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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 2018

CHAIRMAN'S LETTER

On behalf of the Board of CCT Land Holdings Limited, I present the interim results of the Group for the six months ended 30 June 2018.

The Group's net loss attributable to owners of the parent for the six months ended 30 June 2018 narrowed to HK$33 million, decreased by 77.9% as compared with the net loss of HK$149 million for the last corresponding period. The reduction in net loss was mainly attributable to the improvement in results of the Group's principal business. Of the current period's net loss of HK$33 million, a loss of HK$18 million (2017: HK$24 million) was attributable to equity-settled share-based payment as a result of the grant of share options during the period.

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2018 (2017: nil).

BUSINESS REVIEW

EXISTING BUSINESS

Products Trading Business

The Company considers that it has taken an important step by disposing of the loss-making Products Manufacturing Operations in August 2017. This strategic move has restructured and streamlined the overall cost structure of the continuing Products Trading Business and enhanced its efficiency and competitiveness.

In the first half of 2018, the Products Trading Business was affected by escalating trade tensions between the US and China and declining demand of cordless phones on one hand and the shortage of labour and materials leading to higher product costs on the other hand. Amongst deteriorating operating environment, revenue from the Products Trading Business of HK$193 million was HK$77 million or 28.5% lower, as compared with the revenue of HK$270 million in the first half of 2017. Despite decreasing revenue, the Products Trading Business recorded an operating profit of HK$1 million, as opposed to the operating loss of HK$36 million, of which of HK$35 million was attributable to the discontinued Products Manufacturing Operations in the first half of 2017. It is considered that the improvement in operating performance was due to the Company's ongoing initiatives to restructure and revive the Products Trading Business.

Mainland Property Business

In the first half of 2018, the policy of "Houses are for living, not for flipping" (房子是用來住的，不是用來炒的) continued to set the tone for housing market control in China, with focus to curb speculation. As a result, the mainland property market was still affected by the tightening measures.

During the period under review, we continued to sell property units of our existing projects, comprising the Landmark City and Evian Villa projects. The revenue for the current period was HK$52 million, decreased by 44.1% as compared with HK$93 million for the last corresponding period. This decrease was mainly led by regulatory tightening measures, high inventory in Anshan and the absence of new project being launched in the current period.

Construction of Phase 1 of the DN1 project entitled "CCT-Jun Mansion" resumed in April 2018, after the winter season. The management is satisfied with the progress of the project construction, which is in accordance with the approved development plan. Located in a prestigious residential locations in Anshan, CCT-Jun Mansion will be developed into a high-end property project comprising low-rise apartments with balance range of flat types, retail shops and car parks. The project offers luxury and comfortable living environment and is expected to beat market expectation. The Company prepares to launch this project for pre-sale in the second half of 2018. Various advertising and promotion campaigns have been planned and will be launched from time to time to enhance market interest in this project. The prices of this new project will be set at the upper end of the market and gross margin is expected to be higher than the existing projects. Preliminary market response and comments on this new project is positive and encouraging. It is expected that the launch of this new project will not only attract strong interest from potential home buyers but will also help stimulate sales of the property units of existing completed projects.

Mainland Finance Business

Our Mainland Finance Business is not affected by the recent peer-to peer lending crisis in China as this business has already changed its focus to offline finance business. The performance of Mainland Finance business has become stable. For the six months ended 30 June 2018, the Mainland Finance Business recorded revenue of HK$5 million and contributed an operating profit of HK$4 million. This Business recorded the same level of income and earnings for the six month ended 30 June 2017.

EXPANSION PLAN

EV Business

The Company's plan to enter into the EV business has made good progress. We have engaged Ideenion Automobil AG, a reputable design company and solution provider based in Germany, to design and develop the EV prototype for us. Ideenion already provided a mock-up to the Company, which allowed the Company to visualize the prototype and comment on the design more precisely. The Company plans to develop a sport utility vehicle ("**SUV**") incorporated with intelligent and smart features tailored for the China market as SUVs are highly popular in the Chinese car market. The Company is working closely with Ideenion to fine-tune the design of the prototype, which is expected to complete in the second half of 2018. In the meantime, the Company is seeking suitable investors and manufacturers which hold a licence to produce electric vehicles in China. Preliminary discussions have been made but no concrete plan of cooperation was concluded. We will pursue further negotiation with the investors and Chinese manufacturers when actual EV prototype is complete.

Money Lender Business in Hong Kong

The Company made good progress to expand into the finance sector in Hong Kong. The Company obtained a money lender's licence in May 2018. The Company has started its money lending business and is looking for potential customers. The Company exercises caution in seeking borrowers in order to minimise its credit risk and to comply with all the applicable money lender licensing conditions. It is expected that the Company will earn interest income from the money lender business in 2018.

OUTLOOK

Looking forward, the global economic outlook continues to be uncertain and is overshadowed by escalating trade tensions between the US and China, strong USD, interest rate hike and geopolitical risks.

Despite facing increasing difficulties and challenges, the Company will strive to improve the performance of the Products Trading Business. The Company will explore opportunities to expand and diversify its product lines and will try to seek new customers with a view to broaden the revenue and improve the profitability of the Products Trading Business. We consider the cost structure of the Products Trading Business has improved and this helps the business combat the current operating difficulties and challenges. We will closely monitor the development of the operating environment of this business and consider all possible tactics to respond to these challenges.

We are optimistic about the property market in China in the longer term as demand for housing is expected to continue to grow in line with the growth of income and wealth of the Chinese people. We anticipate that the PRC property market will be prosperous in the long run. While it is not considered that the Chinese Government will relax the existing property tightening measures in the near future, we do not expect new measures will be introduced to further control the property market especially during the time when China has to deal with the trade conflicts with the US. We will strive to increase sales of our projects in Anshan and improve our profit margin. We will keep exploring expansion of our property business in other parts of China. We may replenish our land bank and acquire property projects should suitable opportunities arise.

We will continue to explore business opportunities to broaden our revenue and improve our profitability. The Group's financial position is strong and our gearing ratio remains at a low level. The Group is well positioned to meet future challenges and grasp new business opportunities to enhance shareholders' value.

APPRECIATION

On behalf of the Board, 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, 30 August 2018

FINANCIAL REVIEW

REVIEW OF FINANCIAL RESULTS

HK$ million	Six months ended 30 June 2018 (Unaudited)	2017 (Unaudited) (Restated)	% increase/ (decrease)
Continuing operations			
Revenue	**250**	368	(32.1%)
Other income and gains	**15**	16	(6.3%)
Finance costs	**5**	6	(16.7%)
Loss before tax from continuing operations	**(32)**	(112)	(71.4%)
Income tax credit	**1**	3	(66.7%)
Loss for the period from continuing operations	**(31)**	(109)	(71.6%)
Discontinued operation			
Loss for the period from discontinued operation	**-**	(38)	N/A
Loss for the period	**(31)**	(147)	(78.9%)
Attributable to:			
Owners of the parent	**(33)**	(149)	(77.9%)
Non-controlling interests	**2**	2	0.0%
Loss for the period	**(31)**	(147)	(78.9%)

The Group's revenue in 1H18 was HK$250 million, decreased by 32.1% as compared with HK$368 million in 1H17. The decrease in revenue was due to (i) the decrease in revenue from the Mainland Property Business of HK$41 million; and (ii) the decrease in revenue from the Products Trading Business of HK$77 million.

Despite the increasing difficulties and challenges faced by the Products Trading Business, the loss attributable to owners of the parent of HK$33 million in 1H18 was HK$116 million or 77.9% lower. This significant decrease in loss was mainly due to improvement in operating performance of the Group's existing business.

Net profit attributable to non-controlling interests represented share of net profit by the minority shareholder of the PRC subsidiary engaged in the Mainland Finance Business.

The discontinued operation, representing the Products Manufacturing Operations which was disposed of by the Company in August 2017, incurred a net loss of HK$38 million for the six months ended 30 June 2017.

ANALYSIS BY BUSINESS SEGMENT

	Revenue of continuing operations for the six months ended 30 June				
	2018		2017		
	Amount	**Relative**	Amount	Relative	% increase/
HK$ million	**(Unaudited)**	**%**	(Unaudited)	%	(decrease)
			(Restated)		
Products Trading Business	**193**	**77.2%**	270	73.3%	(28.5%)
Mainland Property Business	**52**	**20.8%**	93	25.3%	(44.1%)
Mainland Finance Business	**5**	**2.0%**	5	1.4%	0.0%
Total	**250**	**100.0%**	368	100.0%	(32.1%)

	Operating (loss)/profit of continuing operations for the six months ended 30 June		
	2018	2017	% increase/
HK$ million	**(Unaudited)**	(Unaudited)	(decrease)
		(Restated)	
Products Trading Business	**1**	(1)	N/A
Mainland Property Business	**(18)**	(81)	(77.8%)
Mainland Finance Business	**4**	4	0.0%
Total	**(13)**	(78)	(83.3%)

Products Trading Business

In 1H18, the Products Trading Business continued to be the Group's largest segment in terms of revenue contribution, contributing 77.2% (1H17: 73.3%) of the total revenue of the Group. Revenue of the Products Trading Business was HK$193 million, decreased by 28.5% as compared with the revenue of HK$270 million in 1H17, due to deteriorating operating environment. Despite decreasing revenue, this business segment recorded an operating profit of HK$1 million in 1H18 (1H17: operating loss of HK$1 million). On the other hand, an operating loss of HK$35 million was attributable to the Products Manufacturing Operations in 1H17 whereas no such loss was recorded in 1H18 as the Company has discontinued the Products Manufacturing Operations since August 2017.

Mainland Property Business

Revenue of the Mainland Property Business of HK$52 million was HK$41 million or 44.1% lower than 1H17, due to high property inventory in Anshan and absence of new project being launched in 1H18. However, this segment's operating loss of HK$18 million was HK$63 million or 77.8% lower. The decrease in loss was mainly due to no impairment provision being made on property projects in 1H18.

Mainland Finance Business

Operating profit of the Mainland Finance Business was HK$4 million against revenue of HK$5 million in 1H18, both of them maintained at the same level as 1H17.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Revenue of continuing operations for the six months ended 30 June				
	2018		2017		
HK$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited) (Restated)	Relative %	% increase/ (decrease)
Mainland China and Hong Kong	**138**	**55.2%**	225	61.1%	(38.7%)
Europe	**41**	**16.4%**	68	18.5%	(39.7%)
North America and others	**71**	**28.4%**	75	20.4%	(5.3%)
Total	**250**	**100.0%**	368	100.0%	(32.1%)

Mainland China and Hong Kong continued to be the largest market regions of the Group, contributing HK$138 million or 55.2% of the Group's total revenue in 1H18, as compared with HK$225 million or 61.1% of the Group's total revenue in 1H17. Revenue contributions from these market regions reduced as sales of properties and products decreased. Europe contributed HK$41 million or 16.4% of the Group's total revenue in 1H18, as compared with HK$68 million or 18.5% in 1H17. The decrease in revenue contribution from Europe was mainly attributable to less sales of telecom products. North America and other regions contributed HK$71 million or 28.4% of total revenue in 1H18, which mainly represented shipments of telecom products and child products to these regions.

CAPITAL STRUCTURE AND GEARING RATIO

	30 June 2018		31 December 2017	
	Amount	**Relative**	Amount	Relative
HK$ million	**(Unaudited)**	**%**	(Audited)	%
Bank borrowings	**178**	**12.4%**	243	15.9%
Finance lease payable	**1**	**0.0%**	2	0.1%
Total borrowings	**179**	**12.4%**	245	16.0%
Equity	**1,260**	**87.6%**	1,287	84.0%
Total capital employed	**1,439**	**100.0%**	1,532	100.0%

The Group's gearing ratio was 12.4% as at 30 June 2018 (31 December 2017: 16.0%). The decrease in the gearing ratio was led by the combined net effect of reduction of the Group's bank borrowings and equity during the period.

Total outstanding bank and other borrowings amounted to HK$179 million as at 30 June 2018 (31 December 2017: HK$245 million). All the Group's bank and other borrowings are short-term bank loans.

As at 30 June 2018, the maturity profile of the Group's bank and other borrowings falling due within one year amounted to HK$179 million (31 December 2017: falling due within one year and in the second to the fifth years amounted to HK$190 million and HK$55 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	**30 June 2018 (Unaudited)**	31 December 2017 (Audited)
Current assets	**1,664**	1,815
Current liabilities	**416**	484
Net current assets	**1,248**	1,331
Current ratio	**400.0%**	375.0%

The Group's current ratio was 400.0% as at 30 June 2018 (31 December 2017: 375.0%), reflecting strong liquidity of the Group's financial position. Of the total cash balance of HK$211 million as at 30 June 2018 (31 December 2017: HK$285 million), deposits with an aggregate amount of HK$35 million as at 30 June 2018 (31 December 2017: HK$63 million) were pledged for banking facilities.

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 had sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2018, the Group had capital commitment of HK$18 million for development of the new business venture of the Company. Save as disclosed in the above, the Group has no material capital commitment as at 30 June 2018 (31 December 2017: HK$31 million).

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.

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 does not have any significant foreign exchange exposure at present. We will continue to monitor our currency exposure but we have no intention to enter into any high-risk exchange derivatives.

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.

EVENT AFTER THE REPORTING PERIOD

There were no significant events affecting the Group after the financial period ended 30 June 2018.

CHARGE ON ASSETS

As at 30 June 2018, certain of the Group's assets with a net book value of HK$214 million (31 December 2017: HK$214 million) and time deposits of the Group of HK$35 million (31 December 2017: HK$63 million) were pledged to secure the banking facilities granted to the Group to finance operations. Save as disclosed above, the Group did not have any other charges on its assets.

CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any significant contingent liabilities (31 December 2017: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2018 was 85 (31 December 2017: 76). 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 of the Group. During the period under review, 5,310,000,000 share options were granted on 25 January 2018 under the Company's share option scheme. There were 9,955,000,000 share options outstanding as at 30 June 2018 (31 December 2017: 5,945,000,000 share options outstanding).

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the period for the six months ended 30 June 2018.

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 period from 1 January 2018 to 30 June 2018, except for the minor deviations from the following Code Provisions of the CG Code:-

Code Provision A.2.1: the roles of chairman and chief executive should be separate and should not be performed by the same individual; and

Code Provision 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 included in the 2017 annual report of the Company issued in April 2018 and will be disclosed in the 2018 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2018.

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. 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 2018.

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 2018.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement of the Company for the six months ended 30 June 2018 is published on the website of the Company at www.cctland.com/eng/investor/statutory.php and that of the Stock Exchange at www.hkexnews.hk. The 2018 interim report of the Company 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 September 2018.

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 and Ms. Lai Mei Kwan and the independent non-executive Directors are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Tam King Ching, Kenny.

By Order of the Board
CCT LAND HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 30 August 2018

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 2018 together with the comparative figures for the corresponding period in 2017 as follows:

Condensed Consolidated Statement of Profit or Loss
For the six months ended 30 June 2018

		Six months ended 30 June	
HK$ million	*Notes*	**2018 (Unaudited)**	2017 (Unaudited) (Restated)
CONTINUING OPERATIONS			
REVENUE	*4*	**250**	368
Cost of sales		**(240)**	(361)
Gross profit		**10**	7
Other income and gains		**15**	16
Selling and distribution expenses		**(7)**	(9)
Administrative expenses		**(45)**	(58)
Other expenses		**-**	(62)
Finance costs	*5*	**(5)**	(6)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**(32)**	(112)
Income tax credit	*7*	**1**	3
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(31)**	(109)
DISCONTINUED OPERATION			
Loss for the period from discontinued operation	*9*	**-**	(38)
LOSS FOR THE PERIOD		**(31)**	(147)
Attributable to:			
Owners of the parent			
Continuing operations		**(33)**	(111)
Discontinued operation		**-**	(38)
		(33)	(149)
Non-controlling interests		**2**	2
		(31)	(147)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic and diluted			
- For loss for the period		**(HK0.02 cent)**	(HK0.11 cent)
- For loss from continuing operations		**(HK0.02 cent)**	(HK0.08 cent)

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2018

	Six months ended 30 June	
HK$ million	**2018** **(Unaudited)**	2017 (Unaudited)
LOSS FOR THE PERIOD	**(31)**	(147)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period, net of tax :		
Exchange differences on translation of foreign operations	**(12)**	19
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(43)**	(128)
Attributable to:		
Owners of the parent	**(45)**	(130)
Non-controlling interests	**2**	2
	(43)	(128)

Condensed Consolidated Statement of Financial Position
30 June 2018

HK$ million	*Notes*	**30 June 2018 (Unaudited)**	31 December 2017 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	**8**	9
Investment properties		**46**	44
Goodwill		**45**	45
Total non-current assets		**99**	98
Current assets			
Properties under development		**466**	447
Properties held for sale		**533**	596
Trade and loans receivables	*12*	**153**	195
Prepayments, deposits and other receivables		**300**	291
Financial assets at fair value through profit or loss		**1**	1
Pledged time deposits		**35**	63
Cash and cash equivalents		**176**	222
Total current assets		**1,664**	1,815
Total assets		**1,763**	1,913
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		**1,343**	1,343
Convertible bonds		**496**	496
Reserves		**(579)**	(552)
		1,260	1,287
Non-controlling interests		**35**	33
Total equity		**1,295**	1,320
Non-current liabilities			
Interest-bearing bank and other borrowings		**-**	55
Deferred tax liabilities		**52**	54
Total non-current liabilities		**52**	109
Current liabilities			
Trade and bills payables	*13*	**185**	241
Tax payable		**2**	1
Other payables and accruals		**19**	52
Contract liabilities		**31**	-
Interest-bearing bank and other borrowings		**179**	190
Total current liabilities		**416**	484
Total liabilities		**468**	593
Total equity and liabilities		**1,763**	1,913
Net current assets		**1,248**	1,331
Total assets less current liabilities		**1,347**	1,429

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 Listing Rules and with Hong Kong Accounting Standards ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2017 (the "**2017 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 2017 Annual Report.

The following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") have been adopted by the Company with effect from 1 January 2018.

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9, HKFRS 15 and Amendments to HKFRS 15, the adoption of the above revised standards has had no significant financial effect on the unaudited condensed consolidated interim financial statements.

The nature and the impact of the changes are described below:

HKFRS 9 Financial Instruments

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The impact relate to the classification and measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

Except for trade receivables, under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit of loss, transaction costs.

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("**FVPL**"), amortised cost, or fair value through other comprehensive income ("**FVOCI**"). The classification is based on two criteria: (i) the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "**SPPI criterion**").

The new classification and measurement of the Group's debt financial assets are, as follows:

- *Debt instruments at amortised cost* for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

- *Debt instruments at FVOCI*, with gains or losses recycled to profit or loss on derecognition. Financial assets in this category are the Group's unlisted debt instruments that meet the SPPI criterion and are held within a business model both to collect cash flows and to sell.

Other financial assets are classified and subsequently measured, as follows:

- *Equity instruments at FVOCI*, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocable elected to so classify upon initial recognition or transition. Financial assets at FVOCI are not subject to an impairment assessment under HKFRS 9.

- *Listed equity investments at FVPL* comprised quoted equity investments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristic fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group's business model was made as of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial liabilities measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by HKAS 39.

The adoption of HKFRS 9 has had no significant impact on the Group's interim financial information on classification and measurement of its financial assets.

(b) Impairment

HKFRS 9 required an impairment on trade and loans receivables and other receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade and loans receivables. Furthermore, the Group applied the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group adopted HKFRS 15 from 1 January 2018.

The Group's principal activities consist of the sale of telecom and electronic products and supply of infant and baby products, mainland property business and mainland finance business. The impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:

(a) Sale of telecom and electronic products and supply of infant and baby products

Timing of revenue recognition

Currently, sale of telecom and electronic products and supply of infant and baby products is recognised when the significant risks and rewards of ownership of the products are transferred to the customers. Upon the adoption of HKFRS 15, the Group recognises the sale of telecom and electronic products and supply of infant and baby products at the point in time at which the Group delivers the products to the buyers under different shipment terms. The adoption of HKFRS 15 has had no significant impact on the timing of revenue recognition.

Variable consideration on the sale of telecom and electronic products

The Group provides a right of return and rebates for some models of electronic products to specific customer. Currently, the Group recognises revenue from the sale of goods measured at fair value of the consideration received or receivable, net of returns and trade rebates. Since the Group does not recognise a performance obligation for the return right service, the Group recognises all of the revenue once the customer obtains control of the good. For the trade rebates to customer, the Group currently offers rebates to customers for purchasing specific products. The rebates are recognised in the following month of sales and the amount is not material for each month. The adoption of HKFRS 15 has had no significant impact on the opening retained profit as at 1 January 2018.

(b) Mainland property business

Timing of revenue recognition

Prior to the adoption of HKFRS 15, sale of completed properties is recognised when the significant risks and rewards of ownership of the properties are transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the completed properties, that is when the construction of the relevant properties has been completed and the properties have been delivered to the buyers pursuant to the sale agreements, and the collectability of related receivables is reasonably assured. Under HKFRS 15, revenue from the sale of completed properties recognised when control over the properties is transferred to the buyers. For properties that have no alternative use to the Group due to contractual restriction and which the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligations are satisfied over time by applying an input method for measuring progress. The Group has assessed that the sale agreements used by the Group are standardised in a large extent and in the case of pre-completion sales using standard agreements for sale and purchase, the Group does not have an enforceable right to payment for performance completed to date in accordance with HKFRS 15, and accordingly, the criteria for recognising revenue over time are not met. The Group recognises the sale of completed properties until the point in time at which the Group delivers the properties to the buyers. The adoption of HKFRS 15 has had no significant impact on the timing of revenue recognition.

Sales commission

The Group pays commission to the sales agents when agreement for sale and purchase is signed with property buyer. Upon adoption of HKFRS 15, incremental costs of obtaining a contract, including sales commission, if recoverable, are capitalised as an asset and shall be amortised on a systematic basis that is consistent with the transfer of the related property to the customer. Currently, the Group capitalised the sales commission as an asset until it is recognised in the profit or loss at the same time when revenue from the related completed property is recognised. Accordingly, the adoption of HKFRS 15 has had no significant impact for the sales commission in the respective periods.

Financing component for sale of completed properties

HKFRS 15 requires property developers to account for the financing component in a contract separately from revenue if the financing effects are significant, subject to a practical expedient where the period between the payment and delivery of properties will be less than one year. Upon adoption of HKFRS 15, the Group recognised contract liabilities for the interest on the sales proceeds received from customers with a significant financing component. The Group elected to apply the practical expedient and did not recognise the effects of a significant financing component with a customer if the time period is one year or less. In addition, reclassifications have been made from other payables and accruals to contract liabilities for the outstanding balance of sale proceeds from customers. The adoption of HKFRS 15 has had no significant impact on the opening retained profits as at 1 January 2018. Receipts in advance of HK$31 million that were previously classified under other payables and accruals has been reclassified to contract liabilities as at 1 January 2018.

(c) Mainland finance business

The interest income arising from contractual rights or obligations within scope of HKFRS 9 *Financial Instruments* is not within the scope of HKFRS 15 and therefore, there is no effect on the recognition of revenue on this segment.

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 Products Trading Business segment representing sale of telecom and electronic products and supply of infant and baby products;

(b) the Mainland Property Business segment representing the development and sale of properties in Mainland China; and

(c) the Mainland Finance Business segment representing the finance business in Mainland China.

The discontinued operations represented the manufacturing of telecom, electronic and child products which was discontinued during the year ended 31 December 2017.

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 the finance costs, the equity-settled share option expense, the 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 2018

HK$ million	**Products Trading Business** (Unaudited)	**Mainland Property Business** (Unaudited)	**Mainland Finance Business** (Unaudited)	**Reconciliation** (Unaudited)	**Group total** (Unaudited)
Segment revenue:					
From external customers	193	52	5	-	250
Other revenue	8	-	-	7	15
	201	52	5	7	265
Operating (loss)/profit	1	(18)	4	-	(13)
Finance costs	(3)	(2)	-	-	(5)
Reconciled items:					
Equity-settled share option expense	-	-	-	(18)	(18)
Corporate and other unallocated expenses	-	-	-	4	4
(Loss)/profit before tax	(2)	(20)	4	(14)	(32)
Income tax credit	-	-	-	1	1
(Loss)/profit for the period	(2)	(20)	4	(13)	(31)
Other segment information:					
Depreciation	(1)	-	-	-	(1)
Other material non-cash items:					
Fair value gain on investment properties	2	-	-	-	2

3. OPERATING SEGMENT INFORMATION (CONTINUED)

For the period ended 30 June 2017 (Restated)

	Continuing operations				Discontinued operations		
HK$ million	Products Trading Business (Unaudited)	Mainland Property Business (Unaudited)	Mainland Finance Business (Unaudited)	Total continuing operations (Unaudited)	Products Manufacturing Operations (Unaudited)	Reconciliations (Unaudited)	Group total (Unaudited)
Segment revenue:							
Sales to external customers	270	93	5	368	152	(152)	368
Other revenue	16	-	-	16	5	-	21
	286	93	5	384	157	(152)	389
Operating (loss)/profit	(1)	(81)	4	(78)	(35)	-	(113)
Finance costs	(2)	(4)	-	(6)	(3)	-	(9)
Reconciled items:							
Equity-settled share option expense	-	-	-	-	-	(24)	(24)
Corporate and other unallocated expenses	-	-	-	-	-	(4)	(4)
(Loss)/profit before tax	(3)	(85)	4	(84)	(38)	(28)	(150)
Income tax credit	-	-	-	-	-	3	3
Loss for the period	(3)	(85)	4	(84)	(38)	(25)	(147)
Other segment information:							
Interest income	1	-	-	1	-	-	1
Expenditure for non-current assets	1	-	-	1	-	-	1
Depreciation and amortisation	(1)	-	-	(1)	(12)	-	(13)
Other material non-cash items:							
Impairment of properties held for sale	-	(27)	-	(27)	-	-	(27)
Impairment of properties under development	-	(28)	-	(28)	-	-	(28)
Fair value loss on investment properties	(7)	-	-	(7)	(21)	-	(28)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

As at 30 June 2018

HK$ million	Products Trading Business (Unaudited)	Mainland Property Business (Unaudited)	Mainland Finance Business (Unaudited)	Reconciliation (Unaudited)	Group Total (Unaudited)
Segment assets:	227	1,031	122	-	1,380
Reconciled items					
Corporate and other unallocated assets	-	-	-	383	383
Total assets	227	1,031	122	383	1,763
Segment liabilities	269	143	2	-	414
Reconciled items					
Corporate and other unallocated liabilities	-	-	-	54	54
Total liabilities	269	143	2	54	468

As at 31 December 2017

HK$ million	Products Trading Business (Audited)	Mainland Property Business (Audited)	Mainland Finance Business (Audited)	Reconciliation (Audited)	Group Total (Audited)
Segment assets:	379	1,074	118	-	1,571
Reconciled items					
Corporate and other unallocated assets	-	-	-	342	342
Total assets	379	1,074	118	342	1,913
Segment liabilities	379	129	1	-	509
Reconciled items					
Corporate and other unallocated liabilities	-	-	-	84	84
Total liabilities	379	129	1	84	593

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

HK$ million	Six months ended 30 June **2018** **(Unaudited)**	 2017 (Unaudited) (Restated)
Mainland China and Hong Kong	**138**	225
Europe	**41**	68
North America and others	**71**	75
	250	368

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

(b) Non-current assets

HK$ million	**30 June 2018 (Unaudited)**	31 December 2017 (Audited)
Hong Kong	**4**	6
Mainland China	**95**	92
	99	98

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 2018, revenue from the major customer of the products trading business segment was HK$73 million, representing 29% of the Group's total revenue.

For the six months ended 30 June 2017, revenue from the major customer of the products trading business segment was HK$102 million, representing 28% of the Group's total revenue.

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts and interest income, and gross proceeds from the sale of properties during the period.

An analysis of revenue from continuing operations is as follows:

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
HK$ million		(Restated)
Sale of telecom and electronic products and supply of child products	**193**	269
Sale of properties	**52**	93
Interest income from loans receivable	**5**	5
Bank interest income	**-**	1
	250	368

Disaggregation of revenue

All of the Group's revenue from contracts with customers are recognised at a point in time.

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
HK$ million		(Restated)
Interest on bank loans	**5**	6

6. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

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

HK$ million	Six months ended 30 June **2018** **(Unaudited)**	 2017 (Unaudited) (Restated)
Cost of sales	**240**	361
Depreciation	**1**	1
Amortisation of prepaid land lease payments	**-**	1

7. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for the six months ended 30 June 2018 and 2017 as the Group had no profits chargeable to Hong Kong profits tax during that periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK$ million	Six months ended 30 June **2018** **(Unaudited)**	 2017 (Unaudited)
Current – Mainland China		
Mainland China land appreciation tax	**1**	2
Deferred tax credit	**(2)**	(5)
Total tax credit for the period	**(1)**	(3)

8. DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2018 (30 June 2017: nil).

9. DISCONTINUED OPERATION

On 11 August 2017, the Company entered into an agreement ("**Agreement**") with CCT Enterprise Limited ("**CCT Enterprise**"), which was an indirectly wholly-owned subsidiary of the Company before the Transaction (as defined below), and Estate Express Limited ("**Estate Express**"), an independent third party, pursuant to which Estate Express would subscribe for 99.99% equity shares of CCT Enterprise Limited, and the Company would assign a shareholder's loan of HK$330 million and all the rights associated with such loan to Estate Express upon the full settlement of consideration of HK$330 million. The transaction contemplated under the Agreement (the "**Transaction**") was completed on 11 August 2017 and CCT Enterprise and its subsidiaries (the "**Enterprise Group**") ceased to be subsidiaries of the Company after the Transaction.

The results of the Enterprise Group attributable to the Group for the period ended 30 June 2017 are presented below:

HK$ million	Six months ended 30 June 2017
Revenue	157
Expenses	(192)
Finance costs	(3)
Loss before tax	(38)
Income tax expense	-
Loss for the period from the discontinued operation	(38)
Loss per share from the discontinued operation:	
Basic and diluted	(HK0.03 cent)

The calculations of the basic and diluted loss per share from the discontinued operation are based on:

HK$ million	Six months ended 30 June 2017
Loss attributable to ordinary equity holders of the parent from the discontinued operation, used in the basic and diluted earnings per share calculation	(38)

	Six months ended 30 June 2017 Number of shares
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	134,278,993,990

9. DISCONTINUED OPERATION (CONTINUED)

The net cash flows incurred by the Enterprise Group for the period ended 30 June 2017 are as follows:

HK$ million	Six months ended 30 June 2017
Operating activities	(5)
Investing activities	13
Financing activities	(24)
Net cash outflows	(16)

10. 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$33 million (30 June 2017: HK$149 million), and the loss from continuing operations attributable to ordinary equity holders of the parent and the weighted average number of 134,278,993,990 (30 June 2017: 134,278,993,990) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2018 and 2017 in respect of a dilution as the impact of the outstanding share options and the Convertible Bonds had an anti-dilutive effect on the basic loss per share amounts presented.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, no fixed asset was acquired by the Group (six months ended 30 June 2017: HK$1 million).

12. TRADE AND LOANS RECEIVABLES

HK$ million	**30 June 2018 (Unaudited)**	31 December 2017 (Audited)
Trade receivables	**97**	139
Loans receivables	**56**	56
	153	195

An aging 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 2018 (Unaudited)		31 December 2017 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**24**	**25**	32	23
31 to 60 days	**29**	**30**	21	15
61 to 90 days	**14**	**14**	13	9
91 to 120 days	**13**	**13**	47	34
Over 120 days	**17**	**18**	26	19
	97	**100**	139	100

The Group allows an average credit period of 30 to 120 days to its trade customers.

The trade receivables comprised the trade receivables due from customers of Products Trading Business, receivables from property sales in Mainland China and loans receivable of the Mainland Finance Business.

13. TRADE AND BILLS PAYABLES

An aging 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 2018 (Unaudited)		31 December 2017 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**23**	**12**	33	14
31 to 60 days	**31**	**17**	34	14
61 to 90 days	**24**	**13**	25	10
91 to 120 days	**17**	**9**	33	14
Over 120 days	**90**	**49**	116	48
	185	**100**	241	100

As at 30 June 2018, included in the trade and bill payables are trade payables of HK$4 million (31 December 2017: HK$5 million) due to CCT Plastic Limited, an indirect wholly-owned subsidiary of CCT Fortis, which is unsecured, interest-free and repayable within 90 days from the invoice date.

The trade payables are non-interest bearing and are normally settled on credit terms between 30 days to 120 days.

14. COMPARATIVE PRESENTATION

The comparative condensed consolidated statement of profit or loss have been re-presented as if the operation discontinued on 11 August 2017 (note 9) had been discontinued at the beginning of the comparative period. In addition, certain comparative amounts have been reclassified to conform with the current period's presentation.

GLOSSARY OF TERMS

GENERAL TERMS

"Board"	The board of Directors
"CCT Fortis"	CCT Fortis Holdings Limited (stock code: 00138), a company listed on the Main Board of the Stock Exchange, being a substantial shareholder of the Company
"CCT Fortis Group"	CCT Fortis and its subsidiaries, from time to time
"CG Code"	The corporate governance code contained 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
"China" or "PRC"	The People's Republic of China
"Company"	CCT Land Holdings Limited (stock code: 00261), a company listed on the Main Board of the Stock Exchange
"Convertible Bonds"	The zero coupon convertible bonds with the original aggregate principal amount of HK$1,095,671,000 issued by the Company on 7 December 2015, of which an aggregate principal amount of HK$495,671,000 was outstanding as at the date of this announcement
"Director(s)"	The director(s) of the Company
"EV"	The electric vehicles
"Group"	The Company and its subsidiaries, from time to time
"HK" or "Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"HK$" or "$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mainland China"	The mainland of the PRC
"Mainland Finance Business"	The finance business engaged by the joint venture in the Mainland China, in which the Group has 51% interest
"Mainland Property Business"	The development and sale of residential and commercial properties in the Mainland China
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules

"N/A"	Not applicable
"Products"	Indoor-used cordless and corded phones and accessories, walkie-talkies, and other consumer telecom and electronic products
"Products Manufacturing Operations"	The operations of manufacturing the Products and the Child Products engaged by the Enterprise Group
"Products Trading Business"	The business of trading of the Products and the supply of the Child Products to the CCT Fortis Group, currently engaged by the Group
"Share(s)"	The ordinary share(s) of HK$0.01 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
"US"	The United States of America
"USD"	United States dollars, the lawful currency of the US
"%"	Per cent.

FINANCIAL TERMS

"current ratio"	Current assets divided by current liabilities
"gearing ratio"	Total borrowings (representing bank and other borrowings) divided by total capital employed (representing total Shareholders' fund plus total borrowings)
"loss per share"	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
"operating profit/(loss)"	Operating profit or loss before interest and taxation
"1H18"	First half of 2018
"1H17"	First half of 2017