2013, despite a decrease in turnover in the year. This notable favourable variance was mainly caused by productivity gains and cost savings achieved during the year.

The component business reported revenue of $130 million, down 24.9%, in line with the decrease in sales of the Telecom Product Business to which it supplied most of its component products. Despite an increasingly difficult operating environment, this business segment incurred an operating loss of $35 million, same as previous year. The net loss after tax of this segment was $32 million, down 33.3% from $48 million in last corresponding year.

The Group's securities business delivered an operating profit of $2 million in 2013, mainly represented interest income and exchange gain derived from the RMB bonds as compared to the operating profit of $13 million reported last corresponding year which was derived mainly from the divestment of its share portfolio in that year.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Turnover				
	2013		2012		% increase/
$ million	**Amount**	**Relative %**	Amount	Relative %	(decrease)
Asian Pacific and others	**1,012**	**56.1%**	571	37.0%	77.2%
Europe	**621**	**34.4%**	712	46.1%	(12.8%)
North America	**172**	**9.5%**	261	16.9%	(34.1%)
Total	**1,805**	**100.0%**	1,544	100.0%	16.9%

Due to the inclusion of revenue from sale of shop units at MaxiBase in 2013, Asia Pacific and other regions has overtaken Europe as the Group's largest market, in terms of turnover, reporting turnover of $1,012 million, an increase of 77.2% over that recorded in the previous year. Sales to Europe, however, dropped by 12.8% to $621 million in the year, primarily led by uncertainties persisted in the euro countries and weaker consumer demand in the region. Turnover from the North American market decreased by 34.1% to $172 million in 2013, which was caused by slow recovery of US economy and absence of sale of phones to the market after the GE licensed business was terminated.

HIGHLIGHTS ON SIGNIFICANT MOVEMENT OF FINANCIAL POSITION

$ million	**2013**	2012	% increase/ (decrease)
NON-CURRENT ASSETS			
Property, plant and equipment	**597**	772	(22.7%)
Investment properties	**881**	745	18.3%
Goodwill	**55**	87	(36.8%)
Held-to-maturity debt securities	**-**	51	N/A
Pledged time deposits	**65**	-	N/A
Other receivables	**71**	-	N/A
CURRENT ASSETS			
Inventories	**78**	102	(23.5%)
Properties under development	**117**	248	(52.8%)
Completed properties held for sale	**712**	356	100.0%
Trade receivables	**268**	349	(23.2%)
Prepayment, deposits and other receivables	**331**	243	36.2%
Held-to-maturity debt securities	**53**	-	N/A
Pledged time deposits	**235**	186	26.3%
Cash and cash equivalents	**643**	459	40.1%
CURRENT LIABILITIES			
Current interest-bearing bank and other borrowings	**811**	507	60.0%
EQUITY AND NON-CURRENT LIABILITIES			
Non-current interest-bearing bank and other borrowings	**452**	522	(13.4%)
Non-controlling interests	**164**	253	(35.2%)
Equity attributable to owners of the parent	**2,032**	1,833	10.9%

Discussion on Financial Position

As at 31 December 2013, balance of property, plant and equipment was $597 million, a decrease of 22.7%. This decrease was mainly attributable to the disposal of certain items of property, plant and equipment and the depreciation charge during the year.

Balance of the investment properties at end of 2013 was $881 million, $136 million or 18.3% higher than at the beginning of the year. The increase represented the combined effect of: (i) unrealised fair value gains arising from the revaluation of the investment properties at year end; (ii) the acquisition of the retail shops at Gramercy, No. 38 Caine Road, Mid-Level, Hong Kong; and (iii) net of reclassification of the carrying value of those shop units at MaxiBase from investment properties grouped under non-current assets to stock of properties under current assets, which were sold and charged to profit or loss during the year.

Goodwill decreased by $32 million as at 31 December 2013. The change was attributable to the disposal of the medical product business during the year.

Held-to-maturity debt securities represented the two-year RMB bonds bought in early 2012 as an arrangement to hedge against RMB appreciation risk and was categorized under non-current assets in 2012. The bonds have been pledged to a bank to secure equivalent amount of Hong Kong dollar loan facility. As at 31 December 2013, the fair value of the bonds was reclassified and regrouped under current assets as the bonds would be matured within one-year time.

Other receivables of $71 million classified under non-current assets represented the non-current portion of loan receivables consisting of (i) deferred consideration for the disposal of the medical product business, (ii) the mortgage loan receivables due from certain purchasers of the Maxibase shop units who/which obtained loans from the Group to finance part of their purchase costs; and (iii) other loan receivable.

Inventory decreased 23.5% in the year under review, caused by decrease in sales of the manufacturing business and improvement in inventory control. The inventory turnover period for the year maintained at a reasonable low level of 31.0 days (2012: 34.9 days).

Balance of the properties under development was $117 million, down 52.8% during the year. The decrease represented reclassification of costs of the Landmark City Phase III from the properties under development account to the completed properties held for sale account as the project was completed during the year.

As at 31 December 2013, completed properties held for sale amounted to $712 million, representing the costs of the unsold completed property units in Anshan. The account balance increased by 100.0%. This change was mainly due to the completion of Landmark City Phase III and reclassification of development and construction costs of this project to completed property held for sale account during the year.

Trade receivables amounted to $268 million at current balance sheet date, down 23.2% from $349 million at last balance sheet date, in line with the drop in revenue of the Telecom Product Business.

Prepayment, deposits and other receivables at 2013 year end was $331 million, up 36.2% from balance of $243 million at end of 2012. The account balance at end of 2012 and 2013 included prepayment of $197 million related to a contracted acquisition of the land use right of a piece of land site in Anshan. The increase of the account balance during 2013 was primarily due to the (i) prepayment of cost of the sub-division and partitioning works at MaxiBase, (ii) current portion of other receivables grouped under the non-current assets.

Pledged time deposits, classified under non-current assets and current assets, increased from $186 million at 2012 balance sheet date to $300 million at end of 2013, due to increase in pledged deposits to secure additional banking facilities. Of the pledged deposits, a total amount of $215 million (equivalent to RMB168 million) were denominated in RMB which were pledged to a banker to secure equivalent amount of Hong Kong dollar loans. Such arrangements were entered into for the purpose of hedging RMB appreciation risk as the Group can benefit from exchange appreciation of the pledged RMB deposits and at the same time, the Group can continue to use the funds borrowed in Hong Kong dollars for business purpose.

Cash and cash equivalents increased by 40.1% to $643 million as at 31 December 2013. The net increase was due to receipt of the net sale proceeds of MaxiBase shop units, deducting funds used in the operations and development of the Group's businesses and payments of the dividend during the year.

The aggregate amount of the current and non-current interest-bearing bank and other borrowings increased from $1,029 million as at 31 December 2012 to $1,263 million as at 31 December 2013, up 22.7%. The net increase represented additional mortgage loans, working-capital loans and other bank borrowings, less repayment of some of the bank loans during the year.

During the year, decrease in the non-controlling interests, mainly represented share of non-controlling shareholders' over the difference between fair value of consideration and net book value of the Anshan property business assigned to CCT Land and the share of CCT Land's non-controlling shareholders in the loss of the CCT Land Group for the financial year of 2013.

Equity attributable to owners of the parent at end of the year stood at $2,032 million, an increase of 10.9% compared to $1,833 million at beginning of the year. This change was attributable mainly to the combined effect of the net profit for the year and the dividend paid during the year.

CAPITAL STRUCTURE AND GEARING RATIO

	2013		2012	
$ million	**Amount**	**Relative %**	Amount	Relative %
Bank borrowings	**1,263**	**38.3%**	1,027	35.9%
Finance lease payable	**-**	**0.0%**	2	0.1%
Total borrowings	**1,263**	**38.3%**	1,029	36.0%
Equity	**2,032**	**61.7%**	1,833	64.0%
Total capital employed	**3,295**	**100.0%**	2,862	100.0%

The Group's gearing ratio was 38.3% as at 31 December 2013 (2012: 36.0%). The slight increase in the gearing ratio was caused by the net increase of the bank borrowings during the year.

Outstanding bank borrowings amounted to $1,263 million at 31 December 2013 (2012: $1,027 million). Approximately 64.2% of these bank borrowings were arranged on a short-term basis to fund the manufacturing business and investment of the Group and were repayable within one year. The remaining 35.8% of the bank borrowings were of long-term nature, primarily representing mortgage loans on properties held by the Group. Out of the Group's bank borrowings, bank loans of $1,015 million (2012: $879 million) were borrowed to finance ordinary businesses and investment of the Group and the balance of $248 million (2012: $148 million) represented Hong Kong dollar loans which were fully secured by equivalent amount of RMB deposits and bonds for hedging against RMB appreciation exposure.

As at 31 December 2013, 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 $811 million, $218 million and $234 million, respectively (2012: $507 million, $263 million and $259 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

$ million	**2013**	2012
Current assets	**2,439**	1,961
Current liabilities	**1,530**	1,106
Current ratio	**159.4%**	177.3%

The Group's current ratio as at 31 December 2013 was 159.4% (2012: 177.3%), reflecting a healthy financial position of the Group.

As at 31 December 2013, the Group's cash balance was $943 million (2012: $653 million), which included pledged deposits of $300 million (2012: $186 million) to secure general banking facilities and for RMB hedging arrangement. 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 continued to maintain a sound financial position and has sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 31 December 2013, capital commitment of the Group amounted to $2 million (2012: $207 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 2013, the Group's receipts were mainly denominated in US dollar and RMB. Payments were mainly made in Hong Kong dollar, US dollar and RMB. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, US dollar and RMB. In 2013, 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 at present as the interest rates currently remain at low level. In terms of foreign exchange exposures, the Group is principally exposed to two major currencies, namely the US dollar and RMB in terms of receipts and the RMB in terms of the costs (including workers' wages and overhead and costs of the Anshan projects) in Mainland China.

On the 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, since factory wages and overhead in our Guangdong factory and costs of our Anshan projects are paid in RMB, our costs in China in terms of Hong Kong dollar will rise due to further appreciation of RMB. The exchange risk of the project costs in Anshan will be offset by RMB receipts from sale of property units in Anshan, which therefore will not give rise to any significant risk to RMB appreciation. As for our factory costs and overhead payable in RMB, since we do not have any RMB receipt from the manufacturing business, we would expose to exchange risk if RMB appreciate further against Hong Kong dollar. In order to hedge against RMB appreciation risk, we have converted some of our surplus funds from Hong Kong dollars to RMB. These RMB funds have been placed on deposits to secure equivalent amount of Hong Kong dollar loans, which have been borrowed to finance working capital of the Group. We consider such arrangement to be an effective way to hedge a 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 year under review.

SIGNIFICANT INVESTMENT

Save as disclosed in the other section of the financial review, the Group did not hold any significant investment as at 31 December 2013 (2012: Nil).

PLEDGE OF ASSETS

As at 31 December 2013, certain of the Group's assets with a net book value of $2,160 million (2012: $1,564 million), net asset value of $309 million of a subsidiary of the Company (2012: Nil) and time deposits of the Group of $300 million (2012: $186 million) were pledged to secure the general banking facilities granted to the Group and for hedging RMB exposure.

CONTINGENT LIABILITIES

As at 31 December 2013, 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 2013 was 4,438 (2012: 5,971). 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 2013, 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 has purchased, sold or redeemed any of the listed shares of the Company during the year.

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 (the "**Shareholder(s)**") 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.

In the opinion of the directors of the Company (the "**Director(s)**"), the Company has complied with all the Code Provisions under the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (the "**CG Code**") throughout the period from 1 January 2013 to 31 December 2013, except for the following deviations from the Code Provisions of the CG Code:-

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

(2) 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; and

(3) A.5.1: the nomination committee should comprise a majority of independent non-executive directors. (Note)

Note: The nomination committee of the Company (the "**Nomination Committee**") did not consist of a majority of independent non-executive directors (the "**INED(s)**") during the period from 12 January 2013 (the date of death of the late Mr. Lau Ho Man, Edward, a former INED) to 8 March 2013 (the date when Mr. Chow Siu Ngor was appointed as an INED and member of the Nomination Committee to replace the late Mr. Lau) and therefore deviated from Code Provision A.5.1 during the above period. Since then, the Company has complied with the Code Provision A.5.1.

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 2013 and will be disclosed in the corporate governance report contained in the 2013 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2014.

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 (except the late Mr. Lau), 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**") since 2000 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. During most of the time in 2013, the Audit Committee consisted of three members who were the three INEDs of the Company. During the period from 1 January 2013 to 12 January 2013, members of the Audit Committee consisted of Mr. Tam King Ching, Kenny (also acted as chairman of the Audit Committee), Mr. Chen Li and the late Mr. Lau (who passed away on 12 January 2013), of whom Mr. Tam is and the late Mr. Lau was a qualified accountant. After 12 January 2013, the Audit Committee consisted of only the remaining two INEDs until 8 March 2013 when Mr. Chow Siu Ngor was appointed as an INED and a member of the Audit Committee to replace the late Mr. Lau.

The Audit Committee has reviewed and discussed the adopted accounting principles and practices and the auditing, internal control and financial reporting matters of the Group. The Audit Committee has also reviewed the consolidated financial statements of the Group for the year ended 31 December 2013. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee held three meetings in 2013.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2013 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2014.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") since 2005 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. During most of the time in 2013, the Remuneration Committee consisted of five members who were the three INEDs and two executive Directors. During the period from 1 January 2013 to 12 January 2013, members of the Remuneration Committee consisted of three INEDs, namely Mr. Tam King Ching, Kenny, Mr. Chen Li and the late Mr. Lau (also acted as chairman of the Remuneration Committee), and two executive Directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. On 12 January 2013, Mr. Tam King Ching, Kenny was re-designated as chairman of the Remuneration Committee to replace the late Mr. Lau. Since that date, the Remuneration Committee consisted of only the two INEDs and two executive Directors until 8 March 2013 when Mr. Chow Siu Ngor was appointed as a member of the Remuneration Committee to replace the late Mr. Lau. At the same time, Mr. Chow Siu Ngor was also designated as the chairman of the Remuneration Committee to replace Mr. Tam King Ching, Kenny. During 2013, the Remuneration Committee held three meetings.

Further information of the Remuneration Committee will be disclosed in the corporate governance report contained in the 2013 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2014.

NOMINATION COMMITTEE

The Company has established a nomination committee (the "**Nomination Committee**") since 29 March 2012 with specific written terms of reference in line with the Code Provisions under the CG Code. During most of the time in 2013, the Nomination Committee consisted of five members who were the three INEDs and two executive Directors. During the period from 1 January 2013 to 12 January 2013, the Nomination Committee consisted of three INEDs, namely Mr. Tam King Ching, Kenny, Mr. Chen Li and the late Mr. Lau, and two executive Directors, namely Mr. Mak Shiu Tong, Clement (also acted as chairman of the Nomination Committee) and Mr. Tam Ngai Hung, Terry. After 12 January 2013, the Nomination Committee only consisted of two INEDs and two executive Directors until 8 March 2013 when Mr. Chow Siu Ngor was appointed as a member of the Nomination Committee to replace the late Mr. Lau. During 2013, the Nomination Committee held three meetings.

Further information of the Nomination Committee will be disclosed in the corporate governance report contained in the 2013 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Each of Mr. Tam King Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor 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. In addition, Mr. Chow Siu Ngor has filed a Confirmation of Compliance with Rule 3.13 to the Company and The Stock Exchange of Hong Kong Limited to confirm his independence when he was appointed as an INED on 8 March 2013. Throughout the year of 2013 and as at the date of this announcement, the INEDs of the Company were considered to be independent.

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of the INEDs, at least an INED with appropriate professional qualifications or accounting or related financial management expertise and the number of INEDs representing at least one-third of the Board throughout the financial year ended 31 December 2013. The Company did not comply with Rule 3.10 (1) of the Listing Rules in relation to appointment of a minimum number of independent non-executive directors after the death of the late Mr. Lau on 12 January 2013 but has compiled with such rule since 8 March 2013 after Mr. Chow Siu Ngor has been appointed as an INED of the Company.

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

The results announcement of the Company for the year ended 31 December 2013 is published on the websites of the Company at www.cct-fortis.com/eng/investor/announcements.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 (the "**AGM**") will be despatched to the Shareholders and made available on the websites of the Company and The Stock Exchange of Hong Kong Limited on or before 30 April 2014.

ANNUAL GENERAL MEETING

The 2014 AGM will be held at 31/F., Fortis Tower, 77-79 Gloucester Road, Hong Kong on Wednesday, 21 May 2014 at 10:45 a.m. and the notice of the AGM will be published and despatched to the Shareholders 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 for the following periods:

1. For determining shareholders' eligibility to attend and vote at the AGM:

Latest time to lodge transfer documents for registration:	4:00 p.m., Friday, 16 May 2014
Closure of register of members:	Monday, 19 May 2014 to Wednesday, 21 May 2014 (both days inclusive)
Record date:	Wednesday, 21 May 2014

2. For determining shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration:	4:00 p.m., Monday, 26 May 2014
Closure of register of members:	Tuesday, 27 May 2014 to Thursday, 29 May 2014 (both days inclusive)
Record date:	Thursday, 29 May 2014

During the above closure periods, no transfer of share(s) will be effected. In order to be eligible to attend and vote at the AGM and to qualify for the proposed final dividends, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than the aforementioned latest time.

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. Chen Li and Mr. Chow Siu Ngor.

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 25 March 2014

ANNUAL RESULTS

The Board presents the consolidated annual results of the Group for the year ended 31 December 2013, together with the comparative amounts for the previous year as follows:

Consolidated Statement of Profit or Loss
For the year ended 31 December 2013

HK$ million	*Notes*	**2013**	2012
REVENUE	*4,5*	**1,805**	1,544
Cost of sales		**(1,418)**	(1,463)
Gross profit		**387**	81
Other income and gains	*5*	**183**	232
Selling and distribution expenses		**(72)**	(37)
Administrative expenses		**(149)**	(146)
Other expenses		**(47)**	(113)
Finance costs	*6*	**(38)**	(22)
PROFIT/(LOSS) BEFORE TAX	*7*	**264**	(5)
Income tax expense	*8*	**(63)**	(62)
PROFIT/(LOSS) FOR THE YEAR		**201**	(67)
Attributable to:			
Owners of the parent		**232**	(31)
Non-controlling interests		**(31)**	(36)
		201	(67)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic		**HK$0.38**	(HK$0.05)
Diluted		**HK$0.38**	(HK$0.05)

Details of the dividends payable and proposed for the year are disclosed in note 9 below.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

HK$ million	**2013**	2012
PROFIT/(LOSS) FOR THE YEAR	**201**	(67)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange differences on translation of foreign operations	**18**	8
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**219**	(59)
Attributable to:		
Owners of the parent	**244**	(23)
Non-controlling interests	**(25)**	(36)
	219	(59)

Consolidated Statement of Financial Position

31 December 2013

HK$ million	Notes	2013	2012
ASSETS			
Non-current assets			
Property, plant and equipment		**597**	772
Investment properties		**881**	745
Prepayments for acquisition of investment properties		**-**	23
Prepaid land lease payments		**95**	97
Goodwill		**55**	87
Available-for-sale investments		**13**	18
Held-to-maturity debt securities		**-**	51
Other receivables		**71**	-
Deferred tax assets		**1**	1
Pledged time deposits		**65**	-
Total non-current assets		**1,778**	1,794
Current assets			
Inventories		**78**	102
Properties under development		**117**	248
Completed properties held for sale		**712**	356
Trade receivables	*12*	**268**	349
Prepayment, deposits and other receivables		**331**	243
Financial assets at fair value through profit or loss		**2**	10
Held-to-maturity debt securities		**53**	-
Pledged time deposits		**235**	186
Time deposits with original maturity of more than three months		**-**	8
Cash and cash equivalents		**643**	459
Total current assets		**2,439**	1,961
Total assets		**4,217**	3,755

Consolidated Statement of Financial Position (Continued)

31 December 2013

HK$ million	Notes	**2013**	2012
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**61**	61
Reserves		**1,950**	1,751
Proposed final dividend	*9*	**21**	21
		2,032	1,833
Non-controlling interests		**164**	253
Total equity		**2,196**	2,086
Non-current liabilities			
Derivative financial instrument		**-**	14
Interest-bearing bank and other borrowings		**452**	522
Deferred tax liabilities		**39**	27
Total non-current liabilities		**491**	563
Current liabilities			
Trade and bills payables	*13*	**350**	360
Tax payable		**69**	34
Other payables and accruals		**253**	203
Receipts in advance		**47**	2
Interest-bearing bank and other borrowings		**811**	507
Total current liabilities		**1,530**	1,106
Total liabilities		**2,021**	1,669
Total equity and liabilities		**4,217**	3,755
Net current assets		**909**	855
Total assets less current liabilities		**2,687**	2,649

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, derivative financial instrument, certain available-for-sale investments and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest million except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 12, HKFRS 13, amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36 and *Annual improvement 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

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

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

(b) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(c) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(d) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(e) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

(f) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(g) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. 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 have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements. In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

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

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

HKFRS 9	*Financial Instruments*[4]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[4]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Effective for annual periods beginning on or after 1 January 2016
[4] No mandatory effective date yet determined but is available for adoption

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 six reportable operating segments as follows:

(a) the Hong Kong property development segment is engaged in development and trading of properties in Hong Kong;

(b) the property investment and holding segment which is the investment and holding of properties;

(c) the China property development segment is engaged in the development and sale of properties in Mainland China;

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

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

(f) the securities business which is the trading in securities and the holding of securities and treasury products and investment in assets.

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 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.

HK$ million	Property development and trading in Hong Kong 2013	2012	Property investment and holding 2013	2012	Property development in Mainland China 2013	2012	Telecom, electronic and child products 2013	2012	Components 2013	2012	Securities business 2013	2012	Reconcilations 2013	2012	Group total 2013	2012
Segment revenue:																
Sales to external customers	**554**	-	**3**	1	**161**	139	**1,067**	1,363	**18**	28	**2**	13	**-**	-	**1,805**	1,544
Other revenue	**1**	-	**-**	-	**2**	-	**14**	13	**3**	6	**-**	-	**1**	-	**21**	19
Intersegment revenue	**-**	-	**4**	4	**-**	-	**-**	25	**112**	145	**-**	-	**(116)**	(174)	**-**	-
	555	-	**7**	5	**163**	139	**1,081**	1,401	**133**	179	**2**	13	**(115)**	(174)	**1,826**	1,563
Operating profit/(loss)	**246**	-	**100**	134	**10**	15	**(18)**	(25)	**(35)**	(35)	**2**	13	**-**	-	**305**	102
Finance costs	**(2)**	-	**(10)**	(5)	**(10)**	-	**(14)**	(16)	**(1)**	-	**(1)**	(1)	**-**	-	**(38)**	(22)
Reconciled items:																
Corporate and other unallocated expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(6)**	(27)	**(6)**	(27)
Gain on disposal of subsidiaries	**-**	-	**27**	-	**-**	-	**-**	-	**-**	-	**-**	-	**6**	-	**33**	-
(Loss)/gain on disposal of items of property, plant and equipment	**-**	-	**(23)**	35	**-**	-	**(2)**	8	**-**	4	**-**	-	**-**	-	**(25)**	47
Impairment loss on available-for-sale investments	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(5)**	(59)	**(5)**	(59)
Impairment of items of property, plant and equipment	**-**	-	**-**	(46)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(46)
Profit/(loss) before tax	**244**	-	**94**	118	**-**	15	**(34)**	(33)	**(36)**	(31)	**1**	12	**(5)**	(86)	**264**	(5)
Income tax expenses													**(63)**	(62)	**(63)**	(62)
Proft/(loss) for the year													**(68)**	(148)	**201**	(67)

HK$ million	Property development and trading in Hong Kong		Property investment and holding		Property development in Mainland China		Telecom, electronic and child products		Components		Securities business		Reconcilations		Group total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Other segment information:																
Interest income	**-**	-	**-**	-	**-**	-	**5**	6	**2**	1	**-**	-	**-**	-	**7**	7
Expenditure for non-current assets	**-**	-	**239**	185	**-**	-	**2**	8	**1**	1	**-**	-	**-**	3	**242**	197
Depreciation	**-**	-	**(8)**	(12)	**(1)**	-	**(40)**	(43)	**(14)**	(15)	**-**	-	**(1)**	(1)	**(64)**	(71)
Amortisation	**-**	-	**-**	-	**-**	-	**(3)**	(3)	**-**	-	**-**	-	**-**	-	**(3)**	(3)
Other material non-cash items:																
Impairment of trade receivables	**-**	-	**-**	-	**(4)**	-	**(1)**	-	**-**	-	**-**	-	**-**	-	**(5)**	-
Provision for slow-moving and obsolete inventories	**-**	-	**-**	-	**-**	-	**(2)**	(9)	**-**	-	**-**	-	**-**	-	**(2)**	(9)
Fair value gains on investment properties and investment property classified as held for sale	**-**	-	**124**	166	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**124**	166
Fair value loss on financial assets at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1)**	-	**-**	-	**(1)**	-
Impairment of items of property, plant and equipment	**-**	-	**-**	(46)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(46)

HK$ million	Property development and trading in Hong Kong 2013	2012	Property investment and holding 2013	2012	Property development in Mainland China 2013	2012	Telecom, electronic and child products 2013	2012	Components 2013	2012	Securities business 2013	2012	Reconcilations 2013	2012	Group total 2013	2012
Segment assets	**172**	-	**1,173**	1,145	**1,187**	856	**1,174**	1,362	**232**	150	**67**	61	**(72)**	(20)	**3,933**	3,554
Reconciled items:																
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	**284**	201	**284**	201
Total assets	**172**	-	**1,173**	1,145	**1,187**	856	**1,174**	1,362	**232**	150	**67**	61	**212**	181	**4,217**	3,755
Segment liabilities	**110**	-	**511**	471	**272**	116	**839**	902	**141**	52	**48**	48	**(72)**	(20)	**1,849**	1,569
Reconciled items:																
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	**172**	100	**172**	100
Total liabilities	**110**	-	**511**	471	**272**	116	**839**	902	**141**	52	**48**	48	**100**	80	**2,021**	1,669

Geographical information

(a) Revenue from external customers

HK$ million	2013	2012
Asian Pacific and others	**1,012**	571
Europe	**621**	712
North America	**172**	261
	1,805	1,544

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	2013	2012
Hong Kong	**1,188**	1,084
Mainland China	**440**	640
	1,628	1,724

The non-current assets information is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about major customers

For the year ended 31 December 2013, revenue from one major customer of the telecom, electronic and child products segment was HK$317 million representing 18% of the Group's total revenue.

For the year ended 31 December 2012, revenue from two major customers of the telecom, electronic and child products segment was HK$304 million and HK$185 million, representing 20% and 12% respectively of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, gross income from treasury investment which includes interest income on bank deposits and other financial assets, net realised gain or loss from securities investment (which includes dividend income), gross proceeds (net of discounts and business tax) from sale of properties and rental income from investment properties.

An analysis of revenue, other income and gains is as follows:

HK$ million	**2013**	2012
Revenue		
Manufacture and sale of telecom, electronic and child products	**1,078**	1,384
Realised gain from sale of securities investment, net	**2**	13
Sale of properties	**715**	139
Rental income from investment properties	**3**	1
Bank interest income	**7**	7
	1,805	1,544
Other income and gains		
Investment and other income	**183**	232

6. FINANCE COSTS

An analysis of finance costs is as follows:

HK$ million	**2013**	2012
Interest on bank loans wholly repayable within five years	**28**	17
Interest on bank loans wholly repayable beyond five years	**10**	5
Total interest expense on financial liabilities not at fair value through profit or loss	**38**	22

7. PROFIT/(LOSS) BEFORE TAX

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

HK$ million	**2013**	2012
Cost of inventories sold	**1,060**	1,348
Cost of properties sold	**356**	106
Depreciation	**64**	71
Amortisation of prepaid land lease payments	**3**	3
Fair value loss on financial assets at fair value through profit or loss	**1**	-
Fair value gain on investment properties and investment property classified as held for sale	**(124)**	(166)
Gain on disposal of subsidiaries	**(33)**	-
Impairment loss on available-for-sale investments	**5**	59
Impairment of items of property, plant and equipment	**-**	46
Loss/(gain) on disposal of items of property, plant and equipment	**25**	(47)
Provision for slow-moving and obsolete inventories	**2**	9
Impairment of trade receivables	**5**	-

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 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	**2013**	2012
Current – Hong Kong		
Charge for the year	**54**	-
(Overprovision)/underprovision in prior years	**(8)**	59
Current – Elsewhere		
Charge of the Mainland China income tax for the year	**2**	5
Overprovision in prior years	**-**	(9)
Mainland China land appreciation tax	**3**	3
Deferred tax	**12**	4
Total tax charge for the year	**63**	62

9. DIVIDENDS

HK$ million	**2013**	2012
Paid interim – HK$0.030 (2012: HK$0.030) per ordinary share	**18**	18
Special interim – HK$0.100 (2012: Nil) per ordinary share	**61**	-
Proposed final – HK$0.035 (2012: HK$0.035) per ordinary share	**21**	21
Total	**100**	39

The proposed final dividend for the year is subject to approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted earnings/(loss) per share for the year is based on the profit for the year attributable to ordinary equity holders of the parent of HK$232 million (2012: loss of HK$31 million), and the weighted average number of 606,144,907 (2012: 606,144,907) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share presented for the year ended 31 December 2013 in respect of a dilution as the Group did not have any potential diluted ordinary shares during the year ended 31 December 2013.

No adjustment has been made to the basic loss per share presented for the year ended 31 December 2012 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 presented.

On 17 January 2014, a total of 600,000,000 share options were granted by CCT Land Holdings Limited ("**CCT Land**"), which is a non wholly-owned subsidiary of the Company.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2013, the Group acquired fixed assets of approximately HK$3 million (2012: HK$19 million) and disposed of fixed assets of HK$109 million (2012: HK$12 million).

12. 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:

	2013		2012	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**94**	**35**	126	36
31 to 60 days	**73**	**27**	86	25
61 to 90 days	**52**	**20**	78	22
Over 90 days	**49**	**18**	59	17
	268	**100**	349	100

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

13. 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:

	2013		2012	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**125**	**36**	93	26
31 to 60 days	**72**	**20**	64	18
61 to 90 days	**34**	**10**	52	14
Over 90 days	**119**	**34**	151	42
	350	**100**	360	100

14. EVENTS AFTER THE REPORTING PERIOD

(i) On 17 January 2014, a total of 600,000,000 share options were granted by CCT Land to the eligible participants to subscribe for the share of HK$0.01 each in the share capital of the CCT Land.

(ii) On 10 February 2014, two indirect wholly-owned subsidiaries of the Company entered into two provisional sale and purchase agreements with a third party vendor for the acquisition of two properties in Hong Kong at a total purchase price of HK$298 million. The acquisition has not yet been completed at the date of this announcement.

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-fortis.com/eng/investor/announcements.php.