CCT LAND HOLDINGS LIMITED
（中建置地集團有限公司）

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

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

CHAIRMAN'S LETTER

On behalf of the board of directors (the "**Board**") of CCT Land Holdings Limited (the "**Company**"), I present the interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2015.

In the first half of 2015, the Group continued to focus on its principal businesses which comprise: the manufacture and sale of telecom, electronic and child products ("**Telecom Product Business**"), trading of baby and child products ("**Child Product Trading Business**"); and development and sale of residential and commercial properties in the People's Republic of China (the "**Mainland Property Business**"). The Group's revenue decreased by 11.0% to $437 million in the current period, due to continuing impact of the difficult operating environment affecting its core business. Net loss for the period increased to $35 million, as compared to the net loss of $16 million for the equivalent period of 2014, caused mainly by decrease in revenue and absence of fair value change of its Shenzhen investment properties, which recorded a fair value gain of $39 million in the corresponding period of last year.

As the Group intends to conserve cash resources to finance operations and future development of the Group's business, the Board does not recommend payment of an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

CHANGE OF SHAREHOLDING INTEREST OF THE CCT FORTIS GROUP IN THE COMPANY

CCT Fortis Holdings Limited ("**CCT Fortis**"), the former controlling shareholder of the Company, continued to dispose of its shareholding interest in the Company in the first half of the year. As at 30 June 2015, CCT Fortis held indirectly through its wholly-owned subsidiaries a total of 16,800,000,000 shares of the Company, representing approximately 23.90% of the total number of issued shares of the Company (the "**Shares**") as at the date of this announcement. Subsequent to the period end, the Company has been informed by CCT Fortis that CCT Fortis and its subsidiaries (the "**CCT Fortis Group**") has further disposed of 10,374,000,000 Shares and its shareholding in the Company has been reduced to 6,426,000,000 Shares (representing approximately 9.14% of the total number of issued shares of the Company as at the date of this announcement). Furthermore, the Company has also been informed by CCT Fortis that the CCT Fortis Group entered into a placing agreement with an independent placing agent on 23 July 2015, under which the placing agent agreed to place, on a best efforts basis, all the remaining 6,426,000,000 Shares. Up to the date of this announcement, none of the placing Shares has been successfully placed under the placing agreement. If all 6,426,000,000 Shares currently held by the CCT Fortis Group are successfully placed under the placing agreement, the CCT Fortis Group will not hold any share in the Company. CCT Fortis has further informed the Company that all the Shares disposed of by the CCT Fortis Group were purchased by independent third parties. The Board does not expect that the possible disposal by the CCT Fortis Group of all its remaining shareholding interest in the Company will have any significant impact on the Group's operations, which will continue to be managed by the existing management.

REVIEW OF OPERATIONS

The Group's core business continued to be adversely impacted by the difficult and challenging operating environment.

Telecom Product Business and Child Product Trading Business

During the reporting period, revenue of the Telecom Product Business, which is engaged by the CCT Tech Group under the Group, further dropped by 18.7% to $300 million. Revenue of the Child Product Trading Business also declined by 7.4% to $75 million for the period. Declining revenue from product sales was led by the sluggish economic growth of our major markets in Europe and intensifying competition in the cordless phone sector. The significant devaluation of euro against US dollar has also dampened consumer demand of telecom and electronic products in the European markets.

Shortage of labour and the continuing rise in wage level in the Guangdong Province, the People's Republic of China (the "**PRC**") remained one of the biggest challenges to the Group's product manufacturing and sales. It is noted that minimum wage in the Guangdong Province has doubled in the past five years. It has become difficult to recruit and retain workers and workers turnover rate has climbed and stayed at a high level. As a result, production costs increased and efficiency suffered. In the past few years, the management has made a lot of efforts in combating this problem by re-engineering the Group's products, streamlining and optimizing production processes and its relentless efforts of cost savings. These efforts have partly compensated the increase in labour costs and overheads but could not turn the product manufacturing operations back into profitability yet. Caused by the decrease in revenue, increase in wages and lower labour efficiency, the Telecom Product Business incurred an operating loss (before finance costs and taxation, if any) of $6 million in the current period. On the other hand, the Child Product Business could achieve an operating profit of $2 million.

The conversion in 2014 of the Group's owned office properties in Shenzhen, which was previously used as the Group's previous research and development center into rental properties, was proven to be a wise strategic move. Since then, the Group has rented out almost all of the Shenzhen properties to third party tenants for a monthly rental of approximately Renminbi ("**RMB**") 400,000, in aggregate. The conversion has also produced certain savings in administrative costs to the Group. Furthermore, the revaluation of the Shenzhen properties as at 30 June 2014 had given rise to a fair value gain of $39 million, which resulted in the Telecom Product Business to report an operating profit of $21 million, for the six months ended 30 June 2014. No fair value change was recorded on the Shenzhen properties in the first six months of 2015.

Mainland Property Business

All of the Group's property development projects continued to be situated in Anshan, Liaoning Province, the PRC. The residential market in the mainland, the PRC (the "**Mainland China**") went through a period of contraction with weak sales and price reductions in the past two years. However, we noticed that market activities appeared to rebound gradually since beginning of this year. With certain easing of Central Government's tightening policies on housing market, the relaxation of home mortgage terms, several rounds of interest rate cut and reductions in required reserve ratios for banks, we have seen market sentiment has improved and property demand has rebounded. However, housing prices, especially in the lower-tier cities like Anshan City remain weak as there are still some debt-ridden local developers which continue to adopt low-price or price-cutting policy in order to boost sales of properties.

Our decision to start development and construction of the Evian Villa Phase 2 in the first half of 2014, during a period of weak market, has proven to be wise and successful. This new development has further improved the quality and living environment of the entire Evian Villa project and has also demonstrated to buyers and potential home buyers of our solid financial strength and our firm commitment to the local development. As a result, CCT Land has earned us a strong brand image as a reputable and supreme quality property developer in Anshan. The upmarket Evian Villa project has attracted a lot of interest from the local property market, which is predominately underpinned by end-user demand. Driven by successful development of our Anshan projects, revenue from property sales increased to $62 million, representing a period-on-period increase of 51.2% as compared to property sales of $41 million for the last comparable period. A total of 11,946 square meters in gross floor area ("**GFA**") of property units were sold in the current period. As property prices remained weak and revenue remained at a relatively low level, the Anshan projects incurred an operating loss of $6 million in the current period, as compared to an operating loss of $11 million in the equivalent period of last year.

OUTLOOK

Looking forward, the global economy is expected to move modestly in the second half of the year. US economic growth is likely to accelerate. However, the recent devaluation of RMB by the People's Bank of China has raised concerns over a slowdown of the Chinese economy. Further monetary easing by the Chinese Central Government in the form of interest rate cuts and reduction in reserves ratios for banks is expected in the second half of the year. The mainland economy is expected to stabilize at a lower growth rate. Furthermore, the ongoing challenges in the eurozone remain one of key uncertainties in global economy.

We will continue to reform the Group's manufacturing operations with a view to overcome the operating challenges that we face. We will continue to pursue our on-going initiatives to improve productivity and our relentless efforts of cost saving. We will implement further measures to reform labour management and improve efficiency. We expect that the restructuring will incur certain one-off costs but we believe that these new measures will enhance workers' management, improve labour efficiency and produce significant cost savings in long run.

We will continue to pursue property quality and service excellence in relation to our Anshan projects. We will continue to enhance our strong brand reputation in the city. We will also strive to boost sales of more property units and expect the current sale momentum will continue in the second half of the year. We are cautiously optimistic about the Mainland Property Business and expect that the business will deliver higher sales in the second half of the year.

We will continue to explore other business and investment opportunities to broaden the Group's revenue and improve its profitability.

APPRECIATION

On behalf of the Board, I would like to welcome Mr. Huanfei Guan, Mr. Ong Ban Poh, Michael, Ms. Lai Mei Kwan and Mr. William Robert Majcher to the Board and thank Mr. William Donald Putt and Mr. Chen Li for their contributions to the Company during their term of service as directors of the Company. I wish to thank the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the period. 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, 28 August 2015

FINANCIAL REVIEW

HIGHLIGHTS ON FINANCIAL RESULTS AND OTHER COMPREHENSIVE LOSS

$ million	Six months ended 30 June **2015** **(Unaudited)**	 2014 (Unaudited)	% increase/ (decrease)
Revenue	**437**	491	(11.0%)
Other income and gains	**11**	50	(78.0%)
Finance costs	**22**	23	(4.3%)
Loss before tax	**(35)**	(16)	118.8%
Income tax expense	**-**	-	-
Loss for the period	**(35)**	(16)	118.8%
Other comprehensive loss, net of tax	**-**	(17)	N/A

Discussion on Financial Results and Other Comprehensive Loss

The Group recorded revenue of $437 million for the six months ended 30 June 2015, representing a net 11.0% decrease over the $491 million for the corresponding period in 2014, mainly due to the reduction of revenue of the Telecom Product Business, partly compensated by the increase in revenue from property sales in the PRC. In the first half of 2014, a fair value gain of $39 million was recognized on the Group's Shenzhen rental properties and this gain was classified as "other income and gains" in the Group's consolidated statement of profit or loss for the period of the six months ended 30 June 2014. There was no fair value change of the Group's Shenzhen properties in the first six months of the year and as such, the Group's other income decreased by 78.0% from $50 million for the 2014 corresponding period to $11 million for the current period. Finance costs amounted to $22 million, marginally decreased from the $23 million finance costs for the last corresponding period. These costs included $13 million interest on the promissory notes due to the CCT Fortis Group, of which $12 million represented the non-cash notional interest recognized for accounting purposes on the interest-free promissory note due to a wholly-owned subsidiary of CCT Fortis. This interest-free promissory note was created to satisfy the consideration for the assignment of the mainland property business into the Group by CCT Fortis in 2013.

As a result of reduction of the revenue and other income, the Group's net loss increased to $35 million, an increase of 118.8% as compared to the $16 million loss for the comparable period.

There was no other comprehensive income/loss recorded in the current period. The other comprehensive loss of $17 million included in the last comparable period's consolidated statement of comprehensive income represented unrealised exchange losses on translation of the accounts of the property subsidiaries in the PRC, which was attributable to devaluation of RMB in the first half of 2014. The exchange rate of RMB was stable in the first half of 2015 and no such translation gain or loss was recognized in the current period.

ANALYSIS BY BUSINESS SEGMENT

	Revenue Six months ended 30 June				
	2015		2014		
$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited)	Relative %	% Increase/ (decrease)
Telecom Product Business	**300**	**68.6%**	369	75.1%	(18.7%)
Child Product Trading Business	**75**	**17.2%**	81	16.5%	(7.4%)
Mainland Property Business	**62**	**14.2%**	41	8.4%	51.2%
Total	**437**	**100.0%**	491	100.0%	(11.0%)

	Operating (loss)/profit Six months ended 30 June		
$ million	**2015 (Unaudited)**	2014 (Unaudited)	% Increase/ (decrease)
Telecom Product Business	**(6)**	24	N/A
Child Product Trading Business	**2**	1	100%
Mainland Property Business	**(6)**	(11)	(45.5%)
Total	**(10)**	14	N/A

The segmental operating results were presented in amounts before finance costs and taxation.

The Telecom Product Business, being the largest business segment of the Group, contributed 68.6% of the Group's total revenue in the current period. This business segment continued to be impacted by unfavourable market environment including the sluggish economy in the major markets of Europe, intensifying competition and significant devaluation of euro against US dollar, which resulted in the segment's revenue to further decline to $300 million, down 18.7% as compared with the revenue of $369 million for the corresponding period in last year. The manufacturing segment incurred an operating loss of $6 million, as compared to an operating profit of $24 million in the first half of 2014, which was primarily attributable to the unrealised fair value gain of $39 million recognized on the Group's Shenzhen rental properties in last period. There was no fair value change recognized on the Shenzhen rental properties in the current period. The Child Product Trading Business also recorded decline in revenue by 7.4% to $75 million, representing 17.2% of the Group's total revenue. However, this business unit could still achieve an operating profit of $2 million, as compared to an operating profit of $1 million for the equivalent period last year.

The Mainland Property Business reported an operating loss of $6 million, a reduction of 45.5% compared with the $11 million loss incurred in the last comparable period, due to increase of revenue by 51.2% to $62 million, amidst a gradual rebound of the activities in the mainland property market, as a result of relaxation of Chinese housing policy and monetary easing.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Revenue Six months ended 30 June				
$ million	**2015 Amount (Unaudited)**	**Relative %**	2014 Amount (Unaudited)	Relative %	% Increase/ (decrease)
Europe	**192**	**43.9%**	274	55.9%	(29.9%)
Asian Pacific and others	**169**	**38.7%**	149	30.3%	13.4%
North America	**76**	**17.4%**	68	13.8%	11.8%
Total	**437**	**100.0%**	491	100.0%	(11.0%)

The European markets remained the Group's largest market regions and contributed 43.9% of the Group's total revenue. Sales of products to Europe further dropped by 29.9% to only $192 million, caused mainly by sluggish European economy in global, intense competition and significant devaluation of euro against US dollar, which dampened consumer demand of telecom and electronic products in the regions. Revenue from the Asian Pacific and other regions was $169 million, which contributed 38.7% of the Group's total revenue, represented an increase of 13.4% as compared to $149 million revenue for the equivalent period in last year. The increase in revenue contribution from these market regions was mainly led by increased revenue from property sales in Anshan. The North American markets contributed higher revenue to the Group to $76 million in the current period, increased 11.8% period-to-period, caused mainly by sales of telecom products to the regions.

HIGHLIGHTS ON SIGNIFICANT MOVEMENTS OF FINANCIAL POSITION

$ million	**30 June 2015 (Unaudited)**	31 December 2014 (Audited)	% increase/ (decrease)
Property, plant and equipment	**164**	178	(7.9%)
Prepaid land lease payments	**40**	41	(2.4%)
Investment properties	**333**	333	0%
Inventories	**55**	65	(15.4%)
Properties under development	**368**	292	26.0%
Completed properties held for sale	**685**	739	(7.3%)
Trade receivables	**165**	246	(32.9%)
Prepayments, deposits and other receivables	**311**	312	(0.3%)
Current and non-current pledged time deposits	**219**	193	13.5%
Cash and cash equivalents	**230**	208	10.6%
Current and non-current interest-bearing bank borrowings	**503**	530	(5.1%)
Deferred tax liabilities	**115**	115	(0%)
Promissory notes	**1,047**	985	6.3%
Trade and bills payables	**299**	442	(32.4%)
Equity attributable to owners of the parent	**495**	420	17.9%

Discussion on Major Movements in Financial Position

As at 30 June 2015, the balance of the property, plant and equipment decreased by 7.9% to $164 million, while the balance of prepaid land lease payments decreased by 2.4% to $40 million. The changes of these two account balances were mainly attributable to the depreciation and amortization charge for the period.

There was no change in the investment properties, which stood at 333 million as at 31 December 2014 and 30 June 2015, as there was no fair value change of the Group’s investment properties during the period.

Inventory further decreased by 15.4% period-to-period, in line with the decrease in sales of the products. The inventory turnover period of the Group maintained at a healthy level of only 30.9 days (31 December 2014: 25.9 days).

Balance of the properties under development was $368 million as at 30 June 2015, up 26% from $292 million as at last year end. The increase in balance mainly represented development and construction costs incurred for the Evian Villa Phase 2, which was not yet completed at period end.

As at 30 June 2015, completed properties held for sale amounted to $685 million, representing the costs of the completed property units in Anshan, down from $739 million at last balance sheet date. The decrease was primarily attributable to carrying costs of properties sold during the period, which were debated to profit or loss.

Trade receivables amounted to $165 million as at current year end, decreased by 32.9%, as compared to $246 million as at last balance sheet date, generally in line with the decrease in product sales.

The account balance of prepayments, deposits and other receivables was $311 million as at 30 June 2015, marginally increased from the balance of $312 million as at 31 December 2014. This account balance included the carrying value of a prepayment of $278 million related to a contracted acquisition of the land use right of a piece of land site in Anshan.

Current and non-current pledged time deposits were $219 million, which included $109 million (equivalent to RMB87 million) deposits denominated in RMB. These RMB deposits had been pledged to a banker to secure equivalent amounts of Hong Kong dollar loans. Such arrangements were made for hedging RMB appreciation risk.

Reported cash and cash equivalents (excluding pledged deposits) increased by 10.6% to $230 million. This net increase represented the net effect from net proceeds received from placing of new shares after deducting funds used for operations and net repayment of bank loans in the first half of 2015.

The aggregate amount of the current and non-current bank borrowings amounted to $503 million as at the end of the current period, a decrease of 5.1% compared to $530 million as at the end of last year, due primarily to part repayment of bank loans during the period.

As at 30 June 2015, deferred tax liabilities was $115 million, no change from the balance as at 31 December 2014. The deferred tax liabilities included $93 million deferred tax liability related to the fair value adjustments of the Anshan property projects, at the time the projects were assigned in July 2013 into the Group from CCT Fortis. The deferred tax liabilities will be credited to the consolidated statement of profit or loss in the future as when the related property units are sold and the related actual current tax liability is charged to profit or loss.

Promissory notes amounted to $1,047 million at current period end, up 6.3% from $985 million as at the last year end. The promissory notes are due by the Company to the CCT Fortis Group, of which $872 million represented fair value of the interest-free promissory note issued to satisfy deferred payment of the consideration for assignment of the mainland property development business from CCT Fortis into the Group. The remaining promissory notes of $175 million carry interest at 3% per annum and represented consideration to acquire the child product business and loans borrowed from CCT Fortis. The majority of the promissory notes are mature on the date falling on the third anniversary of their respective date of issue.

Trade and bills payables decreased by 32.4% from $442 million as at 31 December 2014 to $299 million as at 30 June 2015, attributable mainly to the reduction of cost of purchase as a result of declining revenue from product sales.

Equity attributable to owners of the parent increased 17.9% from $420 million as at 31 December 2014 to $495 million as at 30 June 2015 due to the issue and allotment of 4,280,000,000 new Shares at $0.025 per Share by way of placing less loss attributable to the owners of the parent for the period.

CAPITAL STRUCTURE AND GEARING RATIO

	30 June 2015		31 December 2014	
	Amount	**Relative**	Amount	Relative
$ million	**(Unaudited)**	**%**	(Audited)	%
Bank borrowings	**503**	**50.4%**	530	55.8%
Equity	**495**	**49.6%**	420	44.2%
Total capital employed	**998**	**100.0%**	950	100.0%

The Group's gearing ratio decreased to 50.4% as at 30 June 2015 (31 December 2014: 55.8%) as a result of combined effect of net decrease of bank borrowings and increase in equity during the period.

The Group's outstanding bank borrowings amounted to $503 million as at 30 June 2015 (31 December 2014: $530 million (including finance lease payable of $1 million)). As at 30 June 2015, the maturity profile of the Group's bank borrowings falling due within one year and in the second to the fifth years amounted to $391 million and $112 million respectively (31 December 2014: $475 million and $55 million, respectively).

Of the Group's bank borrowings, a total of $403 million (31 December 2014: $430 million) bank loans were borrowed to finance the ordinary business of the Group and the balance of $100 million (31 December 2014: $100 million) represented Hong Kong dollar loans secured by RMB deposits for hedging against RMB appreciation exposure. There was no material effect of seasonality on the Group's borrowing requirements.

Liquidity and Financial Resources

	30 June 2015	31 December 2014
$ million	**(Unaudited)**	(Audited)
Current assets	**2,033**	2,041
Current liabilities	**801**	1,032
Current ratio	**253.8%**	197.8%

Current ratio as at 30 June 2015 was 253.8% (31 December 2014: 197.8%). The improvement is due to reduction of current liabilities. Of the total cash balance of $449 million (31 December 2014: HK$401 million), deposits of $219 million (31 December 2014: $193 million) were pledged for general banking facilities and for arrangement of hedging RMB appreciation.

On 11 May 2015, the Company entered into a placing agreement (the "**Placing Agreement**") with an independent placing agent (the **"Placing Agent"**) to place, on a best efforts basis, up to 4,280,000,000 shares of the Company (the "**Placing**") (representing approximately 6.49% of the then total number of issued shares of the Company and approximately 6.09% of the total number of issued shares as enlarged by the allotment and issue of the maximum number of the placing shares pursuant to the Placing Agreement). All the 4,280,000,000 Shares (the "**Placing Shares**") have been successfully placed and completion of the Placing took place on 18 May 2015, under which a total of 4,280,000,000 Placing Shares were issued and allotted under the general mandate of the Company. Details of the Placing have been disclosed in the Company's announcements dated 11 May 2015 and 18 May 2015. Further details of the Placing are set out as follows:

(1) In view of the then volatile market conditions and uncertain global economy, the Board considered that it was a good timing and opportunity to conduct the Placing which would allow the Company to raise additional funds and widen its shareholder base.
(2) The Placing Shares are ordinary shares of the Company with par value of HK$0.01 each (the "**Shares**").
(3) A total of 4,280,000,000 new Shares were issued and allotted pursuant to the Placing, which have an aggregate nominal value of HK$42,800,000.
(4) The issue price of the Placing Shares was HK$0.025 per Placing Share.
(5) The net placing price was HK$0.0243 per Placing Share.
(6) The Placing Shares were placed by the Placing Agent to not less than six placees which/who are professional, institutional, and/or individual investors. To the best of knowledge, information and belief, having made all reasonable enquiries, all the placees and their ultimate beneficial owners (where applicable) were third parties independent of the Company and its connected persons and none of them became a substantial shareholder of the Company upon completion of the Placing.
(7) The closing price of the Share as quoted on the Stock Exchange on 11 May 2015, being the date of the Placing Agreement was HK$0.028 per Share and the placing price represented a discount of approximately 10.7% to the then market price.
(8) The Company has received net proceeds of approximately HK$104 million from the Placing, The Company intends to apply the net proceeds from the Placing for general working capital and any possible business development and investment of the Group when appropriate opportunity arises. Up to 30 June 2015, approximately HK$500,000 net proceeds has been used as general working capital of the Group.

In view of the Group's current cash position and the unutilised 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 30 June 2015, capital commitment of the Group amounted to $2 million (31 December 2014: $2 million). The capital commitment will be funded partly by internal resources and partly by bank borrowings.

TREASURY MANAGEMENT

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

During the period under review, the Group's receipts were mainly denominated in US dollar and RMB. Payments were mainly made in Hong Kong dollar, United States ("**US**") dollar and RMB. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, US dollar and RMB. As at 30 June 2015, 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 interest rates currently remain at low level. As for foreign exchange exposures, the Group is principally exposed to two major currencies, namely US dollar and RMB in terms of receipts and the RMB in terms of costs (including workers' wages and overhead and costs of the Anshan projects) in Mainland China. As for 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 a large portion of the Group's purchases are also made in US dollar, which are to be paid out of our sales receipts in US dollar, the management considers that the foreign exchange exposure risk for the US dollar is limited.

As for RMB exposure, since factory wages and overhead of our Guangdong factory are paid in RMB, we had exposed to RMB exchange risk as the Hong Kong dollar equivalent of our RMB-denominated costs would increase if exchange rate of RMB rose. In order to hedge against RMB appreciation risk, we had converted some of our surplus funds from Hong Kong dollar into RMB in the past years. These accumulated funds amounted to approximately RMB87 million (equivalent to HK$109 million) as at 30 June 2015, had been placed on deposits and these RMB-denominated deposits had been pledged to a bank to secure equivalent amount of Hong Kong dollar loans. Such arrangement had been effective in hedging our exposure against RMB appreciation. The exchange rate of RMB was relatively stable in the first half of 2015 and hence no significant exchange gain or loss arose in the period.

The sudden devaluation of RMB against Hong Kong dollar of approximately 3.5% in August 2015 was unexpected. This devaluation would reverse part of the exchange gain that we have earned in the past but the exchange loss arising from the devaluation is not expected to be significant. As the scale of our manufacturing operations has been downsized in the past few years, we have unwound the hedging arrangement after the period end in order to reduce our exposure to further RMB depreciation. The unwinding of the hedging arrangement will give rise to an exchange loss of approximately $4 million which will be debited to the profit or loss account in the second half of the year.

As the books of accounts of the Group's Anshan property subsidiaries are kept in RMB, the devaluation of RMB may give rise to an unrealised exchange loss at year end arising from the translation of the accounts of the PRC property subsidiaries into Hong Kong dollar for consolidation purposes. Any translation loss will be classified as other comprehensive loss to be debited to the consolidated statement of comprehensive income of the Group at year end. The Board remains optimistic about the long-term outlook of China's economy and the long-term trend of RMB. We take the view that RMB will continue to be a strong currency in the long run.

ACQUISITIONS AND DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

SIGNIFICANT INVESTMENT

The Group did not purchase, sell or hold any significant investment during the period ended 30 June 2015 and as at the last balance sheet date.

PLEDGE OF ASSETS

As at 30 June 2015, certain assets of the Group with a net book value of $1,163 million (31 December 2014: $963 million), net assets of a subsidiary having a book value of $288 million (31 December 2014: $289 million) and time deposits of $219 million (31 December 2014: $193 million) were pledged to secure general banking facilities granted to the Group to finance operations and to secure arrangements for hedging RMB exposure.

CONTINGENT LIABILITIES

As at 30 June 2015, 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 2015 was 2,254 (31 December 2014: 3,404). The Group's remuneration policy is built on the 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 2015, there were outstanding share options of 15,000,000 shares (31 December 2014: 600,000,000 shares).

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

In May 2015, the Company placed through a placing agent a total of 4,280,000,000 new shares of the Company under the Company's general mandate at a price of $0.025 per share, through the placing agent, to not less than six independent placees which are professional, institutional, and/or individual investors.

Save for the placing of new shares of the Company mentioned above, 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 2015.

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 "**Shareholders**") 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 2015 to 30 June 2015, 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; and

(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.

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 2014 Annual Report of the Company issued in April 2015 and will be disclosed in the 2015 Interim Report of the Company, which will be despatched to the Shareholders on or before 30 September 2015.

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 2015.

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 2015.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2015 INTERIM REPORT

This interim results announcement is published on the websites of the Company at www.cctland.com/eng/investor/statutory.php and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk. The 2015 Interim Report of the Company will be despatched to the Shareholders 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, Ms. Cheng Yuk Ching, Flora, Mr. Tam Ngai Hung, Terry, Mr. Ong Ban Poh, Michael, Mr. Huanfei Guan and Ms. Lai Mei Kwan and the independent non-executive Directors are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. William Robert Majcher.

By Order of the Board

Mak Shiu Tong, Clement
Chairman

Hong Kong, 28 August 2015

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 2015 together with the comparative figures for the corresponding period in 2014 as follows:

Condensed Consolidated Statement of Profit or Loss
For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
HK$ million	Notes	**(Unaudited)**	(Unaudited)
REVENUE	4	**437**	491
Cost of sales		**(410)**	(474)
Gross profit		**27**	17
Other income and gains		**11**	50
Selling and distribution expenses		**(12)**	(14)
Administrative expenses		**(38)**	(45)
Other expenses		**(1)**	(1)
Finance costs	5	**(22)**	(23)
LOSS BEFORE TAX	6	**(35)**	(16)
Income tax expense	7	**-**	-
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(35)**	(16)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		**(HK0.05 cent)**	(HK0.02 cent)
Diluted		**(HK0.05 cent)**	(HK0.02 cent)

Details of the dividends payable and proposed for the period are disclosed in note 8 to the financial statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

HK$ million	Six months ended 30 June **2015** **(Unaudited)**	 2014 (Unaudited)
LOSS FOR THE PERIOD	**(35)**	(16)
Other comprehensive loss to be reclassified to profit or loss in subsequent period, net of tax :		
Exchange differences on translation of foreign operations	**-**	(17)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(35)**	(33)

Condensed Consolidated Statement of Financial Position

30 June 2015

HK$ million	Notes	**30 June 2015 (Unaudited)**	31 December 2014 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**164**	178
Investment properties		**333**	333
Prepaid land lease payments		**40**	41
Pledged time deposits		**-**	14
Total non-current assets		**537**	566
Current assets			
Inventories		**55**	65
Properties under development		**368**	292
Completed properties held for sale		**685**	739
Trade receivables	11	**165**	246
Prepayments, deposits and other receivables		**311**	312
Pledged time deposits		**219**	179
Cash and cash equivalents		**230**	208
Total current assets		**2,033**	2,041
Total assets		**2,570**	2,607
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**703**	654
Reserves		**(208)**	(234)
Total equity		**495**	420
Non-current liabilities			
Interest-bearing bank borrowings		**112**	55
Deferred tax liabilities		**115**	115
Promissory notes		**1,047**	985
Total non-current liabilities		**1,274**	1,155
Current liabilities			
Trade and bills payables	12	**299**	442
Tax payable		**7**	7
Other payables and accruals		**104**	108
Interest-bearing bank borrowings		**391**	475
Total current liabilities		**801**	1,032
Total liabilities		**2,075**	2,187
Total equity and liabilities		**2,570**	2,607
Net current assets		**1,232**	1,009
Total assets less current liabilities		**1,769**	1,575

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 Rule**s") 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 2014 (the "**2014 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 2014 Annual Report.

The following new and revised HKFRSs have been adopted by the Company with effect from 1 January 2015. The adoption of the new and revised HKFRSs does not have any significant financial effect on the interim financial statements.

Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs

3. OPERATING SEGMENT INFORMATION

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

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

(b) the child product trading segment which is the trading of baby and child products ; and

(c) the property development segment which is engaged in the development and sale of residential and commercial properties in the Mainland China.

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 equity-settled share option expense as well as head office and corporate expenses are excluded from such measurement.

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

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

3. OPERATING SEGMENT INFORMATION (CONTINUED)

For the period ended 30 June 2015

HK$ million	Telecom and electronic products Six months ended 30 June 2015 (unaudited)	Trading of child Products Six months ended 30 June 2015 (unaudited)	Property development Six months ended 30 June 2015 (unaudited)	Reconciliation Six months ended 30 June 2015 (unaudited)	Group Total Six months ended 30 June 2015 (unaudited)
Segment revenue:					
Sales to external customers	300	75	62	-	437
Other revenue	10	-	-	-	10
	310	75	62	-	447
Operating (loss)/profit	(6)	2	(6)	-	(10)
Finance costs	(7)	-	(15)*	-	(22)
Reconciled items:					
Equity-settled share option expense	-	-	-	-	-
Corporate and other unallocated expenses	-	-	-	(3)	(3)
(Loss)/Profit before tax	(13)	2	(21)	(3)	(35)
Income tax expense	-	-	-	-	-
Loss for the period	(13)	2	(21)	(3)	(35)
Other segment information:					
Interest income	2	-	-	-	2
Expenditure for non-current assets	4	-	-	-	4
Depreciation and amortization	(17)	-	-	-	(17)
Other material non-cash items:					
Impairment of trade receivables	-	-	-	-	-
Equity-settled share option expense	-	-	-	-	-
Fair value gain on investment properties	-	-	-	-	-

3. OPERATING SEGMENT INFORMATION (CONTINUED)

For the period ended 30 June 2014

HK$ million	Telecom and electronic products Six months ended 30 June 2014 (unaudited)	Trading of child Products Six months ended 30 June 2014 (unaudited)	Property development Six months ended 30 June 2014 (unaudited)	Reconciliation Six months ended 30 June 2014 (unaudited)	Group Total Six months ended 30 June 2014 (unaudited)
Segment revenue:					
Sales to external customers	369	81	41	-	491
Other revenue	10	-	1	-	11
	379	81	42	-	502
Operating (loss)/profit	21#	1	(11)	-	11
Finance costs	(8)	-	(14)*	(1)	(23)
Reconciled items:					
Equity-settled share option expense	-	-	-	(2)	(2)
Corporate and other unallocated expenses	-	-	-	(2)	(2)
(Loss)/Profit before tax	13	1	(25)	(5)	(16)
Income tax expense	-	-	-	-	-
Loss for the period	13	1	(25)	(5)	(16)
Other segment information:					
Interest income	2	-	-	-	2
Expenditure for non-current assets	3	-	-	-	3
Depreciation and amortization	(21)	-	-	-	(21)
Other material non-cash items:					
Impairment of trade receivables	-	-	-	-	-
Equity-settled share option expense	-	-	-	(2)	(2)
Fair value gain on investment properties	39	-	-	-	39

* Included non-cash accounting notional interest of HK$12 million for each period on the interest-free promissory notes arising from passage of time.

\# Taking into account unrealised fair value gain of HK$39 million on the Shenzhen office properties.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

HK$ million	Telecom and electronic products Six months ended 30 June 2015 (unaudited)	Trading of Child Products Six months ended 30 June 2015 (unaudited)	Property development Six months ended 30 June 2015 (unaudited)	Reconciliation Six months ended 30 June 2015 (unaudited)	Group Total Six months ended 30 June 2015 (unaudited)
Segment assets	1,155	43	1,371	-	2,569
Reconciled items					
Corporate and other unallocated assets	-	-	-	1	1
Total assets	1,155	43	1,371	1	2,570
Segment liabilities	800	4	1,150	-	1,954
Reconciled items					
Corporate and other unallocated assets	-	-	-	121	121
Total liabilities	800	4	1,150	121	2,075

HK$ million	Telecom and electronic products Year ended 31 December 2014 (Audited)	Trading of Child Products Year ended 31 December 2014 (Audited)	Property Development Year ended 31 December 2014 (Audited)	Reconciliation Year ended 31 December 2014 (Audited)	Group Total Year ended 31 December 2014 (Audited)
Segment assets	1,229	50	1,327	-	2,606
Reconciled items					
Corporate and other unallocated assets	-	-	-	1	1
Total assets	1,229	50	1,327	1	2,607
Segment liabilities	890	21	1,151	-	2,062
Reconciled items					
Corporate and other unallocated assets	-	-	-	125	125
Total liabilities	890	21	1,151	125	2,187

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

a) Revenue from external customers

	Six months ended 30 June	
	2015	2014
HK$ million	**(Unaudited)**	(Unaudited)
Europe	**192**	274
Asian Pacific and others	**169**	149
North America	**76**	68
	437	491

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

b) Non-current assets

	30 June	31 December
	2015	2014
HK$ million	**(Unaudited)**	(Audited)
Hong Kong	**8**	7
Mainland China	**529**	545
	537	552

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

Information about major customers

For the six months ended 30 June 2015, revenue from each of two major customers of the manufacture segment and the trading segment of child products segment was HK$72 million and HK$49 million respectively, representing 16% and 11% of the Group's total revenue, respectively.

For the six months ended 30 June 2014, revenue from each of two major customers of the manufacture segment and the trading segment of child products was HK$147 million and HK$57 million respectively, representing 30% and 12% of the Group's total revenue, respectively.

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and interest income, and gross proceeds (net of business tax) from the sale of properties during the period.

An analysis of revenue is as follows:

	Six months ended 30 June	
	2015	2014
HK$ million	**(Unaudited)**	(Unaudited)
Manufacture and sale of telecom, electronic and child products	**373**	448
Sale of properties	**62**	41
Bank interest income	**2**	2
	437	491

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2015	2014
HK$ million	**(Unaudited)**	(Unaudited)
Interest on bank loans wholly repayable within five years	**9**	9
Interest on promissory notes	**1**	2
Total interest expense on financial liabilities not at fair value through profit or loss	**10**	11
Interest of discounted amount of promissory note arising from passage of time	**12**	12
	22	23

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2015	2014
HK$ million	**(Unaudited)**	(Unaudited)
Cost of inventories sold	**352**	436
Cost of properties sold	**58**	38
Depreciation	**16**	20
Amortisation of prepaid land lease payments	**1**	1

7. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for the six months ended 30 June 2015 and 2014 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.

	Six months ended 30 June	
	2015	2014
HK$ million	**(Unaudited)**	(Unaudited)
Current – Mainland China		
Underprovision in prior years	**-**	1
Mainland China land appreciation tax	**1**	1
Deferred tax	**(1)**	(2)
Total tax charge for the period	**-**	-

8. DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

9. 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$35 million (30 June 2014: HK$16 million), and the weighted average number of 66,942,743,992 (30 June 2014: 65,413,993,990) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the period ended 30 June 2015 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

No adjustment has been made to the basic loss per share amount presented for the period ended 30 June 2014 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired fixed assets of approximately HK$4 million (six months ended 30 June 2014: HK$3 million).

11. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2015 (Unaudited)		31 December 2014 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**41**	**25**	83	34
31 to 60 days	**51**	**31**	82	33
61 to 90 days	**40**	**24**	50	20
Over 90 days	**33**	**20**	31	13
	165	**100**	246	100

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

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2015		31 December 2014	
	(Unaudited)		(Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**86**	**29**	175	39
31 to 60 days	**42**	**14**	56	13
61 to 90 days	**38**	**13**	47	11
Over 90 days	**133**	**44**	164	37
	299	**100**	442	100

As at 30 June 2015, included in the trade and bill payables are trade payables of HK$17 million (31 December 2014: HK$47 million) due to CCT Plastic Limited, a wholly-owned subsidiary of CCT Fortis, which are unsecured, interest-free and repayable within 90 days from date of invoice.

The trade payables are non-interest bearing and are normally settled on 60-days terms.

13. EVENTS AFTER THE REPORTING PERIOD

The Deed of Share Charge and Guarantee (the "**Deed**") dated 28 May 2015 was entered into by the Company as chargor, CCT Tech Global Holdings Limited ("**CCT Global**"), a wholly-owned subsidiary of the Company, as guarantor in favour of Jade Assets Company Limited (a wholly-owned subsidiary of CCT Fortis) and CCT Fortis as chargees, under which the Company, as beneficial owner of all the issued shares of CCT Global (the "**Charged Shares**"), has agreed to mortgage the Charged Shares as continuing security for the payment, performance and discharge of the secured obligations under the promissory notes (the "**Promissory Notes**") due to the CCT Fortis Group and the corporate guarantee (the **"Corporate Guarantee**") provided by CCT Fortis to a bank to guarantee banking facilities granted to the Group (the "**Secured Obligations**") and CCT Global has irrevocably and unconditionally agreed to guarantee the due and punctual payment of each and every sum falls due from the Company under the Secured Obligations, which represent the Promissory Notes and the Corporate Guarantee of the principal amount of HK$1,065,671,000 and HK$145,550,000, respectively. The Deed was approved by the independent shareholders of the Company on 6 July 2015 and has become effective since that date.

14. COMPARATIVE FIGURES

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