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COF FORTIS HOLDINGS LIMITED
(中 建 富 通 集 團 有 限 公 司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

CHAIRMAN'S STATEMENT

On behalf of the Board, I report the interim results of the Group for the six months ended 30 June 2020.

ADVERSE OPERATING ENVIRONMENT

The first six months of 2020 have been one of the most difficult periods in the history of the Company. As a result of the combined effect of a number of global and local political, economic, and health events which are beyond our control, the operating environment of the Group in the first half of 2020 has worsen. These events include:

- (a) the coronavirus pandemic;
- (b) the escalating tensions between the USA and the PRC; and
- (c) the global economic downturn.

Given the adverse business environment, for the first half of 2020, the Company recorded a net loss attributable to owners of the parent of HK\$260 million, as opposed to a net profit of HK\$3 million for last year's first half. The current period's reported loss was mainly attributable to unrealised revaluation losses of the Company's property portfolio and collectible assets portfolio and operating losses arising from the significant reduction of the Company's revenue.

INTERIM DIVIDEND

In view of current difficult situation, the Group intends to conserve cash resources to combat the future challenges. Therefore, the Board did not recommend the payment of interim dividend for the six months ended 30 June 2020 (30 June 2019: nil).

BUSINESS REVIEW

During the six months ended 30 June 2020, the Group was principally engaged in: (i) property investment; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business; (iv) investment in collectible precision devices; (v) cultural entertainment business; and (vi) Industrial Product Business. In the first half of 2020, our principal businesses were heavily impacted by the deteriorating operating environment.

PROPERTY BUSINESS

Hong Kong Property Business

The COVID-19 pandemic has caused serious disruption for economic and social activities in the world. This global health crisis has already given rise to a negative impact to the property market in Hong Kong and caused both property prices and transaction volume to fall in the first six months of 2020.

At the beginning of 2020, we have decided to change our intention with regard to the use of our retail properties in Causeway Bay, representing the two consecutive floors at No. 8 Russell Street, which were originally held by the Company for trading purpose. The Russell Street properties have been reclassified as investment properties since 1 January 2020 as we have decided to hold the properties for long term to generate rental income. Therefore, the Company does not have any properties held for trading any more.

In the first six months of 2020, our property business recorded an operating loss of HK\$92 million, as compared with an operating profit of HK\$53 million for the last corresponding period. The current period's operating loss was primarily attributable to the unrealised revaluation losses of our investment properties in the amount of HK\$94 million whereas, unrealised fair value gains of HK\$46 million were recognised for last year's corresponding period.

Mainland Property Business

In the first half of 2020, the property project in Xinjiang was negatively impacted by the coronavirus outbreak and as a result the Xinjiang joint venture recorded a loss in the current period. In the months of July and August 2020, there was rebound in coronavirus infection in Xinjiang and this may give rise to further negative impact to the operations of the joint venture in the second half of the year. Under such circumstances, it is uncertain when the property market in Xinjiang will recover.

SECURITIES BUSINESS

The stock market was extremely volatile in the six months ended 30 June 2020, as a result of the coronavirus outbreak and the intensifying tensions between the world's two largest economic superpowers, the USA and China. In order to reduce risk and to conserve cash, we did not trade in other listed shares as we continued to focus our securities investment on approximately 53.7 billion shares of GBA (31 December 2019: 53.7 billion shares), representing approximately 29.2% (31 December 2019: 29.2%) of the total number of issued shares of GBA as at 30 June 2020. The share price of GBA was stable in the period under review, despite high volatility of the overall stock market. The fair value of our holdings of 53.7 billion shares of GBA was approximately HK\$537 million (31 December 2019: HK\$537 million), calculated at the closing price of HK\$0.01 per share (31 December 2019: HK\$0.01 per share) as at the period end date, representing approximately 10.4% of the Group's total assets as at 30 June 2020 (31 December 2019: 9.9%).

During the period under review, we did not buy or sell any shares of GBA and did not receive any dividend or income from our securities investment. Our securities business recorded operating loss of less than HK\$1 million in the first half of the current year, same as last year's first half.

BLACKBIRD GROUP

The Blackbird Group, under the leadership of its chief executive officer, Mr. TK Mak, is principally engaged in: (i) the official dealership of Ferrari in Hong Kong and Macau, including the repair and servicing business; (ii) a classic car trading and investment business; and (iii) a car logistics business.

Ferrari Dealership Business

June 2020 marked the third-year anniversary of Blackbird Concessionaires' appointment as Hong Kong and Macau's official Ferrari dealership. During the period under review, Ferrari's new model launch programme continued and Blackbird was pleased to present three new cars to clients in the first half year. These were the convertible 812 GTS and F8 Spider, and the Roma. Whilst the F8 Spider is the successor to the 488 Spider, the 812 GTS and Roma are brand new models.

A combined launch was arranged in February for the 812 GTS and F8 Spider. This consisted of a series of private viewings for clients over seven days in the company's showroom. The Roma launch event took place at the world famous Peninsula Hotel in June and was supported by a specially commissioned set of three movies shot by the company's creative team. As a result of these activities, we received very strong support from our customers and achieved many new car sales orders within a short period of time after each activity. The Roma proved to be especially popular in view of its combination of attractive styling, practicality and pricing.

Deliveries of new cars was slower during the first half of the year, as production in Italy was affected by the coronavirus outbreak. Nevertheless, the balance of the company's remaining allocation of 488 Pista and Pista Spiders arrived in Hong Kong, together with the first of the new F8 Tributos. In addition, deliveries of the Limited Series Ferrari Monzas continued. Furthermore, sales of pre-owned cars increased during the period, despite COVID-19 restrictions.

Our Ferrari after-sales centre in Kwai Chung, which occupies about 70,000 square feet, continued to perform well during the pandemic. This facility is equipped to provide a full range of services including, but not limited to, repairing and maintenance, painting, body shop, restoration, pre-delivery inspection service and car storage. The facility has been very well received and is strongly supported by customers.

Classic Car Trading and Investment Business

During the half year ended 30 June 2020, the classic car market continued to be affected by the global economic slowdown due to the COVID-19 pandemic, and the increasing trade tensions between the USA and China. However, the management remains cautiously optimistic regarding the long-term outlook of the classic car market.

Car Logistics Business

The Company's logistics business has performed well during the year to date with a satisfactory operating margin. Continuing its expansion programme, new contracts were achieved with a number of significant automotive clients in Hong Kong, with further opportunities under discussion. In addition, work continued in support of local importers, distributors, dealers, roadside assistance and insurance companies, racing organisations and private owners.

INVESTMENT AND TRADING OF COLLECTIBLE PRECISION DEVICES

The first half of 2020 came with its challenges for the collectible precision device business unit, as it did for the wider economic environment. However, the period was used effectively to consolidate efforts for a second thematic auction with Phillips auction house to take place in late 2020. The second auction is expected to generate additional income for the division, and enhance profile for the Blackbird Group as well as its founder, Mr. TK Mak who sits on the Phillips Watches Advisory Board. In addition to the auction project, groundwork has been laid to collaborate with a luxury brand on market intelligence that will likely come to fruition later this year. Transactions for collectible precision devices was static for the current period due to prevailing market conditions.

CULTURAL ENTERTAINMENT BUSINESS

Our cultural entertainment business comprises film operations, stage audio, lighting and engineering operations and artist management. This business division has entered into severe winter during the coronavirus pandemic.

Film Operations

Our entertainment company has invested together with other companies in a large scale crime thriller film entitled “Sons of the Neon Night”(風林火山). Shooting of this movie has already completed but post-production work has been delayed by the coronavirus outbreak. Furthermore, cinemas in China and many other countries in the world were shut down during most of the times in the first half of 2020, due to the coronavirus outbreak. Although China has gradually opened its cinemas recently, preventive measures are imposed in order to control spread of the coronavirus and these measures would reduce box receipts. Under such circumstances, public release of the aforesaid film will be deferred as a result of the pandemic.

Stage Audio, Lighting and Engineering Operations

There were very few concerts, shows, and entertainment events performed in the first six months of 2020, due to the measures imposed by the Hong Kong Government to restrict economic and social activities and cross-border travel with a view to control transmission of the COVID-19. Given the adverse situation, the stage audio, lighting and engineering segment recorded its worst results since acquisition as its revenue plummeted by 85.3% and an operating loss in the amount of HK\$21 million was recorded in the period under review. To combat the difficulties and challenges, the management of this business segment has taken various steps including cost reductions, obtained subsidies from government and support from banks. Furthermore, after the period end, an agreement was entered into to dispose of the stage audio and lighting business in Macau (details of which is set out in note 14 to the financial statements of this announcement) so that the management can focus on the stage service operations mainly in Hong Kong. It is expected that these steps will enable this segment to overcome the difficulties caused by the coronavirus pandemic.

Artist Management

The entertainment sector in Hong Kong and China drew to a near total halt during the COVID-19 outbreak. Despite the current tough circumstances, the artist management segment continued to maintain a break-even position, reflecting effective cost control measures.

INDUSTRIAL PRODUCT BUSINESS

The Industrial Product Business have been adversely impacted by the combined effect of keen competition, the escalating trade tensions between the USA and China, the global economic downturn and coronavirus outbreak. As a result of the deteriorating operating environment, revenue of the Industrial Product Business continued to fall significantly in the six months ended 30 June 2020. No new orders have been received for a few months and there is no outstanding order on hand for this business segment. It is uncertain when the global consumer market will recover. Under such circumstances, the Company has decided to terminate the Industrial Product Business with effect from 24 July 2020. As the Industrial Product Business are in a loss position, it is expected that the termination of the Industrial Product Business will not have any significant adverse impact on the operating results or financial position of the Group.

OUTLOOK

The global economic outlook remains highly uncertain and will continue to be influenced by the path and economic impacts of the COVID-19 pandemic, the protracted trade war between the USA and China and geopolitical challenges. Given all these unprecedented challenges, it is difficult to predict when the global economy will recover and when the current difficult situation will improve.

In the existing difficult times, we will conserve our cash and continue our on-going cost savings initiatives. We will retain our strength and lay the groundwork for the recovery to come. With our resilient management, we consider that we can withstand the impact caused by these unprecedented challenges.

APPRECIATION

On behalf of the Board, I wish to thank the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the period. I also want to thank our shareholders, investors, bankers, customers, suppliers, and landlords for their continued encouragement and strong support to the Company throughout these unprecedented times.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 28 August 2020

FINANCIAL REVIEW

OVERVIEW OF FIRST HALF OF 2020 FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		% increase/ (decrease)
	2020 (Unaudited)	2019 (Unaudited)	
Revenue	<u>204</u>	<u>540</u>	(62.2%)
Loss before tax	(267)	(9)	2,866.7%
Tax credit	-	14	N/A
(Loss)/Profit for the period	<u>(267)</u>	<u>5</u>	N/A
(Loss)/Profit attributable to			
- Owners of the parent	(260)	3	N/A
- Non-controlling interests	(7)	2	N/A
(Loss)/Profit for the period	<u>(267)</u>	<u>5</u>	N/A
(Losses)/earnings per share attributable to ordinary equity holder of the parent			
- Basic	(HK\$0.298)	HK\$0.003	N/A
- Diluted	(HK\$0.298)	HK\$0.003	N/A
Dividend per share	-	-	N/A

Review on Financial Results

The Group's revenue for 1H20 of HK\$204 million was HK\$336 million or 62.2% lower than 1H19, reflecting the impact of adverse operating environment.

In 1H20, the Company recorded a net loss attributable to owners of the parent of HK\$260 million as opposed to a net profit attributable to owners of the parent of HK\$3 million in 1H19. The current period's loss arose mainly as a result of significant decrease in revenue and the unrealised revaluation losses in the total amount of HK\$119 million arising from fair value changes of the Group's property portfolio and collectible assets portfolio.

Net loss attributable to non-controlling interests represented share of net loss by the minority shareholders of the stage audio, lighting and engineering operations.

ANALYSIS BY BUSINESS SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2020 Amount (Unaudited)	Relative %	2019 Amount (Unaudited)	Relative %	% increase/ (decrease)
Property development and trading	-	0.0%	2	0.4%	(100.0%)
Property investment and holding	7	3.4%	6	1.1%	16.7%
Securities business	-	0.0%	-	0.0%	N/A
Ferrari dealership	145	71.1%	320	59.3%	(54.7%)
Classic car trading and logistic business	12	5.9%	12	2.2%	-
Investment in classic cars	-	0.0%	8	1.5%	(100.0%)
Film operations	-	0.0%	-	0.0%	N/A
Stage audio, lighting and engineering operations	14	6.9%	95	17.6%	(85.3%)
Industrial Product Business	11	5.4%	65	12.0%	(83.1%)
Other operations	15	7.3%	32	5.9%	(53.1%)
Total	204	100.0%	540	100.0%	(62.2%)

HK\$ million	Operating profit/(loss) for the six months ended 30 June			% increase/ (decrease)
	2020 (Unaudited)	2019 (Unaudited)		
Property development and trading	-	2	(100.0%)	
Property investment and holding	(92)	51	N/A	
Securities business	-*	-*	Not computed	
Ferrari dealership	(20)	10	N/A	
Classic car trading and logistic business	(3)	5	N/A	
Investment in classic cars	(9)	9	N/A	
Film operations	(4)	-*	Not computed	
Stage audio, lighting and engineering operations	(21)	5	N/A	
Industrial Product Business	(2)	-*	Not computed	
Other operations	(41)	(31)	32.2%	
Total	(192)	51	N/A	

*less than HK\$1 million operating loss

Property development and trading

As the Company has reclassified its Russell Street properties from properties held for trading to the investment properties since the start of 2020, there was no revenue or financial result attributable to the property development and trading segment in 1H20. In 1H19, this segment recorded an operating profit of HK\$2 million against revenue of HK\$2 million.

Property investment and holding

In 1H20, the property investment segment recorded an operating loss of HK\$92 million, primarily from unrealised fair value losses on our investment property portfolio in the amount of HK\$94 million. By contrast, in 1H19, this segment recorded an operating profit of HK\$51 million, largely attributable to unrealised fair value gains of our investment properties in the amount of HK\$46 million.

Securities business

In 1H20 and 1H19, we did not trade on the stock market and therefore our securities business did not have any revenue. This business segment recorded a loss of less than HK\$1 million during the current period as well as the same period last year. In 1H20, we focused our financial investment in shares of GBA, whose price was stable during the period.

Ferrari dealership

In 1H20, the dealership business recorded revenue of HK\$145 million, fell by 54.7%, primarily from reduced sales of new cars due to the negative impacts of the COVID-19 pandemic. However, the Ferrari service center in Kwai Chung continued to perform well and recorded a modest increase in service revenue during the pandemic. The dealership business recorded an operating loss of HK\$20 million in 1H20 as opposed to an operating profit of HK\$10 million in 1H19, primarily due to significant decrease in revenue.

Classic car trading and logistic business and investment in classic cars

Given the current difficult times, the classic car trading and investment segments incurred an operating loss of HK\$12 million (1H19: operating profit of HK\$14 million) against revenue of HK\$12 million (1H19: HK\$20 million). The current period's operating loss was mainly driven by the revaluation losses in the amount of HK\$9 million (1H19: fair value gains of HK\$8 million) from fair value change on our collection of classic cars held for investment.

Film operations

No revenue was recorded from our film operations in both 1H20 and 1H19 as no film was released during the periods. The film segment recorded an operating loss of HK\$4 million in 1H20 (1H19: operating loss of less than HK\$1 million).

Stage audio, lighting and engineering operations

This business segment recorded total revenue of HK\$14 million, represented 85.3% decrease from HK\$95 million in 1H19. Operating loss was HK\$21 million (1H19: operating profit of HK\$5 million), led by the significant reduction of revenue, primarily due to adverse impacts from the coronavirus outbreak.

Industrial Product Business

The revenue of the Industrial Product Business of HK\$11 million in 1H20, was 83.1% lower than 1H19, reflecting the negative impacts of the worsening operating environment. Operating loss was HK\$2 million (1H19: operating loss of less than HK\$1 million).

Other operations

Other operations comprise the classic car services center, the multimedia business, investment and trading of collectible precision devices, artist management and other new ventures which are in the development and start-up stage. The other operations' revenue fell by 53.1% to HK\$15 million in 1H20. This segment recorded an operating loss of HK\$41 million, increased by 32.2% from HK\$31 million in 1H19. The increase in loss was mainly attributable to decrease in revenue and the revaluation loss of our collectible precision devices held for investment.

ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2020		2019		
	Amount	Relative	Amount	Relative	% increase/ (decrease)
	(Unaudited)	%	(Unaudited)	%	
Hong Kong, Macau and Mainland China	197	96.6%	487	90.2%	(59.5%)
Rest of the world	7	3.4%	53	9.8%	(86.8%)
Total	<u>204</u>	<u>100.0%</u>	<u>540</u>	<u>100.0%</u>	(62.2%)

Most of the Group's revenue was generated in Hong Kong, Macau and Mainland China. The revenue from these regions of HK\$197 million was HK\$290 million or 59.5% lower than 1H19. The revenue from rest of the world decreased by 86.8% mainly due to decrease in sales of the Child Products Trading Business to the regions.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	30 June 2020		31 December 2019	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Bank borrowings	1,612	37.7%	1,600	35.1%
Other borrowings	36	0.8%	53	1.2%
Lease liabilities/finance lease payable	72	1.7%	87	1.9%
Total borrowings	1,720	40.2%	1,740	38.2%
Equity	2,554	59.8%	2,814	61.8%
Total capital employed	4,274	100.0%	4,554	100.0%

The Group's gearing ratio was 40.2% as at 30 June 2020, marginally higher than the gearing ratio of 38.2% as at 31 December 2019. The Company continued to maintain a reasonable gearing ratio, in difficult times.

Total outstanding bank and other borrowings amounted to HK\$1,720 million as at 30 June 2020 (31 December 2019: HK\$1,740 million). Most of the Group's bank and other borrowings are long-term bank loans.

As at 30 June 2020, the maturity profile of the bank and other borrowings of the Group falling due within one year, in the second to the fifth years and beyond five years amounted to HK\$322 million, HK\$1,018 million and HK\$380 million, respectively (31 December 2019: HK\$317 million, HK\$1,022 million and HK\$401 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Current assets	1,744	2,089
Current liabilities	925	929
Net current assets	819	1,160
Current ratio	188.5%	224.9%

The Group's current ratio was 188.5% as at 30 June 2020 (31 December 2019: 224.9%), reflecting a high liquidity of the Group's financial position. The position of working capital representing by net current assets was HK\$819 million as at 30 June 2020, representing a decrease of 29.4% from last year end, mainly due to reclassification of the properties held for sale from current assets to investment properties under the non-current asset category.

As at 30 June 2020, the Group's cash balance was HK\$115 million (31 December 2019: HK\$149 million), of which HK\$34 million (31 December 2019: HK\$78 million) was pledged to secure banking facilities. In view of the Group's current cash position and the banking facilities available, the Group has sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2020, capital commitment of the Group amounted to approximately HK\$4 million (31 December 2019: HK\$6 million). The Group intends to finance the capital commitment by internal resources.

TREASURY MANAGEMENT

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

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group did not have any significant interest rate risk in 1H20 as the interest rates currently remain at low level.

The Group did not have any significant exchange risk in the 1H20. We will continue to monitor the currency exposure but we have no intention to enter into any high-risk exchange derivatives.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

CHARGES ON ASSETS

As at 30 June 2020, certain assets of the Group with a net book value of HK\$2,236 million (31 December 2019: HK\$2,377 million) and time deposit of HK\$34 million (31 December 2019: HK\$78 million) were pledged to secure the Group's bank loans. Save as disclosed above, the Group did not have any other charges on its assets.

CONTINGENT LIABILITIES

As at 30 June 2020, the contingent liabilities not provided for in the Company's financial statements for the six months period ended 30 June 2020 were as follows:

- (a) corporate guarantees of an aggregate amount of approximately HK\$30 million were given by the Company to guarantee the banking facilities of certain members of the GBA Group (31 December 2019: HK\$30 million); and
- (b) during 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the "**Relevant Subsidiary**") concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one legal proceedings. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence of the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2020 was 318 (31 December 2019: 320). 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 2020, there were no outstanding share options issued by the Company (31 December 2019: nil).

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 six months ended 30 June 2020.

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 six months period from 1 January 2020 to 30 June 2020, except for the minor deviations from the following Code Provisions of the CG Code:

- Code Provision A.2.1: the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing; and

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

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the corporate governance report contained in the 2019 annual report of the Company issued in April 2020 and will be disclosed in the 2020 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2020.

EVENTS AFTER THE REPORTING PERIOD

The event after the reporting period is set out in note 14 to the financial statements of this announcement.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2020.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement of the Company for the six months ended 30 June 2020 is published on the website of the Company at www.cct-fortis.com/eng/investor/announcements.php and that of the Stock Exchange at www.hkexnews.hk. The 2020 interim report of the Company will be dispatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 September 2020.

BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry and Ms. Cheng Yuk Ching, Flora; and the independent non-executive Directors are Mr. Tam King Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor.

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

Hong Kong, 28 August 2020

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2020 together with the comparative figures for the corresponding period in 2019 as follows:

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2020

HK\$ million	Notes	Six months ended 30 June	
		2020 (Unaudited)	2019 (Unaudited)
REVENUE	3	204	540
Cost of sales		<u>(174)</u>	<u>(440)</u>
Gross profit		30	100
Other income and gains		8	67
Selling and distribution expenses		(5)	(6)
Administrative expenses		(119)	(130)
Other expenses and losses		(120)	-
Finance costs		(44)	(46)
Share of (losses)/profits of a joint venture		(17)	8
Share of losses of an associate		<u>-*</u>	<u>(2)</u>
LOSS BEFORE TAX	5	(267)	(9)
Tax credit	6	<u>-</u>	<u>14</u>
(LOSS)/PROFIT FOR THE PERIOD		<u>(267)</u>	<u>5</u>
Attributable to:			
Owners of the parent		(260)	3
Non-controlling interests		<u>(7)</u>	<u>2</u>
		<u>(267)</u>	<u>5</u>
(LOSSES)/ EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
- Basic		<u>(HK\$0.298)</u>	<u>HK\$0.003</u>
- Diluted		<u>(HK\$0.298)</u>	<u>HK\$0.003</u>

*less than HK\$1 million

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2020

HK\$ million	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
(LOSS)/PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(267)	5
Attributable to:		
Owners of the parent	(260)	3
Non-controlling interests	(7)	2
	(267)	5

Condensed Consolidated Statement of Financial Position

30 June 2020

HK\$ million	<i>Notes</i>	30 June 2020 (Unaudited)	31 December 2019 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	825	870
Investment properties		1,625	1,482
Goodwill		103	103
Intangible assets		14	17
Interest in a joint venture		590	607
Interest in an associate		2	2
Classic cars held for investment		98	107
Collectible precision devices held for investment		155	171
Other receivables and other assets		-	2
Total non-current assets		<u>3,412</u>	<u>3,361</u>
Current assets			
Inventories		159	164
Stock of properties held for sale		-	237
Stock of classic cars held for sale		89	89
Trade receivables	10	264	283
Investment in films		80	86
Prepayments, other receivables and other assets		492	536
Financial assets at fair value through profit or loss	11	545	545
Pledged time deposits		34	78
Cash and cash equivalents		81	71
Total current assets		<u>1,744</u>	<u>2,089</u>
Total assets		<u><u>5,156</u></u>	<u><u>5,450</u></u>

Condensed Consolidated Statement of Financial Position *(continued)*

30 June 2020

HK\$ million	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		87	87
Reserves		2,467	2,727
		<u>2,554</u>	<u>2,814</u>
Non-controlling interest		13	20
Total equity		<u>2,567</u>	<u>2,834</u>
Non-current liabilities			
Bank and other borrowings		1,398	1,423
Convertible bonds		239	237
Deferred tax liabilities		27	27
Total non-current liabilities		<u>1,664</u>	<u>1,687</u>
Current liabilities			
Trade payables	12	50	63
Tax payable		3	3
Other payables and accruals		550	546
Bank and other borrowings		322	317
Total current liabilities		<u>925</u>	<u>929</u>
Total liabilities		<u>2,589</u>	<u>2,616</u>
Total equity and liabilities		<u>5,156</u>	<u>5,450</u>
Net current assets		<u>819</u>	<u>1,160</u>
Total assets less current liabilities		<u>4,231</u>	<u>4,521</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standards (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited interim condensed consolidated financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2019 (the “2019 Annual Report”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s 2019 Annual Report, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>Covid-19 Related Rent Concessions (early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and impact of the revised HKFRS are described below:

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendment prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any significant impact on the financial position and performance of the Group.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedge relationships.

Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted. The Group has early adopted the amendment on 1 January 2020 and the amendment did not have any impact on the financial position and performance of the Group as the Group does not have any lease payments being reduced or waived as a result of the COVID-19 pandemic during the period.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence discussion made by the primary users. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.

3. DISAGGREGATION OF REVENUE

An analysis of revenue is as follows:

HK\$ million	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Revenue from contracts with customers		
Property development and trading	-	2
Ferrari dealership	145	320
Classic car trading and logistic business	12	12
Stage audio, lighting and engineering operations	14	95
Industrial Product Business	11	65
Other operations	15	32
	<u>197</u>	<u>526</u>
Revenue from other sources		
Rental income from investment properties	7	6
Income from investment in classic cars	-	8
	<u>7</u>	<u>14</u>
Total revenue	<u><u>204</u></u>	<u><u>540</u></u>

3. DISAGGREGATION OF REVENUE *(continued)*

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the six months ended 30 June 2020 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Property development and trading	-	-	-
Ferrari dealership	145	-	145
Classic car trading and logistic business	12	-	12
Stage audio, lighting and engineering operations	-	14	14
Industrial Product Business	11	-	11
Other operations	15	-	15
Total	<u>183</u>	<u>14</u>	<u>197</u>

For the six months ended 30 June 2019 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Property development and trading	2	-	2
Ferrari dealership	320	-	320
Classic car trading and logistic business	12	-	12
Stage audio, lighting and engineering operations	-	95	95
Industrial Product Business	65	-	65
Other operations	26	6	32
Total	<u>425</u>	<u>101</u>	<u>526</u>

4. OPERATING SEGMENT INFORMATION

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

- (a) the property development and trading segment representing the development and trading of properties;
- (b) the property investment and holding segment which represents investment and holding of properties;
- (c) the securities business segment representing the trading in securities and holding of securities, financial assets and treasury products;
- (d) Ferrari dealership business representing sale and distribution of Ferrari cars and provision of after-sale services as official dealer of Ferrari in Hong Kong and Macau;
- (e) classic cars trading and logistic segment representing the trading and sale of classic cars and car logistic business;
- (f) investment in classic cars segment which is acquisition of classic cars for long-term investment purpose;
- (g) the film operations representing production, investment and distribution of films worldwide;
- (h) the stage audio, lighting and engineering operations representing the provision and leasing of audio and lighting equipment, services and provision of metal construction work and engineering services for production of concert, entertainment and other events;
- (i) Industrial Product Business representing the manufacture of plastic components and trading of child products; and
- (j) other operations segment which is engaged in supportive business and start-up business including multimedia operations, classic car service center, investment in collectible precision devices and artist management.

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

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

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

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months period ended 30 June 2020 (Unaudited)

HK\$ million	Property development and trading	Property investment and holding	Securities business	Ferrari Dealership	Classic car trading and logistic	Investment in classic cars	Film operations	Stage audio, lighting and engineering operations	Industrial Product Business	Other operations	Reconciliations	Total
Segment revenue:												
Sales to external customers	-	7	-	145	12	-	-	14	11	15	-	204
Other revenue	-	-	-	4	-	-	-	1	-	2	1	8
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
	-	7	-	149	12	-	-	15	11	17	1	212
Operating loss	-	(92)	-	(20)	(3)	(9)	(4)	(21)	(2)	(41)	-	(192)
Finance costs												(44)
Reconciled items:												
Corporate and other unallocated expenses												(14)
Share of losses of a joint venture	-	(17)	-	-	-	-	-	-	-	-	-	(17)
Share of losses of an associate	-	-	-	-	-	-	-	-	-	*	-	*
Loss before tax												(267)
Income tax expenses												-
Loss for the period												(267)
Other segment information:												
Expenditure for non-current assets	-	-	-	-	1	-	-	-	-	-	-	1
Depreciation and amortisation	-	(4)	(1)	(22)	(1)	-	-	(1)	-	(9)	-	(38)
Other material non-cash items:												
Fair value loss on investment properties	-	(94)	-	-	-	-	-	-	-	-	-	(94)
Fair value loss on classic cars held for investment	-	-	-	-	-	(9)	-	-	-	-	-	(9)
Fair value loss on collectible precision devices held for investment	-	-	-	-	-	-	-	-	-	(16)	-	(16)
As at 30 June 2020												
Segment assets	-	1,633	1,085	431	131	111	86	209	22	455	-	4,163
Reconciled items:												
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	993	993
Total assets	-	1,633	1,085	431	131	111	86	209	22	455	993	5,156
Segment liabilities	-	938	688	472	6	-	-	92	27	55	-	2,278
Reconciled items:												
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	311	311
Total liabilities	-	938	688	472	6	-	-	92	27	55	311	2,589

*less than HK\$1million

4. OPERATING SEGMENT INFORMATION (continued)

For the six months period ended 30 June 2019 (Unaudited)

HK\$ million	Property development and trading	Property investment and holding	Securities business	Ferrari Dealership	Classic car trading and logistic	Investment in classic cars	Film operations	Stage audio, lighting and engineering operations	Industrial Product Business	Other operations	Reconciliations	Total
Segment revenue:												
Sales to external customers	2	6	-	320	12	8	-	95	65	32	-	540
Other revenue	-	-	-	2	6	-	5	-	-	-	-	13
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
	<u>2</u>	<u>6</u>	<u>-</u>	<u>322</u>	<u>18</u>	<u>8</u>	<u>5</u>	<u>95</u>	<u>65</u>	<u>32</u>	<u>-</u>	<u>553</u>
Operating profit/(loss)	2	51	-	10	5	9	-	5	-	(31)	-	51
Finance costs												(46)
Reconciled items:												
Corporate and other unallocated expenses												(20)
Share of profits of a joint venture	8	-	-	-	-	-	-	-	-	-	-	8
Share of losses of an associate	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Loss before tax												(9)
Income tax credit												14
Profit for the period												<u>5</u>
Other segment information:												
Expenditure for non-current assets	-	-	-	5	2	-	-	6	-	-	-	13
Depreciation and amortisation	-	(1)	(1)	(7)	(2)	-	-	(1)	(1)	(7)	-	(20)
Other material non-cash items:												
Fair value gain on investment properties	-	46	-	-	-	-	-	-	-	-	-	46
Fair value gain on classic cars held for investment	-	-	-	-	-	8	-	-	-	-	-	8
Fair value gain on collectible precision devices held for investment	-	-	-	-	-	-	-	-	-	2	-	2
As at 31 December 2019 (Audited)												
Segment assets	237	1,484	1,172	418	122	120	101	235	36	477	-	4,402
Reconciled items:												
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	1,048	1,048
Total assets	<u>237</u>	<u>1,484</u>	<u>1,172</u>	<u>418</u>	<u>122</u>	<u>120</u>	<u>101</u>	<u>235</u>	<u>36</u>	<u>477</u>	<u>1,048</u>	<u>5,450</u>
Segment liabilities	90	811	738	409	3	-	-	114	19	65	-	2,249
Reconciled items:												
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	367	367
Total liabilities	<u>90</u>	<u>811</u>	<u>738</u>	<u>409</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>19</u>	<u>65</u>	<u>367</u>	<u>2,616</u>

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Hong Kong, Macau and Mainland China	197	487
Rest of the world	7	53
	<u>204</u>	<u>540</u>

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

(b) *Non-current assets*

HK\$ million	30 June 2020 (Unaudited)	31 December 2019 (Audited)
	Hong Kong, Macau and Mainland China	3,362
Rest of the world	50	50
	<u>3,412</u>	<u>3,359</u>

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 2020, no single customer contributed 10% or more of the Group's total revenue.

For the six months ended 30 June 2019, no single customer contributed 10% or more of the Group's total revenue.

5. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Cost of inventories sold	7	61
Cost of classic cars sold	2	8
Cost of Ferrari dealership business	123	266
Cost of provision and leasing of lighting and stage audio equipment and engineering services	27	80
Cost of automotive service provided	5	5
Cost of sales – other operations	10	20
Depreciation	38	20
	<u>38</u>	<u>20</u>

6. TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2020. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK\$ million	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Current – Hong Kong		
Charge for the year	-	(1)
Deferred tax credit	-	15
Net tax credit for the period	<u>-</u>	<u>14</u>

No Hong Kong profits tax has been provided for the six months ended 30 June 2020 as the Group had no profits chargeable to Hong Kong profits tax during the period. During the period of six months ended 30 June 2020 and the corresponding period in 2019, the Group had no profit subject to foreign tax outside of Hong Kong and no provision had been made for overseas tax.

7. DIVIDENDS

The Board did not declare an interim dividend for the six months ended 30 June 2020 (30 June 2019: nil).

8. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic and diluted (losses)/earnings per share are based on:

HK\$ million	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	(260)	3
Interest on convertible bonds	<u>8</u>	<u>8</u>
(Loss)/profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	<u>(252)*</u>	<u>11</u>
	Number of shares	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	873,111,452	874,243,054
Effect of dilution – weighted average number of ordinary shares of convertible bonds	<u>347,500,000</u>	<u>347,500,000</u>
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	<u>1,220,611,452*</u>	<u>1,221,743,054</u>

The calculation of diluted loss per share amount for the six months ended 30 June 2020 is based on the loss for the period attributable to equity holders of the parent and the weighted average of number of ordinary shares adjusted to reflect the effect of deemed conversion of convertible bond at the beginning of the period.

*Because the diluted loss per share amount is decreased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic loss per share for the period and was ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of HK\$260 million, and the weighted average number of ordinary shares of 873,111,452 in issue during the period.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment of approximately HK\$1 million (six months ended 30 June 2019: HK\$13 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 2020 (Unaudited)		31 December 2019 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	14	5	47	17
31 to 60 days	2	1	10	4
61 to 90 days	2	1	7	2
Over 90 days	246	93	219	77
	<u>264</u>	<u>100</u>	<u>283</u>	<u>100</u>

The credit period for most business of the Group ranges from one to three months. The credit term granted to the customers of the securities business is up to 365 days.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

HK\$ million	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Financial assets at fair value through profit or loss	<u>545</u>	<u>545</u>

12. TRADE PAYABLES

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

HK\$ million	30 June 2020 (Unaudited)		31 December 2019 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	6	12	26	41
31 to 60 days	6	12	5	8
61 to 90 days	3	6	6	10
Over 90 days	35	70	26	41
	<u>50</u>	<u>100</u>	<u>63</u>	<u>100</u>

13. COMPARATIVE AMOUNTS

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

14. EVENT AFTER REPORTING PERIOD

On 27 July 2020, an agreement (the “**Agreement**”) was entered into between Mr. Lam Kong Ming (the “**Purchaser**”), being an independent third party, and AHM Engineering Company Limited (the “**Vendor**”), being an indirect non-wholly owned subsidiary of the Company, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to dispose of the sale shares, representing 91% of the total number of issued shares of Golden Wish Enterprises Limited (the “**Target Company**”) and assign the benefit of the shareholder’s loan to the Purchaser, at a consideration of HK\$30,000,000. The remaining 9% of the total number of issued shares of the Target Company is held by the Purchaser. The Target Company and its subsidiary (the “**Target Group**”) is engaged in stage production and provision of ancillary engineering services and selling and leasing of audio, lighting and stage equipment for live performance events, primarily in Macau. Pursuant to the Agreement, the completion of the transactions contemplated under the Agreement (the “**Transactions**”) would take place on or before 15 August 2020. Due to new wave of coronavirus infection in Hong Kong and the absence of the travel bubble between Hong Kong and Macau, the Purchaser needs more time to arrange for the funding of the first payment of HK\$5,000,000 on completion of the Transactions. Therefore, the Purchaser and the Vendor have agreed to postpone the completion date of the Agreement to a date on or before 30 October 2020. Upon completion of the Transactions, members of the Target Group would cease to be subsidiaries of the Company.

GLOSSARY OF TERMS

GENERAL TERMS

“Blackbird Concessionaires”	Blackbird Concessionaires Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Blackbird” or “Blackbird Group”	The Blackbird group established by the Company, which is engaged in the multi-faceted automotive business, investment and trading in time pieces and other new business ventures
“Board”	The board of Directors
“CG Code”	The Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“Child Products”	Feeding, health care, hygiene, safety, toy and other related products for infants and babies, which are the child products traded by the Group
“Child Products Trading Business”	The business of trading and sale of the Child Products engaged by the Group
“Company”	CCT Fortis Holdings Limited (stock code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	The director(s) of the Company
“GBA”	GBA Holdings Limited (previously known as “Greater Bay Area Investments Group Holdings Limited”) (stock code: 00261), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“GBA Group”	GBA and its subsidiaries, from time to time
“Group”	The Company and its subsidiaries, from time to time
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Industrial Product Business”	The businesses of manufacturing and sale of plastic components and the Child Products Trading Business, carried out by the Group
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the PRC

“Mainland China”	The mainland of the PRC
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“N/A”	Not applicable
“PRC” or “China”	The People’s Republic of China
“Share(s)”	The ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USA”	The United States of America
“%”	Per cent.

FINANCIAL TERMS

“current ratio”	Current assets divided by current liabilities
“earnings per share”	Profit attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
“gearing ratio”	Total borrowings (representing interest-bearing bank and other borrowings and lease liabilities/finance lease payable) divided by total capital employed (i.e. total Shareholders’ fund plus total borrowings)
“operating profit/(loss)”	Operating profit/(loss) before finance costs and taxation for revaluation of performance of business segments
“1H19”	First half of 2019
“1H20”	First half of 2020