



CCF FORTIS

中建富通集團有限公司

Stock Code : 138

2015

chairman's letter

On behalf of the board of directors of the Company, I report the interim results of the Group for the six months ended 30 June 2015.

In the first half of 2015, we achieved encouraging performance, amidst difficult operating environment. During the period, revenue of the Group from the continuing operations soared to \$314 million, a surge of a 398.4% as compared with the revenue of \$63 million attributable to the continuing operations in the last corresponding period. The surge in revenue was benefited mainly by revenue from trading of classic cars and further disposals of our holdings of shares of CCT Land. Net loss attributable to owners of the parent narrowed to \$18 million for the current period, a sharp reduction of 41.9% as compared with the loss of \$31 million for the comparable period in last year. The improvement in results was primarily driven by the gains from disposals of shares in CCT Land and fair value gains on our investment properties.

INTERIM DIVIDEND

The Company has declared an interim dividend of HK\$0.03 per share for 2015 (interim 2014: HK\$0.03 per share) to be payable from the Company's distributable reserves. The interim dividend of HK\$0.03 per share will be payable on Friday, 2 October 2015 to the shareholders whose names appear on the register of members of the Company on Wednesday, 16 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 September 2015 to Wednesday, 16 September 2015 (both days inclusive), during which period no transfer of share(s) will be effected. In order to qualify for the interim dividend of HK\$0.03 per share, 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 4:00 p.m. on Friday, 11 September 2015.

BUSINESS REVIEW

Movement of the Group's shareholding interest in CCT Land

The Company was once the controlling shareholder of the CCT Land, and held through its wholly-owned subsidiaries which consist of Jade Assets, CAML, and Expert Success a total of 33,026,391,124 issued shares of CCT Land (representing approximately 50.49% of the then total number of issued shares of CCT Land). Members of the CCT Land Group were once subsidiaries of the Company and their accounts were consolidated into the accounts of the Group before.

On 23 December 2014, after completion of disposal of all the 6,500,000,000 CCT Land Shares by way of placing under the placing agreement dated 5 December 2014 (the **"2014 Placing Agreement"**) entered into between Jade Assets and an independent placing agent, the Group has ceased to hold a majority of voting rights in CCT Land and members of the CCT Land Group have ceased to be accounted for as subsidiaries of the Company and consequently, their accounts are no longer consolidated into the Group since then.

After completion of the 2014 Placing Agreement, the Group had accounted and classified the 16,800,000,000 CCT Land Shares held by Jade Assets, CAML and Expert Success, representing approximately 25.68% of the then total number of issued shares of CCT Land, as interest in an associate under non-current assets category, using the equity method of accounting. Furthermore, Jade Assets had transferred a total of 9,726,391,124 CCT Land Shares (representing approximately 14.87% of the then total number of issued shares of CCT Land) to CCT Telecom Securities Limited (**"CCT Securities"**), which classified those shares as financial assets at fair value through profit or loss under the current asset category. CCT Securities, a wholly-owned subsidiary of the Company, is engaged in the securities business in the trading of securities and held the 9,726,391,124 CCT Land Shares as trading securities for sale.

In April and May 2015, CCT Securities disposed of all the 9,726,391,124 CCT Land Shares by way of placing at average prices ranging from \$0.018 per share to \$0.022 per share and since then CCT Securities did not hold any CCT Land Share as at the date of this report.

During the six-month period ended 30 June 2015, the 16,800,000,000 CCT Land Shares (representing approximately 23.9% of the total number of issued shares of CCT Land as at the date of this report) held through Jade Assets, CAML and Expert Success were classified as interest in an associate, using the equity method of accounting.

Subsequent to period end, Jade Assets disposed of by way of a series of on-market disposals and placing in July 2015, a total of 10,374,000,000 CCT Land Shares (representing approximately 14.76% of the total number of issued shares of CCT Land as at the date of this report) (the **"July Transactions"**), at average prices ranging from \$0.0261 per share to \$0.03 per share. After completion of the disposals pursuant to the July Transactions, the Company held through Jade Assets, CAML and Expert Success a total of 6,426,000,000 CCT Land Shares (representing approximately 9.14% of the total number of issued shares of CCT Land as at the date of this report). All the CCT Land Shares disposed by the Group were purchased by independent third parties. On 23 July 2015, Jade Assets, CAML and Expert Success entered into a placing agreement (the **"Further Placing Agreement"**) with the placing agent, under which the placing agent agreed to procure, on a best efforts basis, for placees to purchase up to the remaining 6,426,000,000 CCT Land Shares, at the placing price of HK\$0.03 per share. Up to the date of this report, none of the placing shares under the Further Placing Agreement has been successfully placed. If all the remaining 6,426,000,000 CCT Land Shares are successfully placed, the Group will not hold any CCT Land Share.

Principal businesses of the Group during the period

During the period under review, the principal businesses of the Group consisted of the following continuing operations:

- (i) property development and trading business in Hong Kong;
- (ii) property investment and holding;
- (iii) the securities business;
- (iv) manufacture and sale of plastic components;
- (v) trading and sale of classic cars;
- (vi) investment in classic cars; and
- (vii) provision of restoration, care and maintenance services for classic and collectible cars and general business of classic cars.

As a result of the de-consolidation of CCT Land after completion of the 2014 Placing Agreement in December 2014, the principal businesses of the CCT Land Group, which consist of (a) the development and sale of residential and commercial properties in mainland, the PRC; (b) design, development, manufacture and sale of telecom, electronic and child products; and (c) sale and trading of baby and child products have been treated as discontinued operations of the Group since then.

Property development and trading in Hong Kong

Driven by the release of pent-up demand from end users for small- to medium-sized flats, the residential market in Hong Kong, which started to rebound in second quarter of 2014, continued to perform well in the first six months of 2015. Both volume and price of mass property units increased considerably. However, the retail property market, especially in traditional tourist and shopping districts like Causeway Bay, was relatively soft in the first half of the year. The weakness of the retail market was caused by fall in Hong Kong retail sales, as a result of drop of tourist numbers, especially Chinese visitors.

After we acquired the two major retail properties in 2014, we did not acquire any further property projects for development or resale in the first six months of 2015. We are confident in the appreciation potential of the two newly acquired retail properties in 2014, because of their good location and quality. The management is happy with the acquisition of the five units of street-level shops with all car parking spaces on ground floor of the retail property located at Kennedy Town, Sai Wan (the “**Sai Wan Properties**”). With a total gross floor areas of approximately 7,820 square feet, these properties face the waterfront of the Western District and are located near a MTR station of the West Island Line. Since the opening of the West Island Line in December last year, the property market in the Western District has performed well and value of the Sai Wan Properties has risen since our acquisition. As all of the existing tenancy agreements of the Sai Wan Properties have expired or will expire this year, the management has been able to seek new tenants to lease the properties at new rentals of approximately \$310,000 per month in aggregate, about four times higher than the old rentals. This impressive improvement in rental is expected to have a positive effect on the value of the properties.

The management also considers that the two floors of retail properties located on No. 8 Russell Street, Causeway Bay, Hong Kong have good potential of value appreciation. The property on No. 8 Russell Street is a 29-storey building situated in the center of the busiest shopping and tourist area in Causeway Bay. Renowned large-scale shopping malls are clustered in the vicinity, such as Times Square and Hysan Place. As such, the entire Russell Street building will be converted into a Ginza-type shopping center. The management intends to rent out the Russell Street properties of total gross floor area of 9,436 square feet to high value tenants. Although the rental market in Causeway Bay has been affected by fall in tourism, the management is optimistic in the Russell Street properties because of their excellent location and good quality. In the absence of any disposal of new property projects by the Group in the current period, the property development and trading business incurred an operating loss of \$6 million (before finance costs and taxation), mainly as a result of its operating costs and administrative expenses.

Property investment and holding

In the first half of 2015, our diversified investment properties consisted of luxury residential houses, office properties, retail properties and car parks, all of which are located in Hong Kong. The value of these properties continued to increase in 2015, despite significant appreciation in values in the past few years. Of our investment properties, our retail and office investment properties continued to rent out at 100% occupancy and generated rental income of \$6 million in total for the first six months of the year. During the period, the investment property and property holding segment continued to perform well and delivered an operating profit (before finance costs and taxation) of \$16 million, as compared with \$1 million operating profit for the equivalent period in 2014. The segment's operating profit included unrealised fair value gains of \$16 million (nil change for the period ended 30 June 2014) arising from revaluation of its investment properties.

SECURITIES BUSINESS

The Group's trading securities portfolio was greatly enlarged by the 9,726,391,124 CCT Land Shares which were re-classified as "financial assets at fair value through profit or loss" in December 2014. All these CCT Land Shares held for trading purpose were sold by CCT Securities during the period of six months ended 30 June 2015. The net sale proceeds of \$189 million in aggregate were recognised as revenue of the securities business and a gain of \$20 million was realised from the disposals, enabling this business unit to record an operating profit of \$20 million for the current period, as opposed to an operating loss of \$3 million in the last corresponding period.

Manufacturing of plastic components

Most of the plastic components produced by this department are supplied to the CCT Tech Group (which is the manufacturing arm of the CCT Land Group) for manufacture of telecom and child products.

In the first half of 2015, revenue from component sales declined further to only \$46 million, representing a period-on-period decrease of 20.7%. This decrease was caused by the drop in product sales of the Telecom Product Business, resulting from intensifying competition and weak consumer demand of CCT Tech's major markets in Europe. During the period, shortage of labour and rising wages remained the greatest challenges to operations of this business segment, which continued to adversely affect its performance. Rising costs compounded with the reduction in revenue, caused this business unit to incur an operating loss of \$20 million for the current period.

The Blackbird Automotive Group in multi-faceted automotive business

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

During the period ended 30 June 2015, Blackbird added one historical Ferrari to its collection of classic cars and disposed of one car to a collector, netting a profit for the company. As at period end, Blackbird maintained a classic car collection of nine cars. Also, Blackbird Automotive has been party to the sourcing and supply of classic and collectible cars for customers in the first half of 2015 and has achieved a good return from these transactions.

In the first half of the year, Blackbird completed further acquisition of the industrial properties in Chai Wan with approximately 7,200 square feet. The Group will invest to expand its service facilities into a truly one-stop service centre with a total area of approximately 13,500 square feet. This will expand its ability to support owners of classic and collectible cars as these enlarged service facilities will encompass a full range of car services, including car restoration, care, maintenance, detailing, paint and body shops and a dedicated car storage area.

During the period, Blackbird's other automotive business activities including distributorship for the Porsche 911-inspired restoration business based in Los Angeles, consignment sales, the publication of Blackbird Automotive Journal, the provision of services for car events and promotional activities and the sales of model cars, all continued to grow and attracted good market interest.

Blackbird's multi-faceted automotive business had an encouraging start to 2015, which delivered a strong revenue of \$73 million in first half of the year, mainly from trading of classic cars. As the automotive business is in the start-up and development stage, an operating loss of \$9 million was recorded. The majority of this loss was attributable to the automotive service business, mainly as a result of depreciation and salaries.

OUTLOOK

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

We are optimistic about the Hong Kong property market, which we expect will continue to be robust in the long run. We are confident in the value appreciation potential of our property projects and our investment properties in Hong Kong. We will explore various proposals to further enhance their rental yield and value. We will capitalise our strength in the property sector in managing these properties. We expect our property portfolio will deliver higher rental income and further value appreciation in the future.

The Board is very happy with the performance of Blackbird's automotive business. We maintain our firm commitment to grow Blackbird's multi-faceted automotive business into a worldwide leader in the region. Blackbird will continue to explore opportunities to expand and grow the business, both vertically and horizontally. We are optimistic about the prospects of this new automotive venture and expect that the automotive business venture will deliver strong growth in revenue, profit and cash flow in coming years for the benefit of the Group.

The Group will continue to restructure the department of manufacturing plastic components with a view to overcome the operating challenges that it faces. We will implement further measures to restructure labour management and improve efficiency of the plastic component department. We expect that the restructuring will incur certain one-off costs but we believe that these new measures will enhance workers' management, improve labour efficiency and produce significant cost savings in the long run.

The Group will continue to explore other business and investment opportunities to broaden its revenue and improve its profitability. The Group has decided to enter into the cultural media business, initially in production and worldwide distribution of films, targeting the huge global cultural media market, including the cultural industries in the PRC. We have seen a very rapid pace of development of the film and cultural industries in the PRC and we believe that this new business venture will have excellent prospects and enormous growth potentials.

APPRECIATION

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

Mak Shiu Tong, Clement*Chairman*

Hong Kong, 28 August 2015



financial review

HIGHLIGHTS ON FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME/(LOSS)

\$ million	Six months ended 30 June		
	2015 (Unaudited)	2014 (Unaudited)	% increase/ (decrease)
Continuing operations			
Revenue	314	63	398.4%
Other income and gains	32	35	(8.6%)
Share of loss in an associate	(8)	–	N/A
Loss before tax from continuing operations	(18)	(21)	(14.3 %)
Income tax expense	–	–	–
Loss after tax from continuing operations	(18)	(21)	(14.3 %)
Discontinued operations			
Loss for the period from discontinued operations	–	(18)	N/A
Loss for the period	(18)	(39)	(53.8%)
Attributable to			
– Owners of the parent	(18)	(31)	(41.9%)
– Non-controlling interests	–	(8)	N/A
Loss for the period	(18)	(39)	(53.8%)
Basic and diluted loss per share attributable to ordinary equity holder of the parent			
– For loss for the period	(HK\$0.022)	(HK\$0.050)	(56.0%)
– For loss from continuing operations	(HK\$0.022)	(HK\$0.034)	(35.3%)
Dividend per share	HK\$0.03	HK\$0.03	–
Other comprehensive income/(loss), net of tax	–	(18)	N/A

Discussion on Financial Results and Other Comprehensive Income/(Loss)

The Group's accounts for the six months ended 30 June 2015 did not consolidate those of the CCT Land Group as members of the CCT Land have ceased to be accounted as subsidiaries of the Company since 23 December 2014, following completion of the 2014 Placing Agreement. The Group's interest in the CCT Land Group had been accounted for as interest in an associate during the current period. On the other hand, the results of the CCT Land Group for the comparable period of 2014 have been accounted for as discontinued operations and presented as a separate line of account in the Group's consolidated statement of profit or loss for the six months ended 30 June 2014.

The Group's revenue was \$314 million for the six months ended 30 June 2015, surged 398.4% as compared to \$63 million for the equivalent period in 2014. The surge in revenue was led mainly by the revenue contribution from the classic car business and sales proceeds from the disposals of the CCT Land Shares during the period. Reported other income was \$32 million, approximately 8.6% lower than the other income of \$35 million recognized in the last equivalent period. The other income for the current period consisted mainly of interest income (including accounting notional interest) of \$13 million on the promissory notes due by CCT Land and the fair value gains of \$16 million arising from revaluation of investment properties. Share of loss from an associate was \$8 million, represented share of loss of the CCT Land Group during the period. Loss for the period, which represented loss of the Group's continuing operations was \$18 million, down 14.3% compared to the loss from continuing operations of \$21 million for the last corresponding period. The Group did not have any discontinued operations in the first half of 2015, while the loss of \$18 million from the discontinued operations for the equivalent period in 2014 represented loss related to the operations of the CCT Land Group for that period. Net loss attributable to owners of the parent was \$18 million, a decrease of 53.8% compared to the \$39 million loss for the equivalent period a year ago. The reduction in loss was mainly attributable to a fair value changes of \$16 million recognised by the Group on investment properties and realised gain of \$20 million arising from disposals of CCT Land Shares during the period.

There was no other comprehensive gain/(loss) recorded in the current period. The corresponding other comprehensive loss of \$18 million recorded in the Consolidated Statement of Comprehensive Income for the comparable period in 2014 represented unrealised exchange losses on translation of the accounts of the mainland property subsidiaries of CCT Land, attributable to a devaluation of RMB during the last equivalent period.

ANALYSIS BY BUSINESS SEGMENT

\$ million	Revenue of continuing operations Six months ended 30 June				
	2015		2014		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Property development and trading in Hong Kong	-	-	-	-	N/A
Property investment and holding	6	1.9%	5	7.9%	20.0%
Securities business	189	60.3%	-	-	N/A
Components business	46	14.6%	58	92.1%	(20.7%)
Trading and sale of classic cars	72	22.9%	-	-	N/A
Investment in classic cars	-	-	-	-	-
Automotive service business	1	0.3%	-	-	N/A
Total	314	100.0%	63	100.0%	398.4%

\$ million	Operating profit/(loss) of continuing operations Six months ended 30 June		
	2015 (Unaudited)	2014 (Unaudited)	% increase/ (decrease)
Property development and trading in Hong Kong	(6)	(4)	50.0%
Property investment and holding	16	1	1,500.0%
Securities business	20	(3)	N/A
Components business	(20)	(30)	(33.3%)
Trading and sale of classic cars	(1)	-	N/A
Investment in classic cars	-	-	-
Automotive service business	(8)	(1)	700.0%
Total	1	(37)	N/A

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

In the absence of property sales, the Hong Kong property development and trading business recorded operating loss \$6 million in the first half of 2015 (first half of 2014: loss of \$4 million), which represented operating expenses incurred for the period.

The performance of property investment and property holding segment remained satisfactory and recognised an operating profit of \$16 million in the current period, as compared to an operating profit of \$1 million in the corresponding period of 2014, primarily due to fair value gains of \$16 million recorded on the Group's investment properties during the period.

The Group's securities business achieved revenue of \$189 million, representing 60.3% of the Group's total revenue and delivered an operating profit of \$20 million in the current period, as opposed to the nil revenue and operating loss of \$3 million in the last comparable period. The strong performance of the securities business was driven by the disposals during the period of the approximately 9.7 billion CCT Land shares classified as trading securities.

The component department reported revenue of \$46 million, contributing 14.6% of the Group's total revenue. The current period's revenue of this segment registered a reduction of 20.7% as compared to the \$58 million recorded in the last corresponding period, attributable to the decrease in sales of the Telecom Product Business of the CCT Land Group, to which it supplied most of its component products. Amid difficult operating environment, this business segment incurred an operating loss of \$20 million, representing a 33.3% reduction as compared to the \$30 million loss for the last corresponding period, as a result of the Group's ongoing measures to improve productivity and save costs.

During the period, the classic car trading business contributed revenue of \$72 million (six months ended 30 June 2014: nil), representing 22.9% of the Group's total revenue. This new business venture incurred an operating loss of \$1 million, represented mainly staff costs and overhead. There was no revenue or profit or loss for the Group's investment in classic cars. Blackbird's automotive service business incurred a loss of \$8 million in the first six months of 2015 (first six months of 2014: loss of \$1 million), against a revenue of \$1 million, mainly as a result of depreciation and salaries.

ANALYSIS BY GEOGRAPHICAL SEGMENT

\$ million	Revenue of continuing operations Six months ended 30 June					
	2015		2014		% increase/ (decrease)	
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %		
Hong Kong	253	80.6%	5	7.9%	4,960.0%	
Mainland China	46	14.6%	58	92.1%	(20.7%)	
Europe	15	4.8%	–	–	N/A	
Total	314	100.0%	63	100.0%	398.4%	

In the reporting period under review, Hong Kong contributed most of the Group's revenue geographically, and recorded revenue of \$253 million from the territory, representing 80.6% of the Group's total revenue. The revenue from Hong Kong surged 4,960.0% from only \$5 million revenue for the last corresponding period, led mainly by revenue contribution from the securities business as a result of the disposals of the approximately 9.7 billion CCT Land Shares and revenue contribution from trading of classic cars. Sales to the Mainland China accounted for 14.6% of the Group's total revenue and dropped to \$46 million, down 20.7% from the corresponding period in last year, as a result of lower sales of plastic component products. Revenue from the European region represented sale of a classic car to a European customer.

HIGHLIGHTS ON SIGNIFICANT MOVEMENTS OF FINANCIAL POSITION

\$ million	30 June 2015 (Unaudited)	31 December 2014 (Audited)	% increase/ (decrease)
NON-CURRENT ASSETS			
Property, plant and equipment	472	408	15.7%
Investment properties	976	958	1.9%
Prepayments for acquisition of properties, plant and equipment	–	11	N/A
Interest in an associate	278	286	(2.8 %)
Promissory notes receivables	1,047	986	6.2%
Classic cars held for investment	21	21	–
Held-to-maturity debt securities	51	52	(1.9%)
Other receivables	14	24	(41.7%)
Pledged time deposits	50	50	–
CURRENT ASSETS			
Stock of properties held for sale	382	381	0.3%
Stock of classic cars held for sale	158	139	13.7%
Trade receivables	21	56	(62.5%)
Prepayment, deposits and other receivables	89	81	9.9%
Financial assets at fair value through profit or loss	–	165	N/A
Pledged time deposits	57	56	1.8%
Cash and cash equivalents	112	122	(8.2%)
CURRENT LIABILITIES			
Trade and bills payables	19	23	(17.4%)
Tax payable	61	63	(3.2%)
Other payables and accruals	63	55	14.5%
Current interest-bearing bank borrowings	491	470	4.5%
EQUITY AND NON-CURRENT LIABILITIES			
Non-current interest-bearing bank borrowings	587	612	(4.1%)
Deferred tax liabilities	38	38	–
Equity attributable to owners of the parent	2,485	2,551	(2.6%)

Discussion on Major Financial Position Movements

As at 30 June 2015, balance of property, plant and equipment was \$472 million, an increase of 15.7%. This increase represented mainly the combined net effect of: (i) acquisition of workshops in MP Industrial Centre, Chai Wan, Hong Kong for expansion of the automotive business of the Blackbird Group; and (ii) the depreciation charge for the period.

Balance of the investment properties at 30 June 2015 was \$976 million, \$18 million or 1.9% higher than the last balance sheet date. The increase represented the revaluation fair value gain of the Group's investment properties at period end.

Prepayment for acquisition of properties, plant and equipment reduced from \$11 million at last balance sheet to zero balance at current balance sheet date, due to completion of acquisition of the assets during the period.

Interest in an associate was \$278 million, decreased by \$8 million, due to share of loss of the CCT Land Group in the amount of \$8 million for the current period.

The carrying value of the Promissory note receivables was \$1,047 million, up 6.2% from \$986 million as at 31 December 2014. The increase was due to the net additional loans lent by the Group to CCT Land during the period and the accounting notional interest on the interest-free promissory note for the period.

Balance of classic cars held for investment stood at \$21 million, no change from last balance sheet date.

Held-to-maturity debt securities (classified under non-current assets) of \$51 million (31 December 2014: \$52 million), represented the three-year RMB bond bought for hedging RMB appreciation. The bond has been pledged to a bank to secure equivalent amount Hong Kong dollar loan.

Other receivables of \$14 million as at 30 June 2015 classified under non-current assets represented the non-current portion of loan receivables which was the mortgage loan receivables due from certain purchasers of the Maxibase shop units who/which obtained loans from the Group to finance part of their purchase costs. The balance of these receivables declined by 41.7%, mainly attributable to part repayment of the other receivables during the period, and reclassification of the current portion of the receivables due within one-year at period end to current assets.

The balance of stock of properties held for sale was \$382 million as at 30 June 2015 (31 December 2014: \$381 million) which represented the acquisition costs (including transaction costs such as stamp duty and legal professional fees) of the Sai Wan Properties and the Russel Street Properties.

Stock of classic cars held for sale amounted to \$158 million at the period end, which represented own collection of classic cars bought for trading purposes. One of these cars was sold and one additional historical car was acquired during the period, resulting in the net increase of \$19 million or 13.7% from the last year.

Prepayment, deposits and other receivables as at 30 June 2015 was \$89 million, up 9.9% from \$81 million as at 31 December 2014. The increase of the account balance was primarily due to combined net effect of part repayment of other receivables and the re-categorisation of the current portion of the other receivables from non-current assets to current assets at period end.

Financial assets at fair value through profit or loss reduced from \$165 million as at 31 December 2014 to nil balance as at 30 June 2015. These financial assets as at last year end represented the 9,726,391,124 CCT Land Shares held by CCT Securities for trading purpose and all of these shares were disposed of by CCT Securities during the period.

Pledged time deposits of \$107 million in aggregate, classified under non-current assets and current assets, increased by \$1 million or 1% during the period. All the pledged deposits were denominated in RMB (equivalent to RMB85.6 million). These RMB deposits were pledged to a bank to secure equivalent amount of Hong Kong dollar loans. Such arrangements were entered into for the purpose of hedging RMB appreciation risk.

Cash and cash equivalents decreased by 8.2% to \$112 million as at 30 June 2015. The net decrease represented net funds utilized for working capital, operations and development of the Group's businesses and payments of the dividend during the period.

The aggregate amount of the current and non-current bank borrowings decreased from \$1,082 million as at 31 December 2014 to \$1,078 million as at 30 June 2015, down 0.4%. The net decrease represented net repayment of bank borrowings during the period.

Equity attributable to owners of the parent at end of the period stood at \$2,485 million, a decrease of 2.6% compared to \$2,551 million at beginning of the period. This change was attributable mainly to the net loss for the period and the dividend paid during the period.

CAPITAL STRUCTURE AND GEARING RATIO

\$ million	30 June 2015		31 December 2014	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Bank and other borrowings	1,078	30.3%	1,082	29.8%
Total borrowings	1,078	30.3%	1,082	29.8%
Equity	2,485	69.7%	2,551	70.2%
Total capital employed	3,563	100.0%	3,633	100.0%

The Group's gearing ratio was 30.3% as at 30 June 2015 (31 December 2014: 29.8%). The marginal increase in the gearing ratio was caused by the combined net effect of decrease of the bank borrowings and equity during the period.

Outstanding bank and other borrowings amounted to \$1,078 million at 30 June 2015 (31 December 2014: \$1,082 million). The Group's banks and other borrowings comprised term loans of \$929 million, secured by the Group's properties. The balance of \$149 million (31 December 2014: \$149 million) represented Hong Kong dollar loans which were secured by equivalent amount of RMB deposits and bonds for hedging against RMB appreciation exposure.

As at 30 June 2015, 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 \$491 million, \$352 million and \$235 million, respectively (31 December 2014: \$470 million, \$358 million and \$254 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

\$ million	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Current assets	831	1,012
Current liabilities	634	611
Current ratio	131.1%	165.6%

The Group maintained a healthy current ratio of 131.1% as at 30 June 2015 (31 December 2014: 165.6%), due to its strong financial management.

As at 30 June 2015, the Group's cash balance was \$219 million (31 December 2014: \$228 million), which included pledged deposits of \$107 million (31 December 2014: \$106 million), served as security for Hong Kong dollar loan for hedging RMB appreciation risk. Almost all of the Group's cash was placed on deposits with licensed banks in Hong Kong. In view of the Group's current cash position and the banking facilities available, the Group continued to maintain a sound financial position and has sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2015, capital commitment of the Group amounted to \$1 million (31 December 2014: \$40 million). The capital commitment will be funded partly by internal resources and partly by bank borrowings.

TREASURY MANAGEMENT

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

During the period under review, the Group's receipts were mainly denominated in Hong Kong dollar, US dollar, euro and Pound Sterling. Payments were mainly made in Hong Kong dollar, US dollar, euro, Pound Sterling and RMB. Cash was generally placed in deposits denominated in Hong Kong dollar, RMB, Pound Sterling. As at 30 June 2015, the Group's borrowings were denominated in Hong Kong dollar and interest on the borrowing was principally determined on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk at present as the interest rates currently remain at low level. As for foreign exchange exposures, the Group is principally exposed to the US dollar, RMB and European currencies (including euro and Pound Sterling). As the Hong Kong dollar remains pegged to the US dollar, the Group's exposure to US dollar is not expected to be significant.

As for RMB exposure, since factory wages and overhead of our Guangdong factory are paid in RMB, we had exposed to RMB appreciation risk as the Hong Kong dollar equivalent of our RMB-denominated costs would increase if exchange rate of RMB rose. In order to hedge against RMB appreciation risk, we had accumulated RMB funds of approximately RMB126 million in the past few years, which have been placed on deposits or used to purchase bond and these RMB-denominated deposits and bond have been pledged to a bank to secure equivalent amount of Hong Kong dollar loans. Such arrangement had been effective in hedging our exposure against RMB appreciation. The sudden devaluation of RMB against Hong Kong dollar of approximately 3.5% in August 2015 was unexpected. This devaluation will reverse part of the exchange gain that we earned in the past. We do not expect that the exchange loss arising from the RMB devaluation will be significant. The Board remains optimistic about the long-term outlook of China's economy and the long-term trend of RMB. We take the view that RMB will continue to be a strong currency in the long run.

Our exposure in terms of European currencies may arise from trading of classic cars, which are transacted mainly in euro or Pound Sterling. Our exposure to the European currencies is not expected to be significant as both sales and purchases are made in the same currency, and as such, any exchange exposure will be offset against each other.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

FUND RAISING ACTIVITY IN 2014

The Group did not carried out any fund raising activity in the first half of 2015.

On 12 November 2014, Capital Force International Limited as vendor (the “**Vendor**”), a substantial shareholder of the Company wholly-owned by Mr. Mak Shiu Tong beneficially, and Kingsway Financial Services Group Limited (the “**Placing Agent**”) entered into a placing agreement (the “**Top-up Placing Agreement**”), pursuant to which the Vendor agreed to appoint the Placing Agent and the Placing Agent agreed to act as placing agent for the Vendor to procure, on a best efforts basis, purchasers for up to 75,000,000 shares in the Company held by the Vendor, at a price of HK\$0.90 per Share (the “**Top-up Placing**”). On 12 November 2014, the Company and the Vendor entered into a subscription agreement (the “**Subscription Agreement**”), pursuant to which the Vendor agreed to subscribe for and the Company agreed to allot and issue, up to 75,000,000 new Shares (the “**Subscription Shares**”) at a price of HK\$0.90 per Subscription Share (the “**Subscription**”). The Subscription Shares would be issued and allotted under the then general mandate of the Company. The maximum number of the Subscription Shares represented approximately 9.90% of the then total number of issued shares of the Company and approximately 9.01% of the total number of issued Shares as enlarged by the allotment and issue of the maximum number of the Subscription Shares pursuant to the Subscription Agreement. All the 75,000,000 placing Shares were successfully placed and completion of the Top-up Placing took place on 17 November 2014. Further, all the 75,000,000 Subscription Shares were allotted and issued to the Vendor pursuant to the Subscription Agreement and completion of the Subscription took place on 21 November 2014. Details of the Top-up Placing and the Subscription have been disclosed in the Company’s announcements dated 12 November 2014 and 21 November 2014. Further details of the Placing are set out as follows:

- (1) The Board considered that it was then a good timing and opportunity to conduct the Top-up Placing and the Subscription which would allow the Company to raise additional funds and widen its shareholder base.
- (2) The Placing Shares and the Subscription Shares are ordinary shares of the Company with par value of HK\$0.10 each.
- (3) A total of 75,000,000 new Shares were issued and allotted pursuant to the Subscription, which have an aggregate nominal value of HK\$7,500,000.
- (4) The issue price of the Subscription Shares was HK\$0.90 per Subscription Share.
- (5) The net subscription price was HK\$0.880 per Subscription Share.

- (6) The Top-up Placing Shares were placed by the Placing Agent to not less than six placees which/ who are professional, institutional, and/or individual investors. To the best of knowledge, information and belief, having made all reasonable enquiries, all the placees and their ultimate beneficial owners (where applicable) are third parties independent of the Company and its connected persons and none of them became a substantial shareholder of the Company upon completion of the Top-up Placing.
- (7) The closing price of the Placing Share as quoted on the Stock Exchange on 12 November 2014, being the date of the Top-up Placing Agreement and the Subscription Agreement was HK\$0.94 per Share and the Top-up Placing price represented a discount of approximately 4.26% to the then market price.
- (8) The Company has received net proceeds of approximately HK\$66 million from the Subscription. The Company had applied the net proceeds from the Subscription as to HK\$60 million to fund part of the acquisition costs of a property held for sale and the balance of HK\$6 million for general working capital.

SIGNIFICANT INVESTMENT

Save as disclosed in the other section of the financial review, the Group did not hold any significant investment as at 30 June 2015 (31 December 2014: Nil).

PLEDGE OF ASSETS

As at 30 June 2015, certain assets of the Group with a net book value of \$1,840 million (31 December 2014: \$1,757 million), and time deposits of \$107 million (31 December 2014: \$106 million) were pledged to secure general banking facilities granted to the Group to secure arrangements for hedging RMB appreciation.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2015 was 830 (31 December 2014 1,043). 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 30 June 2015, there were no outstanding share options issued by the Company.

interim results

The Board of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2015 together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

HK\$ million	Notes	Six months ended 30 June	
		2015 (Unaudited)	2014 (Unaudited)
CONTINUING OPERATIONS			
REVENUE	3	314	63
Cost of sales		(299)	(71)
Gross profit/(Loss)		15	(8)
Other income and gains	4	32	35
Selling and distribution expenses		(1)	–
Administrative expenses		(43)	(35)
Other expenses		–	(5)
Finance costs		(13)	(8)
Share of losses of an associate	13	(8)	–
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	5	(18)	(21)
Income tax expense	6	–	–
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(18)	(21)
DISCONTINUED OPERATIONS	12		
Loss for the period from discontinued operations		–	(18)
Loss for the period		(18)	(39)
Attributable to:			
Owners of the parent		(18)	(31)
Non-controlling interests		–	(8)
Loss for the period		(18)	(39)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
– For loss for the period		(HK\$0.022)	(HK\$0.050)
– For loss from continuing operations		(HK\$0.022)	(HK\$0.034)

Details of the dividends payable and proposed for the period are disclosed in note 7 to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

HK\$ million	Six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
LOSS FOR THE PERIOD	(18)	(39)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange differences on translation of foreign operations	-	(18)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(18)	(57)
Attributable to:		
Owners of the parent	(18)	(40)
Non-controlling interests	-	(17)
	(18)	(57)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2015

HK\$ million	Notes	30 June 2015 (Unaudited)	31 December 2014 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		472	408
Investment properties		976	958
Prepayments for acquisition of properties, plant and equipment		–	11
Interest in an associate	13	278	286
Promissory notes receivables	13	1,047	986
Classic cars held for investment		21	21
Available-for-sale investments		4	4
Held-to-maturity debt securities		51	52
Other receivables		14	24
Pledged time deposits		50	50
Total non-current assets		2,913	2,800
Current assets			
Inventories		12	12
Stock of properties held for sale		382	381
Stock of classic cars held for sale		158	139
Trade receivables	10	21	56
Prepayment, deposits and other receivables		89	81
Financial assets at fair value through profit or loss		–	165
Pledged time deposits		57	56
Cash and cash equivalents		112	122
Total current assets		831	1,012
Total assets		3,744	3,812

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
30 June 2015

HK\$ million	Notes	30 June 2015 (Unaudited)	31 December 2014 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital	14	83	83
Reserves		2,402	2,468
Total equity		2,485	2,551
Non-current liabilities			
Interest-bearing bank and other borrowings		587	612
Deferred tax liabilities		38	38
Total non-current liabilities		625	650
Current liabilities			
Trade and bills payables	11	19	23
Tax payable		61	63
Other payables and accruals		63	55
Interest-bearing bank and other borrowings		491	470
Total current liabilities		634	611
Total liabilities		1,259	1,261
Total equity and liabilities		3,744	3,812
Net current assets		197	401
Total assets less current liabilities		3,110	3,201

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2015*

HK\$ million	Attributable to owners of the parent												Non-controlling interests	Total equity
	Issued capital	Share premium account	Capital reserve	Distributable reserve	Investment revaluation reserve	Asset revaluation reserve	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits/ (accumulated losses)	Proposed final dividend	Total		
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2015	83	181	741	1,049	2	36	-	24	29	377	29	2,551	-	2,551
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	(18)	-	(18)	-	(18)
Gain on property revaluation, net of tax	-	-	-	-	-	4	-	-	-	-	-	4	-	4
2014 final dividend paid	-	-	-	-	-	-	-	-	-	-	(27)	(27)	-	(27)
Proposed 2015 interim dividend	-	-	-	(25)	-	-	-	-	-	-	-	(25)	-	(25)
At 30 June 2015	83	181	741	1,024	2	40	-	24	29	359	2	2,485	-	2,485
At 1 January 2014	61	12	745	1,122	2	-	-	24	78	(12)	-	2,032	164	2,196
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(9)	(31)	-	(40)	(17)	(57)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Issue of shares	15	110	-	-	-	-	-	-	-	-	-	125	-	125
Equity-settle share option arrangement	-	-	-	-	-	-	1	-	-	-	-	1	1	2
2013 final dividend	-	-	-	(21)	-	-	-	-	-	-	-	(21)	-	(21)
At 30 June 2014	76	122	745	1,101	2	-	1	24	67	(43)	-	2,035	148	2,243

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

HK\$ million	Six months ended 30 June	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
From continuing operations	(18)	(21)
From discontinued operations	–	(18)
Adjustments for:		
Finance costs	13	18
Share of loss of an associate	8	–
Gain on disposal of subsidiaries	–	(55)
Interest income	(2)	(4)
Depreciation	8	30
Amortisation of prepaid land lease payments	–	1
Impairment of trade receivables	–	(4)
Income from promissory note	(13)	–
Fair value gain on investment properties	(16)	–
Share option expenses	–	2
Fair value loss on financial assets at fair value through profit or loss	–	1
Impairment loss on available-for-sale investments	–	4
	(20)	(46)
Decrease in inventories	–	11
Increase in stock of properties held for trading	(1)	(82)
Increase in stock of classic cars held for trading	(19)	(75)
Decrease in trade receivables	35	25
Increase in properties under development	–	(2)
Decrease in completed properties held for sale	–	54
Increase in prepayments, deposits and other receivables	(8)	(63)
Decrease in financial assets at fair value through profit or loss	165	–
Decrease in trade and bills payables, and other payables and accruals	(20)	(60)
Cash generated from/(used in) from operations	132	(238)
Interest received	2	4
Interest paid	(13)	(18)
Mainland China tax paid	–	(1)
Net cash flows from/(used in) operating activities	121	(253)

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)**For the six months ended 30 June 2015*

HK\$ million	Six months ended 30 June	
	2015	2014
Net cash flows from/(used in) operating activities	121	(253)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(62)	(13)
Purchases of classic cars held for investment	–	(21)
Proceeds from disposal of available-for-sale investments	–	3
Increase in promissory notes receivables	(48)	–
Disposal of subsidiaries	–	2
Decrease in held-to-maturity debt securities	1	–
(Increase)/decrease in pledged time deposits	(1)	3
Decrease in other receivables	10	–
Net cash flows used in investing activities	(100)	(26)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings	55	370
Repayment of bank borrowings	(59)	(375)
Dividends paid	(27)	(82)
Net cash flows used in financing activities	(31)	(87)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10)	(366)
Cash and cash equivalents at beginning of year	122	643
Effect of foreign exchange rate changes, net	–	(22)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	112	255
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	112	144
Non-pledged time deposits with original maturity of less than three months when acquired	–	111
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows	112	255

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing 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 2014 (the “**2014 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s 2014 Annual Report.

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

Amendments to HKAS 19
Annual Improvements
2010–2012 Cycle
Annual Improvements
2011–2013 Cycle

Defined Benefit Plans: Employee Contributions
Amendments to a number of HKFRSs

Amendments to a number of HKFRSs

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and there are seven reportable operating segments during period, which are outlined as follows:

- (a) the Hong Kong property development and trading segment which is engaged in development and trading of properties in Hong Kong;
- (b) the property investment and holding segment which is the investment and holding of properties;
- (c) the components segment which is the manufacture and sale of plastic components;
- (d) the securities business segment which is the trading in securities and holding of securities and treasury products;
- (e) classic cars trading segment which is the trading and sale of classic cars;
- (f) investment in classic cars which is acquisition of classic cars for long-term investment purpose; and
- (g) the automotive service business which is the provision of services for classic and collectible cars and general business of classic cars.

The discontinued operations for the six months ended 30 June 2014 represented the following business segments of the CCT Land Group, as the CCT Land Group has ceased to be consolidated into the accounts of the Group since 23 December 2014:

- (i) the manufacture and sale of telecom, electronic and child products;
- (ii) the trading of child products segment which is engaged in trading and sale of baby and child products; and
- (iii) the PRC property development segment which is engaged in the development and sale of residential and commercial properties in the Mainland China.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that equity-settled share option expenses as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude interest in an associate accounted for under equity method and corporate and other unallocated assets as these assets are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

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 six months ended 30 June 2015

HK\$ million	Continuing operations							Discontinued operations					Total	
	Property development and trading in Hong Kong	Property investment and holding	Securities business	Components	Trading and sale of classic cars	Investment in classic cars	Automotive service business	Total continuing operations	Property development in Mainland China	Telecom and electronic products	Trading of Child products	Total discontinued operations		Reconciliations
Segment revenue:														
Sales to external customers	-	6	189	46	72	-	1	314	-	-	-	-	-	314
Other revenue	-	16	-	1	-	-	-	17	-	-	-	-	2	19
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	22	189	47	72	-	1	331	-	-	-	-	2	333
Operating (loss)/profit	(6)	16	20	(20)	(1)	-	(8)	1	-	-	-	-	-	1
Finance costs								(13)					13	-
Reconciled items:														
Corporate and other unallocated expenses								(11)						(11)
Share of loss of investment in an associate								(8)						(8)
Profit/(loss) before tax								(31)					13	(18)
Income tax expense								-					-	-
Profit/(loss) for the period								(31)					13	(18)

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2015 *(continued)*

HK\$ million	Continuing operations							Discontinued operations				Total		
	Property development and trading in Hong Kong	Property investment and holding	Securities business	Components	Trading and sale of classic cars	Investment in classic cars	Automotive service business	Total continuing operations	Property development in Mainland China	Telecom and electronic products	Trading of Child products		Total discontinued operations	Reconciliations
Other segment information:														
Interest income	-	-	-	2	-	-	-	2	-	-	-	-	-	2
Expenditure for non-current assets	-	-	-	-	14	-	59	73	-	-	-	-	-	73
Depreciation	-	(2)	-	(2)	-	-	(4)	(8)	-	-	-	-	-	(8)
Other material non-cash items:														
Fair value gains on investment properties	-	16	-	-	-	-	-	16	-	-	-	-	-	16
As at 30 June 2015														
Segment assets	382	1,203	53	179	185	24	217	2,243					-	2,243
Reconciled items:														
Corporate and other unallocated assets	-	-	-	-	-	-	-	-					1,223	1,223
Interest in an associate accounted for under equity method	-	-	-	-	-	-	-	-					278	278
Total assets	382	1,203	53	179	185	24	217	2,243					1,501	3,744
Segment liabilities	158	503	50	128	1	-	73	913					-	913
Reconciled items:														
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-					346	346
Total liabilities	158	503	50	128	1	-	73	913					346	1,259

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2014

HK\$ million	Continuing operations							Discontinued operations				Total	
	Property development and trading in Hong Kong	Property investment and holding	Securities business	Components	Trading and sale of classic cars	Investment in classic cars	Automotive service business	Total continuing operations	Property development in Mainland China	Telecom and electronic products	Total discontinued operations		Reconciliations
Segment revenue:													
Sales to external customers	-	5	-	58	-	-	-	63	41	450	491	(49)	505
Other revenue	-	-	-	1	-	-	-	1	1	10	11	(6)	6
Intersegment revenue	-	2	-	-	-	-	-	2	-	-	-	(2)	-
	-	7	-	59	-	-	-	66	42	460	502	(57)	511
Operating profit/(loss)	(4)	1	(3)	(30)	-	-	(1)	(37)	(6)	41	35	1	(1)
Finance costs								(8)			(23)	13	(18)
Reconciled items:													
Equity-settled share option expense								-			(2)	2	-
Corporate and other unallocated expenses								(12)			(2)	(4)	(16)
Gain on disposal of subsidiaries								4			-	-	4
Impairment loss on available-for-sale investments								(4)			-	-	(4)
Profit/(loss) before tax								(57)			8	12	(37)
Income tax expense								-			-	(2)	(2)
Profit/(loss) for the period								(57)			8	10	(39)

3. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2014 (continued)

HK\$ million	Continuing operations							Discontinued operations				Total	
	Property development and trading in Hong Kong	Property investment and holding	Securities business	Components	Trading and sale of classic cars	Investment in classic cars	Automotive service business	Total continuing operations	Property development in Mainland China	Telecom and electronic products	Total discontinued operations		Reconciliations
Other segment information:													
Interest income	-	-	-	2	-	-	-	2	-	2	2	-	4
Expenditure for non-current assets	-	-	-	1	8	-	-	9	-	4	4	-	13
Depreciation	-	(3)	-	(7)	-	-	-	(10)	-	(21)	(21)	-	(31)
Other material non-cash items:													
Fair value gain on investment properties	-	-	-	-	-	-	-	-	-	39	39	-	39
Equity settled share option expenses	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
As at 31 December 2014													
Segment assets	386	1,344	218	208	143	21	11	2,331	-	-	-	-	2,331
Reconciled items:													
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	-	1,195	1,195
Interest in an associate accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-	286	286
Total assets	386	1,344	218	208	143	21	11	2,331	-	-	-	1,481	3,812
Segment liabilities	110	546	245	137	-	-	-	1,038	-	-	-	-	1,038
Reconciled items:													
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	223	223
Total liabilities	110	546	245	137	-	-	-	1,038	-	-	-	223	1,261

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Hong Kong	253	5
Mainland China	46	58
Europe	15	–
	314	63

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

(b) *Non-current assets*

HK\$ million	30 June	31 December
	2015 (Unaudited)	2014 (Audited)
Hong Kong	1,724	1,659
Mainland China	23	25
	1,747	1,684

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

Information about major customers

For the six months ended 30 June 2015, revenue from continuing operations of approximately HK\$33 million was derived from sales of the component segment to a single customer, representing 10% of the Group's total revenue from continuing operations.

For the six months ended 30 June 2014, revenue from continuing operations of approximately HK\$46 million was derived from sales of the component segment to a single customer, representing 73% of the Group's total revenue from continuing operations.

4. OTHER INCOME AND GAINS

An analysis of other income and gains from continuing operations is as follows:

HK\$ million	Six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Fair value gain on investment properties	16	–
Interest on promissory notes	13	13
Others	3	22
	32	35

5. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Cost of inventories sold	284	71
Cost of classic cars sold	15	–
Depreciation	8	10

6. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for the six months ended 30 June 2015 and 2014 as the Group had no profits chargeable to Hong Kong profits tax during those periods. During the period of six months ended 30 June 2015 and the corresponding period in 2014, the Group's continuing operations had no profit subject to foreign tax outside of Hong Kong and no provision had been made for overseas tax.

7. DIVIDENDS

The board of directors has declared an interim dividend for 2015 of HK\$0.03 per share (interim 2014: HK\$0.03 per share) to be payable from the Company's distributable reserves. The interim dividend will be payable on Friday, 2 October 2015 to the shareholders whose names appear on the register of members of the Company on Wednesday, 16 September 2015. The register of members of the Company will be closed from Monday, 14 September 2015 to Wednesday, 16 September 2015 (both days inclusive).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted loss per share for the period is based on the loss for the period attributable to ordinary equity holders of the parent of HK\$18 million (six months ended 30 June 2014: HK\$31 million), and the weighted average number of 832,394,907 (30 June 2014: 616,172,531) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share presented for the period ended 30 June 2015 as the Group did not have any diluted ordinary shares during the period.

No adjustment has been made to the basic loss per share presented for the period ended 30 June 2014 as the Group did not have any diluted ordinary shares during the period.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired property, plant and equipment of approximately HK\$73 million (six months ended 30 June 2014: HK\$9 million).

10. 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:

HK\$ million	30 June 2015 (Unaudited)		31 December 2014 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	3	14	11	20
31 to 60 days	10	48	11	20
61 to 90 days	8	38	11	20
Over 90 days	–	–	23	40
	21	100	56	100

The Group allows an average credit period of 30 to 90 days to its trade customers. As at 30 June 2015, the Group's trade receivables included an amount of HK\$17 million (31 December 2014: HK\$47 million) due from the CCT Land Group, an associate of the Company, which has the similar credit terms offered by the Group to other third party customers of the Group.

11. 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:

HK\$ million	30 June 2015 (Unaudited)		31 December 2014 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	9	47	10	44
31 to 60 days	5	26	7	30
61 to 90 days	2	11	3	13
Over 90 days	3	16	3	13
	19	100	23	100

12. DISCONTINUED OPERATIONS

After completion of the 2014 Placing Agreement on 23 December 2014, the Group has ceased to hold a majority of voting rights in CCT Land and members of the CCT Land Group are no longer consolidated into the Group's accounts since that date. The CCT Land Group is principally engaged in the manufacture and trading of telecom, electronic and child products and property development in mainland China and these business activities have been treated as discontinued operations of the Group after completion of the 2014 Placing.

The results of CCT Land Group attributable to the Group for the six months ended 30 June 2014 are presented below:

HK\$ million	Six months ended 30 June 2014
Revenue	540
Cost of sales	(523)
Gross profit	17
Other income and gains	70
Selling and distribution expenses	(14)
Administrative expenses	(52)
Other expenses	(1)
Finance costs	(36)
Loss before tax from the discontinued operations	(16)
Income tax expense	(2)
Loss for the period from the discontinued operations	(18)
Loss attributable to:	
Owners of the parent	(10)
Non-controlling interests	(8)
Loss for the period from the discontinued operations	(18)

12. DISCONTINUED OPERATIONS *(continued)*

The net cash flows incurred by the CCT Land Group are as follows:

HK\$ million	Six months ended 30 June 2014
Operating activities	(50)
Investing activities	(1)
Financing activities	(46)
Net cash outflow	(97)
Loss per share from the discontinued operations:	
Basic and diluted	HK\$0.03

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

HK\$ million	Six months ended 30 June 2014
Loss attributable to ordinary equity holders of the parent from the discontinued operations, used in the basic and diluted loss per share calculation	(18)
Number of shares	Six months ended 30 June 2014
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	616,172,531

13. INVESTMENT IN AN ASSOCIATE

Particulars of an associate as at 30 June 2015 are as follows:

Name	Particulars of issued share held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
CCT Land Holdings Limited	Ordinary shares	Bermuda/ Hong Kong	23.9%	Investment holding

The Group held 16,800,000,000 CCT Land Shares, representing approximately 23.9% of the total number of issued shares of CCT Land as at 30 June 2015. As the Company held over 20% shareholding in and had significant influence over CCT Land during the period, the investment in CCT Land was classified and accounted for by the Group as investment in an associate under equity method.

HK\$ million	Group		Company	
	30 June 2015 (Unaudited)	31 December 2014 (Audited)	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Listed shares in Hong Kong, at cost (note (i))	303	302	–	–
Share of loss of an associate	(8)	1	–	–
	295	303	–	–
Provision for impairment (note (ii))	(17)	(17)	–	–
	278	286	–	–
Promissory notes receivables (note (iii))	1,047	986	176	126

Notes:

- (i) The investment in an associate represented the 16,800,000,000 CCT Land Shares, representing approximately 23.9% of the total number of issued shares of CCT Land as at 30 June 2015, which were classified by the Group as investment in an associate accounted for under the equity method.
- (ii) The provision for impairment represented the impairment of the investment in CCT Land resulting from the reduction in the amount of the higher of value in use and fair value less costs to sell as at 31 December 2014.

13. INVESTMENT IN AN ASSOCIATE (continued)

Notes: (continued)

- (iii) The promissory notes receivables are interest-free or bearing interest and repayable on their respective maturity dates and listed as follows:

HK\$ million	Group		Company	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
First Note (Note a)	67	67	67	67
Second Note (Note b)	871	860	–	–
Third Note (Note c)	33	38	33	38
Fourth Note (Note d)	13	13	13	13
Fifth Note (Note e)	8	8	8	8
Sixth Note (Note f)	20	–	20	–
Seventh Note (Note g)	25	–	25	–
Eighth Note (Note h)	10	–	10	–
	1,047	986	176	126

Notes:

- (a) On 1 February 2012, the Company entered into an agreement with CCT Land for sale of the entire shareholding interest and the shareholder's loan in Wittec Industries Investment Limited ("WITL"), at a total consideration of approximately HK\$67 million, which was evidenced by the First Note issued to the Company by CCT Land. The First Note has a term of five years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 28 March 2017. The WITL and its subsidiaries ("WITL Group") is engaged in the manufacture and sale of child products. The purpose of the transaction was to assign the entire interest in WITL by the Company to CCT Land in order for CCT Land to expand and diversify into the child products business. After completion of the above acquisition at the end of March 2012, members of the WITL Group have become wholly-owned subsidiaries of CCT Land.
- (b) On 19 April 2013, the Company entered into an agreement with CCT Land and CCT Land (China) Holdings Limited ("CCT Land China") for the subscription of 99.995% of the new shares of the CCT Land China by CCT Land and the assignment of the shareholder's loan of HK\$664 million in CCT Land China to CCT Land at a total consideration of HK\$900 million, which was evidenced by the Second Note issued to Jade Assets by CCT Land as deferred payment of the consideration. The Second Note is interest-free and repayable on the maturity date of the Second Note, which falls on the third anniversary date of the Second Note. Its maturity date is 15 July 2016. The carrying amount of this Second Note at each year end was computed by discounting the face value of the Second Note by imputed interest rate.
- (c) On 3 March 2014, the Company entered into a loan agreement with CCT Land for a loan of HK\$38 million which was evidenced by the Third Note issued to the Company by CCT Land. CCT Land repaid HK\$4.8 million of the Third Note to the Company on 11 March 2015, leaving an outstanding balance of HK\$33.2 million as at 30 June 2015. The Third Note has a term of three years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 6 March 2017.

13. INVESTMENT IN AN ASSOCIATE *(continued)*

Notes: *(continued)*

- (iii) The promissory notes receivables are interest-free or bearing interest and repayable on their respective maturity dates and listed as follows: *(continued)*

Notes: *(continued)*

- (d) On 6 June 2014, the Company entered into a loan agreement with CCT Land for a loan of HK\$12.5 million which was evidenced by the Fourth Note issued to the Company by CCT Land. The Fourth Note has a term of three years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 9 June 2017.
- (e) On 4 September 2014, the Company entered into a loan agreement with CCT Land for a loan of HK\$7.5 million which was evidenced by the Fifth Note issued to the Company by CCT Land. The Fifth Note has a term of three years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 4 September 2017.
- (f) On 2 January 2015, the Company entered into a loan agreement with CCT Land for a loan of HK\$20 million which was evidenced by the Sixth Note issued to the Company by CCT Land. The Sixth Note has a term of three years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 2 January 2018.
- (g) On 12 May 2015, the Company entered into a loan agreement with CCT Land for a loan of HK\$25 million which was evidenced by the Seventh Note issued to the Company by CCT Land. The Seventh Note has a term of three years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 12 May 2018.
- (h) On 8 June 2015, the Company entered into a loan agreement with CCT Land for a loan of HK\$10 million which was evidenced by the Eighth Note issued to the Company by CCT Land. The Eighth Note has a term of three years from the date of issue and carries interest at 3% per annum payable annually. Its maturity date is 8 June 2018.
- (i) Under the terms of the promissory notes, no penalty or charge will be imposed on prepayment of part or whole of the promissory notes by CCT Land

The following tables illustrate the summarised financial information in respect of the CCT Land Group, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements as at 30 June 2015:

HK\$ million	
Current assets	2,033
Non-current assets, excluding goodwill	537
Current liabilities	(801)
Non-current financial liabilities, excluding trade and other payables and provisions	(1,047)
Non-current liabilities	(227)
Net assets	495
Loss and total comprehensive loss of the CCT Land Group for the six months ended 30 June 2015	(35)

14. SHARE CAPITAL

HK\$ million	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Authorised: 2,000,000,000 ordinary shares of HK\$0.10 each	200	200
Issued and fully paid: 832,394,907 (31 December 2014: 832,394,907) ordinary shares of HK\$0.10 each	83	83

There were no transactions involving the Company's issued ordinary share capital during the six months ended 30 June 2015.

15. CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities (31 December 2014: Nil).

16. PLEDGE OF ASSETS

At 30 June 2015, the Group's interest-bearing bank borrowings were secured by:

- (i) pledge of certain of the Group's leasehold land and buildings situated in Hong Kong, which had an aggregate carrying amount at the end of the reporting period of approximately HK\$431 million (31 December 2014: HK\$366 million);
- (ii) pledge of the Group's investment properties situated in Hong Kong, which had an aggregate carrying amount at the end of the reporting period of approximately HK\$976 million (31 December 2014: HK\$958 million);
- (iii) pledge of certain of the Group's held-to-maturity debt securities, which had a carrying amount at the end of the reporting period of approximately HK\$51 million (31 December 2014: HK\$52 million);
- (iv) pledge of certain of the Group's time deposits amounting to HK\$107 million (31 December 2014: HK\$106 million); and
- (v) pledge of certain of the Group's stock of properties held for sale situated in Hong Kong, which had an aggregate carrying amount at end of the reporting period of approximately HK\$382 million (31 December 2014: HK\$381 million).

17. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group has rented out its investment properties as lessor under operating lease arrangements with leases negotiated for terms ranging from two to three years.

At 30 June 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

HK\$ million	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Within one year	12	12
In the second to fifth years, inclusive	1	4
	13	16

(b) As lessee

The Group has leased certain office properties as lessee under operating lease arrangements. Leases for properties are negotiated for terms ranging from two to five years.

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

HK\$ million	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Within one year	3	3

18. COMMITMENTS

In addition to the operating lease commitments detailed in note 17(b) above, the Group had the following capital commitments at the end of reporting period:

HK\$ million	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Contracted, but not provided for:		
Purchase of fixed assets	1	40

19. RELATED PARTY TRANSACTIONS

- (a) As at 30 June 2015, the Group held 16,800,000,000 shares of CCT Land, representing approximately 23.9% of the total number of issued shares of CCT Land as at the date of report. During the period of six months ended 30 June 2015, the CCT Fortis Group held over 20% shareholding in and had significant influence over CCT Land. As such, the Group's investment in CCT Land was classified and accounted by Group as interest in an associate under equity method of accounting. During the period, the CCT Fortis Group had conducted the following related party transactions with the CCT Land Group:

HK\$ million	Notes	Six months ended 30 June	
		2015 (Unaudited)	2014 (Unaudited)
CCT Land:			
Sales of components	(i)	35	49
Factory rental expense	(ii)	3	3
Office rental income	(iii)	1	1
Management information system service fees	(iv)	3	3
Issuance of promissory notes	(v)	55	50
Interest income of promissory notes	(vi)	1	2
Acquisition of a subsidiary which is not business from a director of the Company	(vii)	–	133

19. RELATED PARTY TRANSACTIONS *(continued)*(a) *(continued)*

Notes:

- (i) Certain plastic casings, components and any component products and toolings were supplied by a subsidiary of the Company to the CCT Land Group for production of telecom and electronic products and the prices of the transactions were mutually agreed between the relevant parties pursuant to terms and conditions set out in the manufacturing agreement dated 9 October 2012 entered into between the Company and CCT Land, which has a term of three years effective from 1 January 2013.
- (ii) The factory rental expense was charged by CCT Land to a wholly-owned subsidiaries of the Company for the provision of factory space in Huiyang, Mainland China, at a rental and subject to the terms and conditions set out in a tenancy agreement dated 10 December 2014 entered into between the relevant parties, which has a term of three years effective from 1 January 2015.
- (iii) The office rental income was received by a wholly-owned subsidiary of the Company from CCT Land for the provision of office space in Hong Kong, at rental and subject to the terms and conditions set out in a tenancy agreement dated 10 December 2014 entered into between the relevant parties, which has a term of three years effective from 1 January 2015.
- (iv) The management information system service fee was charged to the Company by CCT Land for the provision of general management information system support, network and software consultation and hardware maintenance services. The fee was determined in accordance with the terms and conditions set out in a management and information services agreement dated 10 December 2014 entered into between the Company and CCT Land, which has a term of three years effective from 1 January 2015.
- (v) The Company entered into loan agreements with CCT Land for the lending of loan amounts of HK\$25 million, HK\$20 million and HK\$10 million, which were evidenced by three promissory notes issued by CCT Land. These promissory notes have a term of three years from the date of issue and carries interest at 3% per annum payable annually.
- (vi) During the period ended 30 June 2015, interest income of HK\$1 million (2014: HK\$2 million) was accrued for the promissory notes by CCT Land issued to the Company. Details of the promissory notes due by CCT Land to the Group, which remained outstanding as at 30 June 2015 have been set out in note 13 to the financial statements.
- (vii) On 9 May 2014, the Company entered into an agreement to acquire all the issued shares of a property holding company which is not a business from the registered holders of the shares of the property holding company, on behalf of the beneficial owner, Mr. Mak Shiu Tong, who is the chairman, executive director, CEO and controlling shareholder of the Company and the shareholder's loan due to Mr. Mak for a total consideration of HK\$133 million. The consideration was mainly satisfied by the issue and allotment of 151,250,000 new shares in the Company. The transaction was completed on 19 June 2014 the property holding company has become an indirect wholly-owned subsidiary of the Company. The transaction constituted a connected transaction for the Company under the Listing Rules and the Company has complied with the Listing Rules in relation to this connected transaction.

19. RELATED PARTY TRANSACTIONS (continued)

- (b) Outstanding balances with related parties:

Details of the Group's balances with the CCT Land Group at the end of the reporting period are disclosed in the notes 10 and 13.

- (c) Compensation of key management personnel of the Group:

HK\$ million	Six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Short term employee benefits	6	8

- (d) The Company has provided corporate guarantee of total amount of approximately HK\$146 million as at 30 June 2015 to a bank in relation to certain banking facilities granted by the bank to the CCT Land Group.

20. COMPARATIVE AMOUNTS

The comparative condensed statement of profit or loss and other comprehensive income has been re-presented as if the operation discontinued on 23 December 2014 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.

21. EVENTS AFTER THE REPORTING PERIOD

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

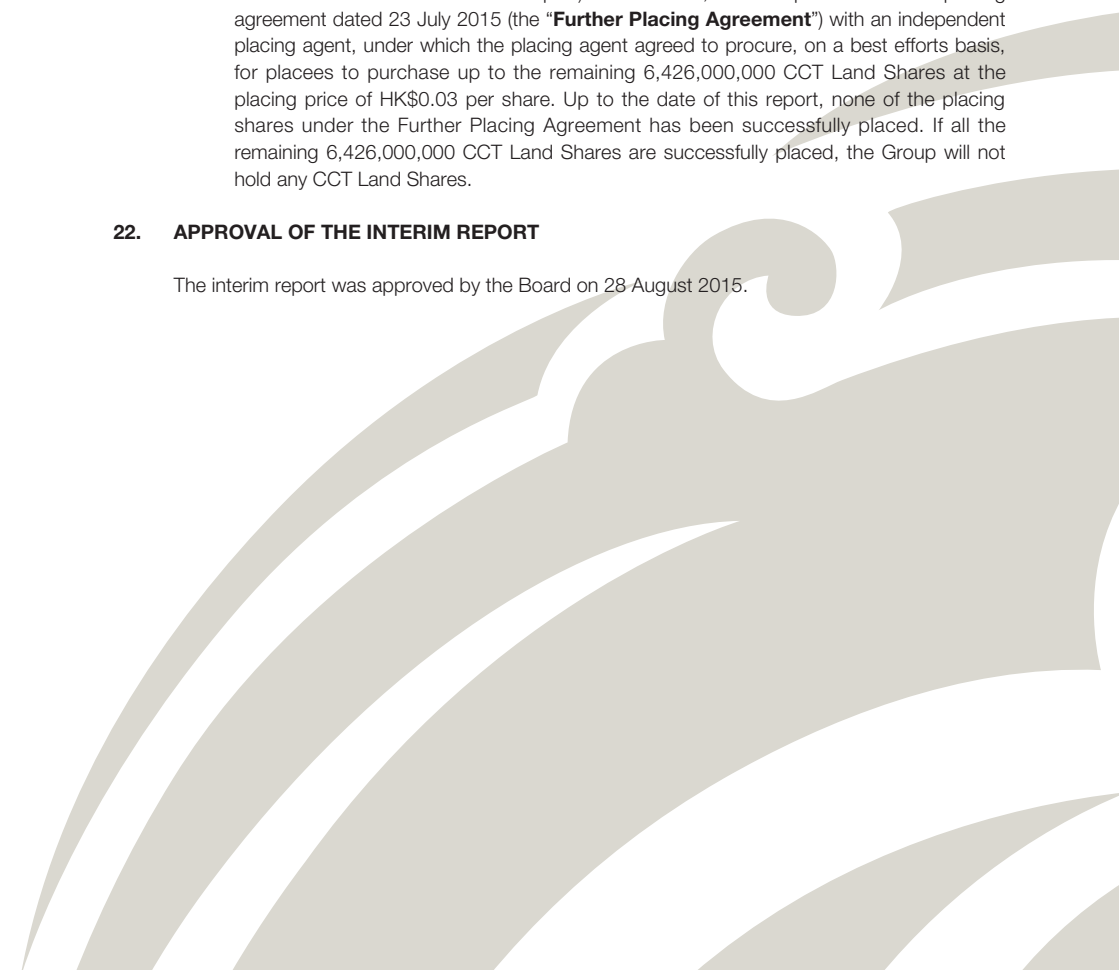
21. EVENTS AFTER THE REPORTING PERIOD *(continued)*

2. The further loan of HK\$20 million was made by the Company to CCT Land on 3 July 2015, which was evidenced by the issue of a promissory note of HK\$20 million issued by CCT Land to the Company on 3 July 2015. This promissory note carries interest at 3% per annum and will mature on the date falling on the third anniversary from the date of its issue.

3. In July 2015, Jade Assets disposed of by way of placing and a series of on-market disposals, a total of 10,374,000,000 CCT Land Shares (representing approximately 14.76% of the total number of issued shares of CCT Land as at the date of this report) at average prices ranging from HK\$0.0261 per share to HK\$0.03 per share. After completion of these disposals and placing, the Group held a total of 6,426,000,000 CCT Land Shares (representing approximately 9.14% of the total number of issued shares of CCT Land as at the date of this report). Furthermore, the Group entered into a placing agreement dated 23 July 2015 (the **"Further Placing Agreement"**) with an independent placing agent, under which the placing agent agreed to procure, on a best efforts basis, for placees to purchase up to the remaining 6,426,000,000 CCT Land Shares at the placing price of HK\$0.03 per share. Up to the date of this report, none of the placing shares under the Further Placing Agreement has been successfully placed. If all the remaining 6,426,000,000 CCT Land Shares are successfully placed, the Group will not hold any CCT Land Shares.

22. APPROVAL OF THE INTERIM REPORT

The interim report was approved by the Board on 28 August 2015.



disclosure of interests

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company:

(a) Interests and short positions in the Shares and the underlying Shares as at 30 June 2015

Long positions in the Shares:

Name of the Directors	Number of the Shares interested and nature of interest			Total	Approximate percentage of the total issued share capital of the Company (%)
	Personal	Corporate			
Mak Shiu Tong, Clement (Note)	8,475,652	446,025,079		454,500,731	54.60
Tam Ngai Hung, Terry	500,000	–		500,000	0.06
William Donald Putt	591,500	–		591,500	0.07

Note: Of the shareholding in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 446,025,079 Shares were held by Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited, all of which are corporations wholly-owned by Mr. Mak beneficially. Mr. Mak is deemed to be interested in 446,025,079 Shares under the SFO as he controls the exercise of all the voting power at general meetings of Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*
(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Land, as at 30 June 2015
(i) Long positions in the shares of CCT Land:

Name of the Directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of CCT Land
	Personal	Corporate	Total	
				(%)
Mak Shiu Tong, Clement (Note)	–	16,800,000,000	16,800,000,000	23.90
Tam Ngai Hung, Terry	20,000,000	–	20,000,000	0.03
Chen Li	10,000,000	–	10,000,000	0.01

Note: The interest disclosed represents 16,800,000,000 shares of CCT Land held by the Company through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Land under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of the Company through his interest in the shareholding of approximately 54.60% of the total issued share capital in the Company as at 30 June 2015.

(ii) Long positions in the underlying shares of the share options granted under the CCT Land 2011 Scheme:

Name of the Directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of CCT Land
Tam King Ching, Kenny	17/1/2014	17/1/2014–16/1/2024	0.01	5,000,000	5,000,000	Below 0.01
Chow Siu Ngor	17/1/2014	17/1/2014–16/1/2024	0.01	5,000,000	5,000,000	Below 0.01

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the sections headed "Directors' Interests in shares and underlying shares" above and "Share Option Scheme of CCT Land" below, at no time during the period for the six months ended 30 June 2015 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2015, the following persons (not being the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Shares as at 30 June 2015:

Name of the Shareholders	Number of the Shares held	Approximate percentage of the total issued share capital of the Company
		(%)
Capital Force International Limited (Note)	96,868,792	11.64
New Capital Industrial Limited (Note)	171,357,615	20.59
Capital Winner Investments Limited (Note)	177,798,672	21.36

Note: Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited are corporations controlled by Mr. Mak Shiu Tong, Clement, whose interest in such Shares has also been disclosed under the section headed "Directors' Interests in shares and underlying shares" above.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 June 2015, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

share option scheme

SHARE OPTION SCHEME OF THE COMPANY

At the AGM of the Company held on 27 May 2011, the Shareholders approved the adoption of the 2011 Scheme. The 2011 Scheme has become effective since 30 May 2011, the date on which the Listing Committee of the Stock Exchange granted approval for the listing of, and permission to deal in, any Shares on the Stock Exchange, which may fall to be allotted and issued by the Company pursuant to the exercise of the share options in accordance with the terms and conditions of the 2011 Scheme. Unless otherwise cancelled or amended, the 2011 Scheme will be valid for a period of 10 years from the date of its adoption.

As at 30 June 2015, there was no share option outstanding under the 2011 Scheme. No share option was granted, exercised, cancelled or has lapsed under the 2011 Scheme during the period for the six months ended 30 June 2015.

SHARE OPTION SCHEME OF CCT LAND

CCT Land was a subsidiary of the Company until 23 December 2014 and CCT Land was an associate of the Company as at 30 June 2015. As such, details of CCT Land's share option scheme has been disclosed in this interim report, for information purpose. At the AGM of each of CCT Land and the Company held on 27 May 2011, the respective shareholders of CCT Land and the Company approved the adoption of the CCT Land 2011 Scheme. The CCT Land 2011 Scheme has become effective since 30 May 2011, the date on which the Listing Committee of the Stock Exchange granted approval for the listing of, and permission to deal in, any shares of CCT Land on the Stock Exchange, which may fall to be allotted and issued by CCT Land pursuant to the exercise of the share options in accordance with the terms and conditions of the CCT Land 2011 Scheme. Unless otherwise cancelled or amended, the CCT Land 2011 Scheme will be valid for a period of 10 years from the date of its adoption.

SHARE OPTION SCHEME OF CCT LAND (continued)**The CCT Land 2011 Scheme**

A total of 600,000,000 share options were granted under the CCT Land 2011 Scheme on 17 January 2014, of which a total of 585,000,000 share options were exercised during the six months ended 30 June 2015, and 15,000,000 share options remained outstanding as at 30 June 2015. Movements of the share options granted to the Directors and the other eligible participants under the CCT Land 2011 Scheme during the period were as follows:

Name or category of the participants	Number of share options					Date of grant of the share options	Exercise period of the share options	Exercise price of the share options	Fair value of the share options granted to each category of participants as at the date of grant	
	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 30 June 2015				HK\$ per share	HK\$
Executive Directors										
Tam Ngai Hung, Terry (Note 1)	275,000,000	-	275,000,000	-	-	17/1/2014	17/1/2014-16/1/2024	0.01		
Cheng Yuk Ching, Flora (Note 1)	300,000,000	-	300,000,000	-	-	17/1/2014	17/1/2014-16/1/2024	0.01		
William Donald Putt	5,000,000	-	5,000,000	-	-	17/1/2014	17/1/2014-16/1/2024	0.01		
	580,000,000	-	580,000,000	-	-					2,321,000
Independent non-executive Directors										
Tam King Ching, Kenny	5,000,000	-	-	-	5,000,000	17/1/2014	17/1/2014-16/1/2024	0.01		
Chen Li	5,000,000	-	5,000,000	-	-	17/1/2014	17/1/2014-16/1/2024	0.01		
Chow Siu Ngor (Note 2)	5,000,000	-	-	-	5,000,000	17/1/2014	17/1/2014-16/1/2024	0.01		
	15,000,000	-	5,000,000	-	10,000,000					60,000
Other eligible participant										
Lau Ho Kit, Ivan (Note 3)	5,000,000	-	-	-	5,000,000	17/1/2014	17/1/2014-16/1/2024	0.01		
	5,000,000	-	-	-	5,000,000					20,000
Total	600,000,000	-	585,000,000	-	15,000,000					2,401,000

Notes:

1. Mr. Tam Ngai Hung, Terry and Ms. Cheng Yuk Ching, Flora are also executive directors of CCT Land.
2. Mr. Chow Siu Ngor is also an INED of CCT Land.
3. Mr. Lau Ho Kit, Ivan is an INED of CCT Land.

SHARE OPTION SCHEME OF CCT LAND *(continued)*

The CCT Land 2011 Scheme *(continued)*

Save as disclosed above, no other share option was exercised, cancelled or lapsed under the CCT Land 2011 Scheme during the six months ended 30 June 2015.

The closing market price of the shares of CCT Land immediately before the date of grant of the 600,000,000 share options (which were granted on 17 January 2014) as quoted in the Stock Exchange's daily quotation sheet was HK\$0.01 a share of CCT Land.

The fair value of the equity-settled share options granted by CCT Land was HK\$2,401,000 which was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00%
Expected volatility (%)	44.70%
Historical volatility (%)	44.70%
Risk-free interest rate (%)	1.37%
Expected life of share options (year)	5.00
Weighted average share price (HK\$ per share)	0.01

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the share options granted was incorporation into the measurement of fair value.

The total number of shares of CCT Land issued or to be issued upon exercise of the 600,000,000 options granted under the CCT Land 2011 Scheme was 600,000,000 shares, which represented approximately 0.85% of the total issued share capital of CCT Land as at 30 June 2015 and the date of this Interim Report. The exercise in full of the 600,000,000 share options will, under the present capital structure of the CCT Land, result in the issue of 600,000,000 additional ordinary shares and additional share capital of HK\$6,000,000 in CCT Land.

other information

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed Shares during the period for the six months ended 30 June 2015.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders 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 2015 to 30 June 2015, except for the following deviations from the Code Provisions of the CG Code:

Code Provision A.2.1

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

There is no separation of the roles of chairman and chief executive officer of the Company and hence the Company has not complied with the Code Provision A.2.1 for the six months ended 30 June 2015.

Mr. Mak Shiu Tong, Clement currently assumes the roles of both the Chairman and the CEO. Mr. Mak is an executive of high caliber with a wide range of skills and diversified business expertise. He has substantial experience, strong leadership and a firmly established reputation in the diversified business that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has the appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board is composed of four executive Directors (including the Chairman) and three INEDs with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the roles of the managing director and the general managers of the Company's major operating subsidiaries are performed by other individuals. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. Furthermore, the Board believes that the combined roles of Mr. Mak enhance the communication between the Board and the management and ensure the effective execution of the Board's strategy by the management because of Mr. Mak's extensive business experience.

CORPORATE GOVERNANCE *(continued)*

Code Provision A.4.2

The Code Provision A.4.2 provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the bye-laws of the Company, any Director appointed to fill a casual vacancy shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy of Directors seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM of the Company is less than one year and is considered to be short.

Pursuant to the bye-laws of the Company, the Chairman and the managing Director (who is currently assumed by Mr. Mak Shiu Tong, Clement) shall not be subject to retirement by rotation or not be taken into account in determining the number of Directors to retire in each year. The Board considers that the continuity of the Chairman and his leadership will be essential for the stability of the key management of the Group. On the other hand, the Board will ensure that all Directors save for the Chairman will rotate at least once every three years in order to comply with the Code Provision A.4.2.

Other information on the corporate governance practices of the Company has been disclosed in the corporate governance report contained in the 2014 Annual Report of the Company issued in April 2015.

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 contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2015.

REVIEW OF INTERIM REPORT

The Group's interim report including the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2015 has been reviewed by the Audit Committee of the Company.

BOARD AND COMMITTEES OF THE BOARD**Executive Directors**

Mak Shiu Tong, Clement (*Chairman and CEO*)

Tam Ngai Hung, Terry (*Deputy Chairman*)

Cheng Yuk Ching, Flora

William Donald Putt

Independent Non-executive Directors

Tam King Ching, Kenny

Chen Li

Chow Siu Ngor

Audit Committee

Tam King Ching, Kenny (*Chairman*)

Chen Li

Chow Siu Ngor

Remuneration Committee

Chow Siu Ngor (*Chairman*)

Tam King Ching, Kenny

Chen Li

Mak Shiu Tong, Clement

Tam Ngai Hung, Terry

Nomination Committee

Mak Shiu Tong, Clement (*Chairman*)

Tam Ngai Hung, Terry

Tam King Ching, Kenny

Chen Li

Chow Siu Ngor

Company Secretary

Tam Ngai Hung, Terry

glossary of terms

GENERAL TERMS

“AGM”	Annual general meeting
“Audit Committee”	The audit committee of the Company
“Board”	The board of Directors
“CAML”	CCT Assets Management Limited, an indirect wholly-owned subsidiary of the Company
“CCT Land”	CCT Land Holdings Limited, a company listed on the main board of the Stock Exchange and was an associate of the Company as at 30 June 2015
“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
“CEO”	the chief executive officer of the Company
“CG Code”	The Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“Company”	CCT Fortis Holdings Limited
“Director(s)”	The director(s) of the Company
“Group”	The Company and its subsidiaries
“Expert Success”	Expert Success International Limited, an indirect wholly-owned subsidiary of the Company
“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 director(s)
“Jade Assets”	Jade Assets Company Limited, an indirect wholly-owned subsidiary of the Company



"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mainland China"	The mainland of the PRC
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules
"N/A"	Not applicable
"Nomination Committee"	The nomination committee of the Company
"PRC" or "China"	The People's Republic of China
"Remuneration Committee"	The remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of PRC
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of 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
"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
"US\$"	United States dollar(s), the lawful currency of US
"%"	Per cent.

FINANCIAL TERMS

“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)

“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

“Current Ratio”

Current assets divided by current liabilities



