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 2016

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to report the annual results of the Group for the year ended 31 December 2016.

In 2016, the Group delivered another year of strong results, and achieved good progress in development of its new business ventures, as elaborated in the "Business Review" section below. Reported revenue was HK$895 million, surged 47.2% compared with 2015, primarily due to contribution from the Group's securities trading business and contribution from the newly acquired businesses. Profit attributable to owners of the parent was HK$303 million. This solid performance was primarily driven by the strong revenue and profits of the Group's securities business and contribution from the newly acquired businesses in the cultural entertaining sector.

PROPOSED FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK$0.035 per share for the year 2016 to the shareholders whose names appear on the register of members of the Company on Friday, 2 June 2017, subject to the approval of the Shareholders at the forthcoming AGM. The proposed final dividend will be payable from the Company's distributable reserve and the expected payment date will be Monday, 19 June 2017 following the Shareholders' approval at the forthcoming AGM. The total dividend per share for 2016 would amount to HK$0.070 (2015: HK$0.065).

BUSINESS REVIEW

The Group's array of diversified businesses comprise the traditional business of property development, trading and investment, securities trading and manufacturing of plastic components and trading of child products and the new business ventures including the multi-faceted automotive business and the cultural entertainment business.

1. PROPERTY BUSINESS

Prices of residential properties surged in the second half of 2016, despite the Hong Kong Government increased the stamp duty on residential property transactions to 15%, with a view to cool down the property market. Prices of small- to medium-sized flats rose most although transaction volume of the secondary market declined. Auction prices of new land lots beat market estimates as some major Chinese developers are bullish in the residential property market in Hong Kong. On the other hand, the retail property sector fell as retail sales declined due to fall in tourism. The office property market was generally stable.

(a) Property development and trading in Hong Kong

In 2016, the Group's trading property portfolio comprised the five street-level shops with all the car parking spaces on ground floor of a property located in Kennedy Town, Sai Wan (the "**Sai Wan Property**") and the two consecutive floors of retail property on No. 8 Russell Street (the "**Russell Street Property**"), located in the center of the busiest shopping and tourist area of Causeway Bay.

Most of the Sai Wan Property has been rented out to new tenants at much higher rent than the old rental. As the Sai Wan Property caters for local consumption rather than tourists, its rental income was not affected by the downturn of the retail market. The value of the Sai Wan Property has risen substantially since our acquisition. However, the fall in tourism has adversely affected the retail property market in Causeway Bay. The management is still optimistic in the long term prospect of the Russell Street Property because of its excellent location and good quality. The management is exploring ways to utilize the Russell Street Property.

In the absence of disposal of any property project in the current period, the property segment incurred an operating loss (before finance costs and taxation) of HK$30 million (operating loss of HK$39 million for 2015), which comprised mainly impairment loss on the Russell Street Property, operating costs and administrative expenses.

(b) Property investment and holding

In 2016, our diversified portfolio of investment properties comprised luxury residential houses, office properties, retail properties and car parks, all of which are located in Hong Kong. As the Directors are confident in the luxury residential market, in the first half of the year, the Company acquired from Mr. Mak the entire issued capital of two groups of companies which hold the two luxury residential properties of House 38 and House 39, 56 Repulse Bay Road, Hong Kong at the share consideration of HK$250,200,000, which was satisfied by the issue of the 2024 Convertible Bonds. House 38 and House 39 are situated right on the top of House 36 and House 37, which have been held by the Group for many years. These four luxury houses are located in Repulse Bay - one of the most prestigious residential areas in Hong Kong. The acquisition enables the Group to combine and consolidate the ownership of all four houses together into a single block of luxury house complex of supreme quality with huge space of over 16,000 square feet. The acquisition is considered to be wise and is expected to enhance the overall value of all four houses together.

Because of the diversity of our property portfolio, the performance of our property investment operations was less impacted by the downturn of the retail property market. During the year, rental income from external parties increased to HK$12 million, up 20% compared with the prior year, due to rental reversions and new leases. During the year, the investment property segment recorded an operating loss of HK$13 million, primarily because of the net fair value losses of HK$17 million arising from revaluation of the retail properties held for investment, as opposed to an operating profit of HK$20 million in the prior year, mainly attributable to fair value gains of HK$20 million recorded in the last corresponding period.

2. SECURITIES BUSINESS

The Hong Kong stock market was volatile in 2016. The Hang Seng Index plummeted to 18,000 range in February 2016 due to concerns over slowing global economy, pace of the US interest hike, fall in global commodity prices, devaluation of RMB and high volatility of the mainland stock market. However, the Hong Kong stock market rebound in March 2016. The Hang Seng Index hovered between 20,000 to 21,000 points for a few months and began to rise in the second half of the year. The Hang Seng Index closed at 22,000 points as at the last trading day of 2016.

During the year, the Group's trading securities comprised principally of 30,000,000,000 CCT Land Shares and the CCT Land Convertible Bonds with principal amount of HK$495,671,000, convertible into 49,567,100,000 CCT Land Shares at HK$0.01 per conversion share (subject to adjustments according to terms and conditions of the CCT Land Convertible Bonds). Amid a volatile market, the Group grasped opportunities to dispose of its holdings of trading securities portfolio and was able to dispose of all the Group's holdings of CCT Land Shares and the CCT Land Convertible Bonds held by CCT Securities during the year, delivering substantial gains and profits to the Group. As a result, the securities business delivered the third consecutive year of strong results and contributed substantial operating profit of HK$506 million in the year, increased 27.5%, as compared with the comparative figure of HK$397 million in the prior year.

As at 31 December 2016, the securities portfolio of the Group comprised investment in a fund of approximately HK$18 million, which was held for trading.

3. BLACKBIRD AUTOMOTIVE BUSINESS

The Blackbird Automotive Group principally carries on the classic car trading and logistic business and classic car investment. Against slow global economic environment, Blackbird's classic car trading and logistics business had an encouraging year in 2016, delivering revenue of HK$60 million.

The management is very pleased with the Blackbird Automotive Group's rapid development of its multi-faceted automotive business, which was established in 2014. In the year under review, Blackbird Automotive Group continued to revolve and expand around the restoration and service, investment, trading and general business of both modern and classic cars, together with vehicle transportation services.

In 2016, the classic car trading business achieved sales of classic and new cars of renowned European brands to local collectors and overseas customers. These vehicles were procured from overseas and these transactions resulted in satisfactory returns. In addition, our classic car investment business acquired additional investment grade classic cars to its own collection during the year. The management expects that these investments have sound potential for future appreciation and profitability contribution to the Blackbird Automotive Group.

The company's logistics business has performed well during the year with a good operating margin. New contracts were achieved with a number of automotive clients in Hong Kong, with further opportunities under discussion. During the year, the business transported cars principally on behalf of local importers, distributors, dealers, and roadside assistance. Compared with the prior year, the order volume represented an encouraging increase of over 60%.

Equipped with one-stop service centre, this supports us to provide a full range of automotive services including restoration, maintenance, detailing, paint and body shops and a dedicated vehicle storage area. In the first half of the year, the Blackbird Group acquired an industrial property in Chai Wan with a gross floor area of approximately 20,390 square feet. This property has been used as corporate head office for the rapid-growing Blackbird Automotive business.

4. CULTURAL ENTERTAINMENT GROUP

(a) Film Operations

Established in 2015, the Cultural Entertainment Group has set a strong foothold in the fast-growing entertainment business sector. The Group's film operations, comprising production, investment and distribution of films globally, has achieved great progress in development during the year. The Film Department has co-invested with the renowned mainland film company, namely Dadi Century (Beijing) Co., Ltd in a Chinese film with the name of Shed Skin Papa (脫皮爸爸), which is casted by the popular artists in Hong Kong. This film was nominated to several awards in the 2016 Japan International Film Festival and is nominated to participate in the 2017 Hong Kong Film Awards. This film will be released in the second quarter of 2017 and is expected to achieve high box office receipts.

The Film Group will cooperate with two well-known mainland company, namely Sil-Metropole Organisation Limited and Beijing Jiaying Culture Media Company Limited to co-invest into two Chinese films. The Film Group will continue to invest in production and distribution of films globally, with a view to capture market share in the rapid-growing and huge film industry in the PRC and internationally.

(b) Audio and Lighting Operations

In March 2016, the Group diversified its cultural entertainment business into the audio and lighting operations by acquiring 70% shareholding in AHM. AHM is engaged in the hiring and installation of lighting and audio equipment and provision of services to customers for concerts, other entertainment events and other private and public events mainly in Hong Kong and the PRC. Founded in 1996, AHM has established a solid reputation as a market leader and enjoys strong growth in revenue and earnings. The founder of AHM, Mr. Chan Muk Hing, who will continue to manage the business, has provided profit guarantee of not less than HK$16,000,000 for the year ending 31 March 2017. As horizontal expansion of its business, AHM acquired the business, assets and equipment of the audio and lighting operations in Macau in October 2016. The Macau operations enjoy dominant and leading position in the sector of provision of audio and lighting equipment and services for concerts, entertainment events and other private and public events in Macau.

Since the aforesaid acquisition, the audio and lighting operations contributed an operating profit of HK$22 million to the Group, against revenue of HK$118 million. With a strong team of technicians and advanced audio and lighting equipments, the AHM Group is expected to maintain its leading position and continue to grow in the coming years.

(c) Stage Engineering Operations

In the second half of 2016, the Group further diversified its cultural entertainment business by acquiring a controlling equity interest in HHL. This company is engaged in provision of metal construction works and engineering services for concert and other entertainment events performed in Hong Kong, the PRC, Macau and South East Asia. With a strong team of technicians, HHL has established a strong reputation as a business leader in the stage engineering sector. It enjoys a rapid rate of growth in earnings and profits. In 2016, HHL contributed revenue of HK$25 million and operating profit of HK$8 million to the Group for approximately six months since acquisition.

(d) Multi-media business

Alongside with our traditional printing media titles, the Group will also focus its investment on various digital platforms including e-commerce and will diversify into the rapid-growing mobile game and apps development. In the first half of the year, it has licensed the first mobile game entitled "**LEGEND OF ASTERIA**", which is a role-play game developed by a Korean developer for the Hong Kong Market. This game won the first place in the Korean Game Creation Audition RPG category in 2015. This game was launched to the Hong Kong market in the fourth quarter of the year and has attracted good market attention. More mobile games relating to sports games are being developed in the pipelines and will be rolled out in the future.

5. INDUSTRIAL GROUP

(a) Manufacturing of plastic components

Most of the plastic components produced by this department are supplied to the CCT Tech Group for manufacture of telecom and child products.

In the year under review, revenue from component sales was HK$92 million, decreased marginally by 2.1% as compared with the comparable year. In 2016, the operating result of the components department improved significantly, recording operating loss of HK$11 million, reduced by 86.9% from 2015, mainly as a result of improvement in efficiency and cost savings.

(b) Child Products Trading Business

This business was acquired by the Group from the CCT Land Group in the third quarter of 2016. As the PRC has formally abolished the one-child policy since 2015, the Group considers that the birth rate in the PRC is expected to rise in the future and as a result, the demand for the Child Products with high quality and safety is expected to rise in the coming years. However, considerable pressure on price of child products is expected as competition in this region is keen. The Group will continue to source the Child Products from the CCT Tech Group in order to secure immediately a reliable source of high quality Child Products. This new business venture recorded revenue of HK$25 million and did not record any profit or loss for the three month period since acquisition.

OUTLOOK

Looking forward, the economic outlook is uncertain and is overshadowed by geopolitical development including heightened trade barriers and uncertainties arising from Brexit. Stronger USD and rising interest rate will continue to impact global economy in 2017.

Our trading property and investment property portfolio will continue to be subject to risks in relation to government policies on the property market, the Hong Kong economic outlook and the potential interest rate hike. Our retail properties are further subject to reduction of retail sales and slowdown of Chinese visitors to Hong Kong. However, our resilient management will monitor the market situation closely and will take initiatives to counter all these challenges. We will capitalize our strength in the property sector and will adopt flexible strategies to manage our property portfolio.

The securities trading business is subject to risk of the volatility of the stock market, which is, in turn, affected by external financial and economic outlook. We already disposed of all our holdings of trading securities in CCT Land during the year and our trading securities portfolio has been reduced to a small amount at the year end. Depending on the market situation, the Company may expand its securities portfolio in the current year, if good buying opportunity arises. It is the Company's policy to acquire and sell securities for value appreciation and any decision to deal in securities is made based on the market situation, expectation of future market trend, potential of price appreciation and availability of funds. Our objective is to maximise returns.

The luxury classic car market is generally affected by global economic environment. Despite the challenging business environment, the sports and luxury classic car segments have proved to be resilient and are expected to regain growth momentum in the current year. In recent years, the economic growth and wealth creation in certain emerging economies including China and other Asian countries has led to an expansion of potential customer base for sports and luxury cars. Recognising this trend, the Group has since made a calculated effort in investing into parallel luxury sectors. Looking ahead, the Blackbird Automotive Group remains focused on enhancing operational efficiency throughout the value chain and continues to seek for new investment opportunities, with the aim of building its portfolio to span across multiple luxury markets as a leading entity within the sector. The Group maintains its firm commitment to grow the Blackbird Automotive Group as a leading entity in the automotive region. We expect that the Blackbird Group will become one of the key drivers for growth in revenue and profits of the Group in the future.

We have seen a very rapid pace of development of the film and cultural entertainment industries in the PRC and we believe that this business sector has excellent prospects and enormous growth potentials. The Group is committed to grow and expand the cultural entertaining venture, both in film operations and the entertainment event production services and business. We intend to expand our cultural entertainment venture with a view to capture a higher market share in this huge and fast-growing sector.

With a strong and resilient management team and a solid balance sheet, the Group will continue to capitalise its competitive edges and its execution capability in each of its core businesses. Our core strategy is to achieve long term sustainable growth of the Group and create long term value to the Shareholders. The Group will strive to deliver sustainable profits through strategic growth in the coming years.

APPRECIATION

On behalf of the Board, I wish to express our thanks and gratitude to the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges 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, 27 March 2017

FINANCIAL REVIEW

OVERVIEW OF 2016 FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

HK$ million	2016	2015	% increase/ (decrease)
Revenue	895	608	47.2%
Gross Profit	600	355	69.0%
G.P. Ratio	67.0%	58.4%	8.6%
Administrative expenses	193	118	63.6%
Other expenses	93	28	232.1%
Profit before tax	352	348	1.1%
Income tax (charge)/credit	(39)	21	N/A
Profit for the year	313	369	(15.2%)
Profit attributable to:			
Owners of the parent	303	369	(17.9%)
Non-controlling interests	10	-	N/A
	313	369	(15.2%)
Return on Equity	10.0%	13.6%	
Earnings per share attributable to ordinary equity holders of the parent			
- Basic	HK$0.36	HK$0.44	(18.2%)
- Diluted	HK$0.35	HK$0.44	(20.5%)
Dividend per share	HK$0.07	HK$0.065	7.7%
Other comprehensive income, net of tax	-	-	N/A

Discussion on 2016 Financial Results and Other Comprehensive Income

The Group achieved another excellent year in 2016. Its revenue increased by HK$287 million to reach HK$895 million, surged 47.2% compared with 2015, primarily due to contribution from the securities business and the first-year contribution from the event production companies which were acquired by the Group during the year. The revenue from the securities business was derived from the gains in respect of the disposals of all the Group's holdings in CCT Land Shares and the CCT Land Convertible Bonds during the year.

Gross profit was HK$600 million, increased HK$245 million or 69.0% compared with the prior year. This substantial increase was primarily driven by the contribution from the securities business and the new business acquisitions, including AHM and HHL. G.P. Ratio further enhanced 8.6% from 58.4% in 2015 to 67.0% in 2016. This high G.P. Ratio was primarily due to the high gross profit margin of securities business, which contributed most of the Group's gross profit for the year.

Administrative expenses increased by HK$75 million to HK$193 million for the year, as a result of increase in revenue and inclusion of the administrative expenses of the businesses acquired during the year. Other expenses were HK$93 million, increased HK$65 million or 232.1% compared with HK$28 million for the comparable year. This increase was mainly due to net fair value loss on investment properties and impairment loss on stock of properties.

Profit before taxation for the year was HK$352 million, broadly the same as the prior year. Income tax charge was HK$39 million, provided on the taxable profits for the year and included utilisation of an income tax credit of HK$21 million made in the last corresponding year. Profit attributable to owners of the parent was HK$303 million, decreased by 17.9% compared with the last corresponding year, mainly as a result of higher tax charge in the year. Non-controlling interests represented share of profit of the minority shareholders in the event production operations acquired by the Group during the year. This strong performance was primarily driven by disposal gains in respect of all the Group's holdings of the CCT Land Shares and the CCT Land Convertible Bonds held for trading purpose.

Return on equity ("**ROE**"), representing profit attributable to owners of parent over average shareholder's equity, was 10.0%, reduced 3.6% compared with 13.6% for the last corresponding period. This decrease in ROE was attributable to the combined effect of decrease in profit and the increase in average shareholders' equity, due to issue of new shares in 2016. This is the same reason that explains the decrease in earnings per share.

There were no other comprehensive income for both years.

ANALYSIS BY BUSINESS SEGMENT

	Revenue				
	2016		2015		% increase/
HK$ million	**Amount**	**Relative %**	Amount	Relative %	(decrease)
Property development and trading in Hong Kong	**-**	**0.0%**	2	0.3%	N/A
Property investment and holding	**15**	**1.7%**	13	2.1%	15.4%
Securities business	**514**	**57.4%**	404	66.4%	27.2%
Classic car trading and car logistic business	**60**	**6.7%**	95	15.6%	(36.8%)
Investment in classic cars	**-**	**0.0%**	-	0.0%	N/A
Film operations	**-**	**0.0%**	-	0.0%	N/A
Audio and lighting operations	**118**	**13.2%**	-	0.0%	N/A
Stage engineering operations	**25**	**2.8%**	-	0.0%	N/A
Plastic component business	**92**	**10.3%**	94	15.5%	(2.1%)
Child products trading business	**25**	**2.8%**	-	0.0%	N/A
Other operations	**50**	**5.6%**	4	0.6%	1,150%
Elimination of intersegment transactions	**(4)**	**(0.5%)**	(4)	(0.5%)	-
Total	**895**	**100.0%**	608	100.0%	47.2%

	Operating profit/(loss)		
HK$ million	**2016**	2015	% increase/ (decrease)
Property development and trading in Hong Kong	**(30)**	(39)	(23.1%)
Property investment and holding	**(13)**	20	N/A
Securities business	**506**	397	27.5%
Classic car trading and car logistic business	**(7)**	(3)	133.3%
Investment in classic cars	**13**	(1)	N/A
Film operations	**(6)**	-	N/A
Audio and lighting operations	**22**	-	N/A
Stage engineering operations	**8**	-	N/A
Plastic component business	**(11)**	(84)	(86.9%)
Child products trading business	**-**	-	N/A
Other operations	**(43)**	(13)	230.8%
Total	**439**	277	58.5%

The segmental operating profit/(loss) were presented in operating profit/(loss) before interest and tax.

The securities business was the key driver for growth in revenue and earnings in 2016. This business segment contributed revenue of HK$514 million, represented 57.4% of the Group's total revenue and delivered operating profit of HK$506 million. These excellent results was primarily driven by disposal of all of the Group's holdings in the CCT Land Shares and the CCT Land Convertible Bonds held as trading securities during the year.

In the absence of sale of property project during the year, the property development and trading operations had not generated any revenue and recorded an operating loss of HK$30 million, representing decrease in loss of HK$9 million or 23.1% compared with the prior year. This year's operating loss represented salaries, operating and administration expenses incurred and impairment loss on the properties recorded.

The investment property business contributed rental revenue from external parties of HK$12 million but incurred an operating loss of HK$13 million, as opposed to an operating profit of HK$20 million for the comparable year. The downturn in performance of the property investment segment was primarily due to the reduction of retail sales and fall in tourism which resulted in fair value loss on the Group's retail investment properties whereas fair value gains were recorded in the prior year.

Affected by slowing global economy, sales of classic cars decreased. Amid this backdrop, the multi-faceted automotive business delivered revenue of HK$60 million, decreased by HK$35 million or 36.8% compared with 2015. Despite decrease in sales, the classic car investment segments posted a net operating profit of HK$13 million, mainly attributable to the fair value gains on own collection of investment classic car. The classic car trading segment, however, incurred an operating loss of HK$7 million, increased HK$4 million as compared with the prior year, mainly as a result of salaries and administration expenses during the development stage of the business.

The audio and lighting operations engaged by AHM and the Macau operations contributed an operating profit of HK$22 million against revenue contribution of HK$118 million since their respective acquisition. This new business unit performed well. It is expected this business venture will maintain its growth momentum in 2017.

The stage engineering operations engaged by HHL delivered an operating profit of HK$8 million against revenue contribution of HK$25 million since acquisition. The performance of this new business was better than expected.

The segmental revenue of the component business was HK$92 million, fell HK$2 million or 2.1% on a year-on-year basis, led by the decrease in sale of the plastic components to the CCT Tech Group. The operating results of the component segment improved significantly as the operating loss shrank to HK$11 million, representing a decrease of HK$73 million or 86.9% as compared with the last corresponding period. This change was mainly led by the benefits resulting from the Group's continuing initiatives to improve the productivity and efficiency of the component operations.

The Child Products Trading Business contributed revenue of HK$25 million to the Group since completion of business acquisition in October 2016. This new business unit was break-even since acquisition.

Other operations include the car services center, magazine publishing business, e-commerce, mobile games and other new ventures which are in the development and start-up stage. The other operations recorded revenue of HK$50 million and incurred an operating loss of HK$43 million, caused mainly by start-up and development costs and operating expenses of the other operations.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Revenue				
	2016		2015		% increase/
HK$ million	**Amount**	**Relative %**	Amount	Relative %	(decrease)
Hong Kong, mainland China and Macau	**854**	**95.4%**	569	93.6%	50.1%
Europe	**11**	**1.2%**	18	3.0%	(38.9%)
USA and Canada	**18**	**2.0%**	21	3.4%	(14.3%)
Elsewhere	**12**	**1.4%**	-	-	N/A
Total	**895**	**100.0%**	608	100.0%	47.2%

Over 95% of the Group's total revenue was generated in the Hong Kong, mainland China and Macau, in which the Group's core businesses are operated. The revenue from these market regions was HK$854 million, increased by HK$285 million or 50.1% compared with 2015. This increase was primarily attributable to additional revenue contribution from Group's securities business as a result of disposals of all the Group's holdings in the trading securities in CCT Land and the first year's revenue contribution from the newly acquired businesses. The revenue from USA and Europe represented sale of classic cars to the regions.

FUND RAISING

In June 2016, the Company raised net proceeds of approximately HK$100,000,000 by issuing the 2018 Convertible Bonds with principal amount of HK$100,000,000. The 2018 Convertible Bonds bear interest at 1.5% per annum and have a maturity date falling on the second anniversary of the date of issue of the 2018 Convertible Bonds (the "**Maturity Date**"). Subject to the terms and conditions of the 2018 Convertible Bonds, holder(s) of the 2018 Convertible Bonds has a right to convert the 2018 Convertible Bonds during the conversion period into the Shares at the initial price of (i) HK$1.1 per conversion Share (the "**First Year Conversion Price**") (subject to adjustments pursuant to the terms and conditions of the 2018 Convertible Bonds) in the first year from the date of issue of the 2018 Convertible Bonds; and (ii) HK$1.2 per conversion Share (the "**Second Year Conversion Price**") (subject to adjustments) from the end of the first year to the expiry date of the conversion period. Unless previously converted or cancelled under the terms and conditions of the 2018 Convertible Bonds, all the 2018 Convertible Bonds will be redeemed at its then outstanding principal amount inclusive of accrued interest on the Maturity Date. Details of the subscription and issue of the 2018 Convertible Bonds have been disclosed in the Company's announcement dated 30 May 2016. During the year, the net proceeds have been applied as to approximately HK$50,000,000 for expansion and acquisition of the Group's automotive business and cultural entertainment business including funds applied to finance part the acquisition costs of event production companies, HK$20,000,000 for the working capital of the automotive business and cultural entertainment business and the balance of approximately HK$30,000,000 for general working capital of the Group. The application of the subscription proceeds are consistent with the proposed usage of funds as disclosed in the Company's announcement dated 30 May 2016. During the year, the bondholder converted 2018 Convertible Bonds with the principal amount of HK$50,000,000 into 45,454,545 new Shares at the conversion the First Year Conversion Price of HK$1.1 per conversion Share. The principal amount of the 2018 Convertible Bonds as at 31 December 2016 was HK$50,000,000.

OVERVIEW ON SIGNIFICANT MOVEMENTS OF FINANCIAL POSITION

HK$ million	2016	2015	% increase/ (decrease)
NON-CURRENT ASSETS			
Property, plant and equipment	**837**	454	84.4%
Investment properties	**1,179**	978	20.6%
Goodwill	**103**	17	505.9%
Classic cars held for investment	**92**	57	61.4%
Available-for-sale investments	**96**	14	585.7%
Deferred tax assets	**-**	21	N/A
CURRENT ASSETS			
Stock of properties held for sale	**337**	361	(6.6%)
Stock of classic cars held for sale	**113**	126	(10.3%)
Non-current assets held for sale	**26**	-	N/A
Trade receivables	**1,812**	32	5,562.5%
Investment in film production	**11**	-	N/A
Prepayment, deposits and other receivables	**90**	368	(75.5%)
Financial assets at fair value through profit or loss	**18**	1,097	(98.4%)
Pledged time deposits	**-**	47	N/A
Cash and cash equivalents	**212**	355	(40.3%)
CURRENT LIABILITIES			
Current interest-bearing bank and other borrowings	**383**	443	(13.5%)
NON-CURRENT LIABILITIES			
Convertible bonds	**280**	-	N/A
Non-current interest-bearing bank and other borrowings	**854**	527	62.0%
EQUITY			
Equity attributable to owners of the parent	**3,181**	2,866	11.0%

Discussions on Financial Position

The increase in property, plant and equipment balance of HK$383 million during the year represented the net effect of: (i) acquisition of property at Paramount Building, Chai Wan for use as the headquarters of the Blackbird Automotive Group; (ii) the reclassification of the property House 37, 56 Repulse Bay Road, Hong Kong, which has been provided for use as quarters of the chief executive officer of the Blackbird Group during the year as his remuneration, from investment property account to property, plant and equipment account; (iii) acquisition of plant and equipment during the year and (iv) offset partly by the depreciation charge for the year.

The investment properties balance was HK$1,179 million, increased by HK$201 million or 20.6% compared with the prior year. This change was attributable to the combined effect of: (i) the acquisition of House 38 and House 39, 56 Repulse Bay Road during the year; (ii) the reclassification of House 37, 56 Repulse Bay Road to "property, plant and machinery" account; and (iii) net unrealised fair value loss arising from revaluation of the investment properties at year end.

Goodwill of HK$103 million arose from acquisition of AHM, the Macau audio and lighting business and HHL. As all these businesses delivered profits and its revenue and profits are expected to grow, no impairment of goodwill is considered necessary.

Increase in classic cars held for investment was primarily attributable to addition of collectible classic cars during the year.

Available-for-sale investment was HK$96 million, increased HK$82 million compared with one year earlier. This increase mainly represented the Group's additional investments during the year.

Deferred tax assets reduced to nil as the tax credit of HK$21 million in 2015 was utilised in 2016.

Stock of properties held for sale fell by HK$24 million to HK$337 million, primarily due to the impairment on the value of Russell Street Property, as a result of reduction of Chinese tourists visiting Hong Kong which has dampened the retail market in tourist area like Causeway Bay. There was no acquisition or addition of property project during the year.

Stock of classic car cars held for sale decreased by HK$13 million, mainly due to disposal of a trading classic cars. Non-current asset held-for-sale of HK$26 million, represented carrying value of a classic car held for investment and this investment classic car was sold subsequent to the year end.

Trade receivables surged to HK$1,812 million, increased HK$1,780 million during the year. This substantial change was primarily due to the disposal of all the Group's holdings of CCT Land Shares and CCT Convertible Bonds and inclusion of trade receivables of the newly acquired businesses during the year. Sufficient securities have been provided by the debtors to secure the trade receivables relating to the sale of the securities in CCT Land.

Investment in film production represented the balance of the Group's investment in films as at the year end. The Group intends to expand its investment in film production in the current year.

Prepayment, deposit and other receivables was HK$90 million, represented a decrease of HK$278 million or 75.5% compared with the comparable year. This change was primarily led by receipt of the other receivable of HK$300 million in respect of the sale of the promissory notes.

Balance of financial assets at fair value through profit or loss was HK$18 million, decreased by HK$1,079 million or 98.4% on a year-on-year basis. This change represented sale of all the Group's holdings of CCT Land Shares and the CCT Land Convertible Bonds during the year.

Cash and cash equivalents balance was HK$212 million, decreased by HK$143 million, representing the use of funds for working capital, acquisition of properties and new business ventures of the Group and dividend payment.

The carrying value of the convertible bonds at 31 December 2016 represented the 2024 Convertible Bonds with principal amount of HK$250,200,000 and outstanding balance of the 2018 Convertible Bonds of HK$50,000,000. The 2024 Convertible Bonds were issued to satisfy the share consideration for acquisition of the two group of property companies from Mr. Mak Shiu Tong, Clement, chairman and executive Director. None of the 2024 Convertible Bonds were converted up to 31 December 2016. The 2018 Convertible Bonds with the original principal amount of HK$100,000,000 were issued to an independent third investor for cash, of which principal amount of HK$50,000,000 was converted by the bondholder into new Shares during the year, leaving a balance of HK$50,000,000 outstanding at year end.

Equity attributable to owners of the parent at end of the year stood at HK$3,181 million, representing an increase of HK$315 million compared with HK$2,866 million at the beginning of the year. This favourable change was primarily attributable to the net profit attributable to owners of the parent for the year and issue of new shares less the dividend paid during the year.

CAPITAL STRUCTURE AND GEARING RATIO

	2016		2015	
HK$ million	**Amount**	**Relative %**	Amount	Relative %
Bank borrowings	**1,227**	**27.6%**	967	25.2%
Finance lease payable	**10**	**0.3%**	3	0.1%
Total borrowings	**1,237**	**27.9%**	970	25.3%
Equity	**3,202**	**72.1%**	2,866	74.7%
Total capital employed	**4,439**	**100.0%**	3,836	100.0%

The Group's gearing ratio marginally increased from 25.3% as at 31 December 2015 to 27.9% as at 31 December 2016, driven mainly by the increase of bank borrowings at percentage higher than the percentage increase of equity during the year. The Group's gearing ratio was maintained at low level, which reflected the strong financial position of the Group.

Total outstanding bank borrowings were HK$1,237 million (2015: HK$970 million). Approximately 69% of these bank borrowings were of long-term nature, primarily representing mortgage loans on properties held by the Group.

As at 31 December 2016, 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 HK$383 million, HK$519 million and HK$335 million, respectively (2015: HK$443 million, HK$316 million and HK$211 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	**2016**	2015
Current assets	**2,629**	2,396
Current liabilities	**591**	601
Current ratio	**444.8%**	398.7%

The Group's current ratio as at 31 December 2016 rose to 444.8% from 398.7% one year earlier, reflecting high liquidity of the Group's assets and a strong financial position.

The Group's cash balance (including pledged deposits) at year end was HK$212 million, decreased by HK$190 million as compared with HK$402 million cash balance one year earlier. This decrease was largely attributable to funds applied for working capital, acquisition of properties and new business, and dividend payments. 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 2016, capital commitment of the Group amounted to HK$97 million. The Group intends to finance the capital commitment partly by internal resources and balance 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 2016, the Group's receipts were mainly denominated in Hong Kong dollar, USD, Euro and Pound Sterlings. Payments were mainly made in Hong Kong dollar, USD, Euro, Pound Sterlings and RMB. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, and RMB. In 2016, the Group's borrowings were mainly denominated in Hong Kong dollar, and interest on the borrowings was principally determined on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk at present as the interest rates currently remain at low level.

The Group's exposure to foreign currency fluctuation is not significant. The current devaluation of RMB benefits our component manufacturing business as the wages and overhead of our factory in the PRC are paid in RMB.

As for Euro and Pound Sterlings, these currencies have experienced certain devaluation against USD in 2016. However as most of the payments and receipts arising from purchase and sale of classic cars were transacted in USD, Euro or Pound Sterlings, our exposure to the European currencies are naturally hedged and is considered not significant.

Our current exposure to foreign exchange risk is not significant. We will continue to monitor the currency exposure but we have no intention to enter into any high-risk exchange derivatives.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

During the year, save as disclosed elsewhere in this announcement, 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 2016 (2015: nil).

PLEDGE OF ASSETS

As at 31 December 2016, certain of the Group's assets with a net book value of approximately HK$2,266 million (2015: HK$1,812 million) and there was no time deposits (2015: HK$47 million) which were pledged to secure the Group's bank loans.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group had contingent liabilities in terms of corporate guarantees with aggregate amount of approximately HK$134 million (2015: HK$147 million) given by the Company to guarantee trade facilities of certain members of CCT Land Group, of which approximately HK$93 million of trade facilities were utilized by the CCT Land Group (2015: HK$112 million).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2016 was 606 (2015: 635). 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 2016, there were no outstanding share options issued by the Company.

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

An aggregate of 45,454,545 new Shares were allotted and issued under the Company's general mandate at the conversion price of HK$1.10 per Share to the bondholder upon conversion of the 2018 Convertible Bonds of principal amount of HK$50,000,000 during the year.

Save for the new Shares as allotted and issued as mentioned above, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares 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 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, the Company has complied with all the Code Provisions under the CG Code throughout the year from 1 January 2016 to 31 December 2016, except for the following minor 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 interim report of the Company for the six months ended 30 June 2016 and will be disclosed in the corporate governance report contained in the 2016 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

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 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. The Audit Committee consists of three members who are the three INEDs, namely Mr. Tam King Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor. Mr. Tam is a qualified accountant and has extensive experience in accounting and financial matters. The Audit Committee is currently chaired by Mr. Tam.

The Audit Committee has reviewed and discussed the adopted accounting principles and practices and the auditing, risk management and 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 2016. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee held three meetings in 2016.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2016 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2017.

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. The Remuneration Committee consists of five members comprising the three INEDs, namely Mr. Tam King Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor and two executive Directors namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is currently chaired by Mr. Chow. During 2016, the Remuneration Committee held three meetings.

Further information of the Remuneration Committee will be disclosed in the corporate governance report contained in the 2016 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2017.

NOMINATION COMMITTEE

The Company has established a nomination committee (the "**Nomination Committee**") since 2012 with specific written terms of reference in line with the Code Provisions under the CG Code. The Nomination Committee consists of five members comprising three INEDs, namely Mr. Tam King

Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor and two executive Directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Nomination Committee is currently chaired by Mr. Mak. During 2016, the Nomination Committee held one meeting.

Further information of the Nomination Committee will be disclosed in the corporate governance report contained in the 2016 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the three INEDs - 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 and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, all the INEDs 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 independent non-executive directors and at least an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise and the number of the INEDs representing at least one-third of the Board throughout the financial year ended 31 December 2016.

REVIEW OF RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

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

The results announcement of the Company for the year ended 31 December 2016 is published on the website of the Company at www.cct-fortis.com/eng/investor/announcements.php and that of the Stock Exchange at www.hkexnews.hk. The annual report, corporate governance report and notice of the AGM will be despatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 April 2017.

ANNUAL GENERAL MEETING

The 2017 AGM will be held at 31/F., Fortis Tower, 77-79 Gloucester Road, Hong Kong on Wednesday, 24 May 2017 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., Thursday, 18 May 2017
Closure of register of members:	Friday, 19 May 2017 to Wednesday, 24 May 2017 (both days inclusive)
Record date:	Wednesday, 24 May 2017

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

Latest time to lodge transfer documents for registration:	4:00 p.m., Monday, 29 May 2017
Closure of register of members:	Wednesday, 31 May 2017 to Friday, 2 June 2017 (both days inclusive)
Record date:	Friday, 2 June 2017

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 of
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 27 March 2017

ANNUAL RESULTS

The Board presents the consolidated annual results of the Group for the year ended 31 December 2016, together with the comparative amounts for the previous year as follows:

Consolidated Statement of Profit or Loss
For the year ended 31 December 2016

HK$ million	*Notes*	**2016**	2015
REVENUE	*3,4*	**895**	608
Cost of sales		**(295)**	(253)
Gross profit		**600**	355
Other income and gains	*4*	**81**	175
Selling and distribution costs		**(3)**	(2)
Administrative expenses		**(193)**	(118)
Other expenses		**(93)**	(28)
Finance costs	*5*	**(40)**	(25)
Share of loss of an associate		**-**	(9)
PROFIT BEFORE TAX	*6*	**352**	348
Income tax (expense)/credit	*7*	**(39)**	21
PROFIT FOR THE YEAR		**313**	369
Attributable to:			
Owners of the parent		**303**	369
Non-controlling interests		**10**	-
		313	369
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**HK$0.36**	HK$0.44
Diluted		**HK$0.35**	HK$0.44

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2016

HK$ million	**2016**	2015
PROFIT FOR THE YEAR	**313**	369
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(5)**	-
Reclassification adjustments for losses included in the consolidated statement of profit or loss		
- impairment losses	**5**	-
	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**313**	369
Attributable to:		
Owners of the parent	**303**	369
Non-controlling interests	**10**	-
	313	369

Consolidated Statement of Financial Position
31 December 2016

HK$ million	Notes	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	**837**	454
Investment properties		**1,179**	978
Prepayments for acquisition of property, plant and equipment		**9**	-
Goodwill		**103**	17
Interest in an associate		**13**	-
Classic cars held for investment		**92**	57
Available-for-sale investments		**96**	14
Held-to-maturity debt securities		**-**	48
Deposits and other receivables		**11**	47
Deferred tax assets		**-**	21
Total non-current assets		**2,340**	1,636
Current assets			
Inventories		**10**	10
Stock of properties held for sale		**337**	361
Stock of classic cars held for sale		**113**	126
Non-current assets held for sale		**26**	-
Trade receivables	*11*	**1,812**	32
Investment in film production		**11**	-
Prepayment, deposits and other receivables		**90**	368
Financial assets at fair value through profit or loss		**18**	1,097
Pledged time deposits		**-**	47
Cash and cash equivalents		**212**	355
Total current assets		**2,629**	2,396
Total assets		**4,969**	4,032

Consolidated Statement of Financial Position (Continued)
31 December 2016

HK$ million	Note	**2016**	2015
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**88**	83
Reserves		**3,093**	2,783
		3,181	2,866
Non-controlling interests		**21**	-
Total equity		**3,202**	2,866
Non-current liabilities			
Interest-bearing bank and other borrowings		**854**	527
Convertible bonds		**280**	-
Deferred tax liabilities		**42**	38
Total non-current liabilities		**1,176**	565
Current liabilities			
Trade and bills payables	*12*	**29**	16
Tax payable		**79**	61
Other payables and accruals		**100**	81
Interest-bearing bank and other borrowings		**383**	443
Total current liabilities		**591**	601
Total liabilities		**1,767**	1,166
Total equity and liabilities		**4,969**	4,032
Net current assets		**2,038**	1,795
Total assets less current liabilities		**4,378**	3,431

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, classic cars held for investment, certain available-for-sale investments, financial assets at fair value through profit or loss and portion of certain convertible bonds 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 POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the Annual Improvements 2012-2014 Cycle, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

  (i) the materiality requirements in HKAS 1;

  (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

  (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

  (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are to be applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the non-current assets held for sale during the year.

3. OPERATING SEGMENT INFORMATION

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

(a) the Hong Kong property development and trading segment which is engaged in the 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 securities business segment which is the trading in securities and the holding of securities and treasury products;

(d) classic cars trading and car logistic segment which is the trading and sale of classic cars and car logistic business;

(e) investment in classic cars segment which is acquisition of classic cars for long-term investment purpose;

(f) the film operations segment which is engaged in production, investment and distribution of films worldwide;

(g) the audio and lighting operations which is engaged in the provision and leasing of audio and lighting equipment and services for production of concert and entertainment events;

(h) the stage engineering operations which is engaged in the provision of metal construction work and engineering services for stage performance events;

(i) the child product trading segment which is the trading of the child products;

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

(k) other operations segment which include the automotive service center, magazine publication, e-commerce, mobile games and other new ventures which are in the development and start-up stage.

Management monitors the results of the Group's 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 before tax except that finance costs, head office and corporate expenses, gain on settlement of promissory note and gain/loss on disposal of an associate under equity accounting 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.

For the year ended 31 December 2016

HK$ million	Property development and trading in Hong Kong	Property investment and holding	Securities business	Classic cars trading and logistic	Investment in classic cars	Film operations	Audio and lighting operations	Stage engineering operations	Plastic components business	Trading of Child Products	Other operations	Reconci-liations	Total
Segment revenue:													
Sales to external customers	-	12	514	60	-	-	118	25	92	25	49	-	895
Other revenue	6	2	-	-	14	-	-	-	3	-	9	1	35
Intersegment revenue	-	3	-	-	-	-	-	-	-	-	1	(4)	-
	6	17	514	60	14	-	118	25	95	25	59	(3)	930
Operating (loss)/ profit	(30)	(13)	506	(7)	13	(6)	22	8	(11)	-	(43)		439
Finance costs													(40)
Reconciled items:													
Corporate and other unallocated expenses													(93)
Gain on settlement of promissory notes													46
Profit before tax													352
Income tax expense													(39)
Profit for the year													313
Other segment information:													
Interest income	-	-	-	-	-	-	-	-	2	-	-	-	2
Expenditure for non-current assets	-	436	5	4	47	-	54	-	1	-	134		681
Depreciation	-	(5)	(1)	(2)	-	-	(6)	-	-	-	(14)	-	(28)
Other material non-cash items:													
Fair value loss on investment properties	-	(17)	-	-	-	-	-	-	-	-	(2)	-	(19)
Fair value gain on classic cars	-	-	-	-	14	-	-	-	-	-	-	-	14
Impairment of stock of properties held for trading	(24)	-	-	-	-	-	-	-	-	-	-	-	(24)
Impairment of available-for-sale investment	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)
Loss on early redemption of a held to maturity debt securities	-	-	(2)	-	-	-	-	-	-	-	-	-	(2)
Provision for doubtful debts	-	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Segment assets	341	1,619	1,763	162	129	25	155	45	42	40	413	-	4,734
Reconciled items:													
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	-	235	235
Total assets	341	1,619	1,763	162	129	25	155	45	42	40	413	235	4,969
Segment liabilities	166	789	345	21	1	6	69	23	28	16	127	-	1,591
Reconciled items:													
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	176	176
Total liabilities	166	789	345	21	1	6	69	23	28	16	127	176	1,767

For the year ended 31 December 2015

HK$ million	Property development and trading in Hong Kong	Property investment and holding	Securities business	Plastic components business	Trading and sale of classic cars	Investment in classic cars	Automotive Service business	Reconciliations	Total
Segment revenue:									
Sales to external customers	2	10	404	94	89	-	9	-	608
Other revenue	-	-	-	2	1	-	-	2	5
Intersegment revenue	-	3	-	-	-	-	1	(4)	-
	2	13	404	96	90	-	10	(2)	613
Operating (loss)/ profit	(39)	20	397	(84)	(5)	(1)	(11)		277
Finance costs									(25)
Reconciled items:									
Corporate and other unallocated expenses									(44)
Gain on disposal of an associate									110
Gain on settlement of promissory notes									12
Interest income from promissory notes									28
Loss on disposal of items of property, plant and equipment									(1)
Share of loss of an associate									(9)
Profit before tax									348
Income tax credit									21
Profit for the year									369
Other segment information:									
Interest income	-	-	-	4	-	-	-	-	4
Expenditure for non-current assets	-	-	-	-	17	34	66	-	117
Depreciation	-	(5)	-	(15)	-	-	(6)	-	(26)
Other material non-cash items:									
Fair value gains on investment properties	-	19	-	-	-	-	1	-	20
Fair value gain on classic cars	-	-	-	-	-	2	-	-	2
Gains/(losses) from the change in fair value of trading securities, net	-	-	404	-	-	-	-	-	404
Impairment of stock of properties held for trading	(21)	-	-	-	-	-	-	-	(21)
Share of loss of an associate	-	-	-	-	-	-	-	(9)	(9)
Segment assets	363	1,202	1,147	120	148	62	244	-	3,286
Reconciled items:									
Corporate and other unallocated assets	-	-	-	-	-	-	-	746	746
Total assets	363	1,202	1,147	120	148	62	244	746	4,032
Segment liabilities	72	452	205	111	24	-	57	-	921
Reconciled items:									
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	245	245
Total liabilities	72	452	205	111	24	-	57	245	1,166

Geographical information

(a) *Revenue from external customers*

HK$ million	**2016**	2015
Hong Kong, Mainland China and Macau	**854**	569
Europe	**11**	18
USA and Canada	**18**	21
Elsewhere	**12**	-
	895	608

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	**2016**	2015
Hong Kong and Macau	**2,233**	1,506

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

Information about major customers

For the year ended 31 December 2016, revenue of approximately HK$75 million was derived from sales of the component segment to a single customer representing 20% of the Group's total revenue excluding the Group's net realised gains from disposal and change in fair value of securities investment at fair value through profit or loss.

For the year ended 31 December 2015, revenue of approximately HK$75 million and HK$26 million was derived from sales of the component segment to a single customer and sales of the classic car sale and trading segment to a single customer, respectively, representing 37% and 13%, respectively, of the Group's total revenue excluding the Group's net realised gains from disposal and change in fair value of securities investment at fair value through profit or loss.

The Group's net realised gains/(losses) from disposal and change in fair value of securities investment at fair value through profit or loss were excluded from total revenue for the purpose of identifying major customers of the Group who accounted for over 10% of the Group's revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue 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 gains or losses from disposal and change in fair value of trading securities investment (which includes dividend income), proceeds from sale of properties (net of discounts and business tax), rental income from investment properties, trading of classic cars, provision of automotive services and provision of audio and lighting equipment and stage engineering work and services.

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

HK$ million	**2016**	2015
Revenue		
Rental income from investment properties	**12**	12
Net realised gains from disposal and change in fair value of trading securities	**514**	404
Sale of classic cars	**47**	89
Classic cars services income	**13**	9
Provision and leasing of lighting and audio equipment and services	**118**	-
Income from stage engineering operation	**25**	-
Manufacture and sale of plastic components	**90**	91
Sale of child products	**25**	-
Bank interest income	**2**	3
Income from other operations	**49**	-
	895	608
Other income and gains		
Fair value gain on investment properties	**-**	20
Interest income on promissory notes	**-**	28
Gain on disposal of an associate	**-**	110
Gain on settlement of promissory notes	**46**	12
Fair value gain on classic cars, net	**14**	2
Others	**21**	3
	81	175

5. FINANCE COSTS

An analysis of finance costs is as follows:

HK$ million	**2016**	2015
Interest on bank loans	**29**	25
Interest on convertible bonds	**11**	-
Total interest expense on financial liabilities not at fair value through profit or loss	**40**	25

6. PROFIT BEFORE TAX

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

HK$ million	**2016**	2015
Cost of inventories sold	**109**	162
Cost of classic cars sold	**42**	84
Cost of automotive services provided	**7**	7
Cost of provision and leasing of lighting and audio equipment and services	**91**	-
Cost of stage engineering	**12**	-
Cost of other operations	**34**	-
Depreciation	**28**	26
Minimum lease payments under operating leases	**9**	6
Auditors' remuneration	**2**	2
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries	**56**	22
Pension scheme contributions	**3**	1
	59	23
Foreign exchange differences, net	**2**	9
Net realised gains from disposal and change in fair value of trading securities, net	**(514)**	(404)
Impairment loss on stock of properties held for trading	**24**	21
Fair value loss on investment properties, net	**19**	-
Impairment loss on available-for-sale investment	**5**	-
Loss on early redemption of held-for-maturity debt securities	**2**	-
Loss on disposal of items of property, plant and equipment, net	**-**	1
Write-off of property, plant and equipment	**-**	10

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015:16.5%) 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	**2016**	2015
Current – Hong Kong	**18**	-
Deferred tax charge/(credit)	**21**	(21)
Total tax charge/(credit) for the year	**39**	(21)

8. DIVIDENDS

HK$ million	**2016**	2015
Paid interim – HK$0.035 (2015: HK$0.030) per ordinary share	**31**	25
Proposed final – HK$0.035 (2015: HK$0.035) per ordinary share	**31**	29
Total	**62**	54

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

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

The calculations of the basic and diluted earnings per share are based on:

HK$ million	2016	2015
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share share calculations	303	369
Interest on convertible bonds	9	-
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	312	369

	Number of shares	
	2016	2015
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	847,670,615	832,394,907
Effect of dilution – weighted average number of ordinary shares:		
Convertible bonds	40,469,435	-
	888,140,050	832,394,907

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2015 in respect of a dilution as the impact of the outstanding convertible bonds issued by the Company had an anti-dilutive effect on the basic earnings per share amounts presented.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2016, the Group acquired fixed assets of approximately HK$156 million (2015: HK$81 million) and disposed of fixed assets of HK$14 million (2015: HK$1 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:

	2016		2015	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**1,117**	**62**	9	28
31 to 60 days	**23**	**1**	12	38
61 to 90 days	**14**	**1**	9	28
Over 90 days	**658**	**36**	2	6
	1,812	**100**	32	100

The Group's trading terms with its customers of components operation are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally two months, extending up to three months for major customers. In respect of the Group’s classic cars logistic business, the credit period is generally one month. The credit term granted to the customers of trading securities is up to 270 days. Each customer has a maximum credit limit.

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:

	2016		2015	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**22**	**76**	6	37
31 to 60 days	**3**	**10**	4	25
61 to 90 days	**1**	**4**	3	19
Over 90 days	**3**	**10**	3	19
	29	**100**	16	100

The trade payables are non-interest bearing, unsecured and are normally settled on 60-days term.

13. BUSINESS COMBINATION

On 30 March 2016, the Group acquired 70% equity interest in AHM from an independent third party. AHM is engaged in the provision and leasing of audio and lighting equipment and services for concerts and entertainment events. The acquisition was made as part of the Group's strategy to expand its cultural entertainment business. The purchase consideration of HK$62 million for the acquisition was satisfied by cash. The Group has elected to measure the non-controlling interest in AHM at the non-controlling interest's proportionate share of AHM's identifiable net assets.

On 12 July 2016, the Group acquired controlling equity interest in HHL from independent third parties. HHL is engaged in the stage engineering work and services for concert and entertainment events. The acquisition was made as part of the Group's strategy to expand its cultural entertainment business. The purchase consideration of HK$28 million for the acquisition was satisfied by cash. The Group has elected to measure the non-controlling interest in HHL at the non-controlling interest's proportionate share of HHL's identifiable net assets.

On 2 October 2016, the Group acquired the audio and lighting equipment and the business of the event production in Macau ("**ALM**") from independent third parties. The acquisition was made as part of the Group's strategy to expand AHM's audio, lighting and services operations in Macau. The purchase consideration of HK$43 million for the acquisition was satisfied by cash.

On 30 September 2016, the Group acquired 100% equity interest in Suremark from CCT Land. Suremark and its subsidiaries are engaged in the trading of the Child Products. The acquisition was made as part of the Group's strategy to increase the Group's operating profit by acquiring the Child Products Trading Business with potential growth. The purchase consideration of HK$24 million for the acquisition was satisfied by set off of an interest-free loan owed by CCT Land to the Company of HK$24 million.

The fair values of the identifiable assets and liabilities of AHM, HHL, ALM and Suremark as at the date of acquisition were as follows:

	Fair value recognised on acquisition				
	AHM and ALM	HHL	Suremark	Others	Total
HK$ million					
Property, plant and equipment	51	-	-	-	51
Inventories	-	-	3	-	3
Trade receivables	10	6	25	9	50
Prepayments, deposits and other receivables	3	-	-	2	5
Investment in an associate	-	-	-	13	13
Cash and cash equivalents	8	1	10	2	21
Trade payables	(3)	(1)	-	(8)	(12)
Other payables and accruals	(5)	(2)	-	(18)	(25)
Finance lease payable	(3)	-	-	-	(3)
Interest-bearing bank and other borrowings	(3)	-	(14)	-	(17)
Deferred tax liabilities	(4)	-	-	-	(4)
	54	4	24	-	82
Non-controlling interests	(10)	(1)	-	-	(11)
Goodwill on acquisition	61	25	-	-	86
	105	28	24	-	157
Satisfied by:					
Cash consideration	105	28	-	-	133
Set-off of interest-free loan	-	-	24	-	24
	105	28	24	-	157

GLOSSARY OF TERMS

GENERAL TERMS

"2018 Convertible Bonds"	The 1.5% coupon convertible bonds with the aggregate principal amount of HK$100,000,000 issued by the Company to Top Pride Limited on 3 June 2016 pursuant to the terms and conditions of the Subscription Agreement, of which $50,000,000 of the 2018 Convertible Bonds was converted with the balance of HK$50,000,000 remained outstanding as at 31 December 2016
"2024 Convertible Bonds"	The 5% coupon convertible bonds with the aggregate principal amount of HK$250,200,000 issued by the Company to Capital Force and New Capital on 30 March 2016 pursuant to the terms and conditions of the Sale and Purchase Agreement, with no amount of the 2024 Convertible Bonds converted up to 31 December 2016 and the total amount of HK$250,200,000 was outstanding as at 31 December 2016
"AHM"	AHM Engineering Company Limited, a company incorporated in Hong Kong and an indirect non-wholly-owned subsidiary of the Company as at 31 December 2016
"AGM"	The annual general meeting of the Company
"Blackbird Automotive Group"	The Blackbird Group established by the Company, which is engaged in the multi-facet automotive business
"Board"	The board of Directors
"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands, the shares in which are wholly-owned by Mr. Mak
"CCT Land"	CCT Land Holdings Limited, a company listed on the main board of the Stock Exchange
"CCT Land Convertible Bonds"	The zero coupon convertible bonds with the original aggregate principal amount of HK$1,095,671,000 issued by CCT Land on 7 December 2015, of which principal amount of HK$495,671,000 of the CCT Land Convertible Bonds was outstanding as at 31 December 2016
"CCT Land Group"	CCT Land and its subsidiaries
"CCT Land Shares"	The ordinary shares of par value of HK$0.01 each in the capital of CCT Land
"CCT Securities"	CCT Telecom Securities Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company, which is principally engaged in securities business
"CCT Tech Group"	The manufacturing arm of the CCT Land Group

"CG Code"	The Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Chairman"	The chairman of the Company
"Child Products"	Feeding, health care, hygiene, safety, toy and other related products for infants and babies, which are the child products currently traded by the Group
"Child Product Trading Business"	The business of trading and sale of Child Products engaged by the Group
"Company"	CCT Fortis Holdings Limited
"Cultural Entertainment Group"	An operating group established by the Company, which is engaged in the cultural entertainment operations
"Director(s)"	The director(s) of the Company
"Group"	The Company and its subsidiaries
"HHL"	Hip Hing Loong Metal Works Limited, a company incorporated in Hong Kong and an indirect non-wholly-owned subsidiary of the Company as at 31 December 2016
"HK" or "Hong Kong"	The Hong Kong Special Administrative Region of PRC
"HK$" or "$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"INED(s)"	Independent non-executive Directors
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, a Director and the controlling shareholder of the Company
"N/A"	Not applicable
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands, the shares in which are wholly-owned by Mr. Mak
"PRC" or "China"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of PRC
"Sale and Purchase Agreement"	The agreement dated 27 January 2016 (as amended by the supplemental agreement dated 17 February 2016) entered into between Mr. Mak as vendor and the Company as purchaser in respect of acquisition from Mr. Mak of the entire issued share capital of the companies which hold the properties at House 38 and House 39, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong

"Share(s)"	The ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	Holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	The agreement dated 30 May 2016 entered into between Top Pride Limited as subscriber and the Company as issuer in respect of subscription and issue of the 2018 Convertible Bonds for cash
"Suremark"	Suremark Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company as at 31 December 2016
"Telecom Product Business"	The business of manufacture and sale of telecom, electronic and child products engaged by the CCT Land Group
"US"	The United States of America
"%"	Per cent.

FINANCIAL TERMS

"Current Ratio"	Current assets divided by current liabilities
"Earnings Per Share"	Profit attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
"Gearing Ratio"	Total borrowings (representing bank and other borrowings and finance lease payable) divided by total capital employed (i.e. total Shareholders' fund plus total borrowings)
"G.P. Ratio"	Gross profit margin as a percentage of total revenue