

Highlights

- Turnover for the period of the Group amounted to HK\$1,017 million, compared with HK\$681 million for last corresponding period.
- Net profit attributable to shareholders amounted to HK\$36 million, compared with a net loss of HK\$9 million for last corresponding period.

SUMMARY OF UNAUDITED INTERIM RESULTS

The Board of Directors of CCT Telecom Holdings Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2000 together with the comparative figures for the corresponding period in 1999 are as follows:

HK\$' million	<i>Notes</i>	Six months ended 30 June	
		2000	1999
TURNOVER			
Continuing operations		1,017	601
Discontinued operations	1	–	80
		<u>1,017</u>	<u>681</u>
PROFIT / (LOSS) FROM OPERATING ACTIVITIES			
Continuing operations		6	4
Discontinued operations	1	–	(33)
		<u>6</u>	<u>(29)</u>
Share of results of associates		5	(1)
Share of results of jointly controlled entities		<u>5</u>	<u>7</u>
PROFIT / (LOSS) BEFORE TAX			
Tax	2	<u>(1)</u>	–
PROFIT / (LOSS) BEFORE MINORITY INTERESTS			
Minority interests		<u>15</u>	<u>(23)</u>
		<u>21</u>	<u>14</u>
NET PROFIT / (LOSS) ATTRIBUTABLE TO SHAREHOLDERS			
		<u>36</u>	<u>(9)</u>
Earnings / (loss) per share			
	3		
- basic		2.3 cents	(0.7 cents)
- diluted		2.2 cents	N/A

Notes:

1. Discontinued Operations

In July 1999, the Group disposed of its entire interest in Celestial Asia Securities Holdings Limited ("CASH") and the results of CASH were shown as discontinued operations.

2. Tax

HK\$' million	Six months ended 30 June	
	2000	1999
The Company and its subsidiaries		
Hong Kong profits tax-current	1	-

Hong Kong profits tax is provided at the rate of 16% (1999: 16%) on the estimated assessable profits for the period less available tax relief for losses brought forward.

3. Earnings / (Loss) Per Share

The calculation of basic earnings / (loss) per share is based on the net profit attributable to shareholders for the period of HK\$36 million (1999: net loss of HK\$9 million), and the weighted average of 1,512,258,476 (1999: 1,172,152,464) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the adjusted net profit attributable to shareholders for the period of HK\$36 million and on the adjusted weighted average of 1,627,371,921 ordinary shares.

Diluted loss per share for the six months ended 30 June 1999 has not been shown as the potential ordinary shares outstanding during that period had an anti-dilutive effect on the basic loss per share for that period.

4. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

INTERIM DIVIDEND

The Directors do not recommend payment of an interim dividend for the six months ended 30 June 2000 (1999: nil).

The six months ended 30 June 2000 were a pivotal point in the evolution of CCT Telecom Holdings Limited. The consolidation of our operations that took place during the previous year has begun to solidify, and all the pieces are in place for a strong future – for our business and for our operations.

The figures tell the story. Turnover for the period was HK\$1,017 million, up 49% over last year's figure of HK\$681 million. Net profit attributable to shareholders was HK\$36 million, representing a return to profit from last year's net loss of HK\$9 million.

The major driver behind the Group's performance for the period under review came on top of exceptionally strong contributions from CCT Tech Group. CCT Tech Group's turnover recorded an increase of 72% from last year – giving a strong boost to its performance.

In addition, an increase in CCT Tech Group's cordless product production capacity to 15 million units in this year, combined with tight cost controls, helped to maximize profit margins from this business stream. As a vertically integrated manufacturer, CCT Tech Group controls its own component production facilities, allowing us to manage costs more efficiently than our competitors.

Evolution of Our Business

A natural evolution of our business has occurred as a result of consolidation efforts begun in the previous year. We have successfully integrated our new technology ventures into our existing core businesses, resulting in a “clicks and mortar” business model that will guide our operations in the future.

CCT Telecom has now consolidated three main business directions for the future: telecom products manufacturing and distribution, telecom & IT infrastructure services, and broadband multimedia content. These business streams are organized under CCT Tech Group, CCT Comm Group and CCT Multimedia Group, respectively.



Prospects

The future looks very bright indeed. With renewed focus on our three main business streams, the Group's prospects remain solidly anchored on the strength of our telecom products operations, while significant upside potential comes from telecom & IT infrastructure services and broadband multimedia content.

CCT Tech Group

The telecom products operation under CCT Tech Group is expected to continue as CCT Telecom's core revenue stream, and will continue to play a key role in our operations. Adding further reinforcements to CCT Tech Group, we have made moves to develop the Group's mobile phone business by investing in UK-based mobile phone designer and distributor Sendo. With this cooperation, we expect to begin manufacturing and distribution of mobile phone handsets in Q4 of this year.

As the world looks towards the "wireless future", we believe that the addition of mobile technology will help to further strengthen sales and revenue, and thus, provide strong growth for CCT Tech Group in 2001.

CCT Comm Group

With the dizzying advances made in the technology industry, CCT Comm Group has identified a strong niche in the provision of telecom and IT infrastructure for the Hong Kong and PRC markets.

In Hong Kong, CCT Telecom joins hands with NTT Communications to lead the development of Hong Kong's second largest ISP, HKNet. In addition, we are working with our JV partner, US-based Teligent Inc, to provide LMDS (Local Multi-point Distribution System) network infrastructure after being awarded a WFTNS (Wireless Fixed Telecommunications Network Services) license in January 2000.

In Mainland China, after the sale of the GSM network Joint Ventures' interests in Shanghai and Shanxi to China Unicom, CCT Comm Group participated in projects like system integration, development of medical and education satellite network infrastructure and HDTV technology, as well as data centre facilities in Beijing, Guangzhou, Hong Kong and Macau; and an Asia-wide broadband business.

CCT Multimedia Group

CCT Multimedia will gain its listing status through one of CCT Telecom's subsidiaries, Wiltec Holdings Limited. CCT Multimedia's business mix is truly diversified and covers a broad range of media, including:

- Publishing operations;
- Portal operations (andy1au.com and ecEasy.com); and
- Multimedia content (e.g. video production, etc.)

With the ongoing convergence of technology, we expect that our portals and multimedia content will have applications in the web TV of the future. Our vision is to meld the interactive functions of our portals with web TV technology to create truly interactive TV applications for Asia.

Leading the Way

As we meet the business challenges of the future with a careful balance of "new" and "old" economy operations, CCT Telecom will leverage the expertise of our international partners – such as Teligent, NTT Communications, Lucent Technologies, Thomson Multimedia and Alcatel. We will also continue to develop our operations to serve the Greater China market.

With our experience in China operations, extensive business connections and one-stop telecom services, CCT Telecom will continue to attract high-quality domestic and international partners to jointly explore the global telecommunications market.

In closing, I would like to offer my sincere appreciation to our management team, staff, business partners and shareholders for their continued support and dedication during the past six months. The future is at hand, and CCT Telecom will be leading the way.

MAK Shiu Tong, Clement
Chairman

Hong Kong, 28 September 2000

Substantial Shareholders' Interests

At 30 June 2000, the following parties were interested in 10% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"):

Name of shareholder	Number of shares held
Capital Interest Limited (Note)	290,679,287
Yiu Yu Ying (Note)	4,406,000
Mak Shiu Tong Clement	2,200,000
Total	297,285,287

Note:

Pursuant to Section 8 of the SDI Ordinance, Mak Shiu Tong Clement, a director of the Company, is deemed to control or have an interest in Capital Interest Limited, the issued share capital in which his wife and his two sons have beneficial interest, and in the shares owned by his wife, Yiu Yu Ying. These interests have been disclosed under the section of "Directors' Interests" below.

Save as disclosed above, as at 30 June 2000, no other parties, other than the Directors of the Company and their associates, whose interests are set out below, had registered as having an interest of 10% or more in the share capital of the Company as recorded in the register kept by the Company under Section 16(1) of the SDI Ordinance.

Directors' Interests

At 30 June 2000, the interests of the Directors of the Company and their associates in the securities of the Company and its associated corporations (as defined in the SDI Ordinance) as recorded in the register required to be kept under Section 29 of the SDI Ordinance were as follows:

1. Interests in Ordinary Shares and Warrants of the Company

Name of Director	Notes	Number of ordinary shares Beneficially held			Amount of 2000 warrants beneficially held		
		Personal	Family	Corporate	Personal	Family	Corporate
Mak Shiu Tong Clement	(1)	2,200,000	4,406,000	290,679,287	-	\$881,200	\$62,273,956
Cheng Yuk Ching		25,416,875	-	-	\$2,359,374	-	-
Olenick Samuel	(2)	-	-	500,000	-	-	\$50,000
Zhang Guo Liang		1,750,000	-	-	-	-	-
Putt William Donald		686,000	-	-	-	-	-

1. Interests in ordinary shares and warrants of the Company (continued)

Notes:

(1) The family interest of Mak Shiu Tong Clement in 4,406,000 shares and HK\$881,200 2000 warrants is held by his wife, Yiu Yu Ying and the corporate interest of Mak Shiu Tong Clement in 290,679,287 shares and HK\$62,273,956 2000 warrants is held by Capital Interest Limited, the issued share capital in which his wife and his two sons have beneficial interest, pursuant to Section 31 and Clause 5 of Part 1 of the Schedule of the SDI Ordinance and which interest in shares has also been disclosed under the section of "Substantial Shareholders' Interests" above.

(2) The shares and the 2000 warrants amounts are deemed to be interested by Samuel Olenick pursuant to Clause 5 of Part 1 of the Schedule of the SDI Ordinance.

2. Rights to Acquire Ordinary Shares in the Company

At 30 June 2000, the details of the share options to subscribe for shares of the Company granted to the Directors of the Company as recorded in the register required to be kept by the Company under Section 29 of the SDI Ordinance were as follows:-

Name of Director	Exercise period	Exercise price (HK\$)	No. of share options exercised during the period	No. of share options outstanding as at 30 June 2000
Mak Shiu Tong Clement	8/2/1998-7/2/2000	1.92	2,200,000	-
Cheng Yuk Ching	8/2/1998-7/2/2000	1.92	2,000,000	-
	27/8/1998-26/8/2000	2.00	2,000,000	-
	6/10/1999-5/10/2001	1.37	5,220,000	-
Tsoi Tong Hoo Tony	10/5/2000-9/5/2002	1.50	-	10,250,000
	6/10/1999-5/10/2001	1.37	-	5,000,000
Tam Ngai Hung	15/2/2000-14/2/2002	3.30	-	2,000,000
Zhang Guo Liang	27/8/1998-26/8/2000	2.00	750,000	-
Putt William Donald	8/2/1998-7/2/2000	1.92	500,000	-

Save as disclosed above, none of the Directors or their respective associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance nor any right to subscribe for the securities of the Company as at 30 June 2000 as recorded in the register kept by the Company under Section 29 of the SDI Ordinance.

Code of Best Practice

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of six months period ended 30 June 2000, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that the Non-executive Directors are not appointed for a specific term as they are subject to retirement by rotation at annual general meeting in accordance with Article 99 of the Company's Articles of Association.

In addition, the Company has established as Audit Committee for review and supervision of the Group's financial reporting process and internal controls.

Purchase, Sale or Redemption of Shares

During the six months ended 30 June 2000, the Company had repurchased 39,740,000 ordinary shares in the Company on The Stock Exchange of Hong Kong Limited and the particulars of which are as follows:-

Trading month	Number of ordinary shares purchased	Price per share		Total cost (before expenses) HK\$
		Highest HK\$	Lowest HK\$	
2000				
February	11,634,000	3.225	2.650	35,044,100
March	11,220,000	3.000	2.425	32,342,750
April	598,000	1.800	1.800	1,076,400
May	5,432,000	2.000	1.700	10,212,280
June	10,856,000	2.025	1.940	21,643,100
	39,740,000			100,318,630

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months period.

On behalf of the Board

Mak Shiu Tong Clement
Chairman

Hong Kong, 28 September 2000