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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 2021

CHAIRMAN'S STATEMENT

On behalf of the Board, I report the interim results of the Group for the six months ended 30 June 2021.

RESULTS

The Group achieved revenue of HK\$282 million for the six months ended 30 June 2021, representing an increase of 46.1% as compared with HK\$193 million for the corresponding period of last year. The increase in revenue was mainly attributable to the Ferrari dealership business, which has started to recover.

Amidst difficult operating environment, the Group recorded net loss attributable to owners of the parent of HK\$82 million, representing a decrease of 68.5% as compared to net loss of HK\$260 million for the first half of last year. This reduction in reported loss was mainly attributable to overall improvement in results of the Group's principal businesses.

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 2021 (30 June 2020: nil).

BUSINESS REVIEW

During the six months ended 30 June 2021, the Group was principally engaged in: (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business; (iv) investment in collectible precision devices; and (v) cultural entertainment business.

PROPERTY BUSINESS

Hong Kong Property Business

The COVID-19 pandemic continued to impact the property market in Hong Kong. However, we have seen gradual recovery in the property market in the first half of 2021.

Our property business recorded an operating loss of HK\$3 million, as compared with an operating loss of HK\$92 million for the corresponding period last year. The higher loss in last period was primarily attributable to the unrealised fair value losses on our investment properties of HK\$94 million, whereas there was net fair value gain of HK\$2 million recorded in the current period.

Mainland Property Business

After the termination of cooperation in respect of the Joint Venture in 2020, we no longer share the results of the Joint Venture.

SECURITIES BUSINESS

The stock market remained volatile in the six months ended 30 June 2021. 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 2020: 53.7 billion shares), representing approximately 29.2% (31 December 2020: 29.2%) of the total number of issued shares of GBA as at 30 June 2021. 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 2020: HK\$537 million), calculated at the closing price of HK\$0.01 per share (31 December 2020: HK\$0.01 per share) as at the period end date, representing approximately 12.1% of the Group's total assets as at 30 June 2021 (31 December 2020: 12.0%).

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 period (operating loss of less than HK\$1 million for the first half of 2020).

BLACKBIRD GROUP

The Blackbird Group, under the leadership of its chairman and chief executive officer ("CEO"), 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) as from April 2021 the official importership of Maserati in Hong Kong and Macau, also including the repair and servicing business; (iii) a classic car trading and investment business; and (iv) a car logistics business. The management is very pleased with the continuing development of the Blackbird Group's multi-faceted automotive operations.

Ferrari Dealership Business

2021 represents the fourth year of Blackbird Concessionaires' official Ferrari dealership operations in Hong Kong and Macau. During the first half of this year under review, Ferrari's new model launch programme continued and Blackbird was pleased to present two more new models. These were the convertible version of Ferrari's flagship V8 hybrid sports car, the SF90 Spider, and the updated GT car, the Portofino M. Both new cars feature the innovative retractable folding hardtop and were unveiled to clients in Blackbird's Repulse Bay showroom. Furthermore, Ferrari unveiled online their latest limited series cars, the 812 Competizione and the even more exclusive convertible variant,

the 812 Competizione Aperta. Clients for these cars were selected by Ferrari factory on an invitation basis. As a result of these activities, we received very strong and solid support from our customers and achieved new car sales orders within a short period of time after each event.

Deliveries of new cars began to increase as production in Italy recovered after being affected by the COVID-19 pandemic. More of the limited series Ferrari Monzas arrived in Hong Kong, as did the first allocation of the new Roma GT car.

Our Ferrari after-sales centre in Kwai Chung, which occupies about 70,000 square feet, continues to perform very well. 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 continues to be very well received and strongly supported by customers.

Maserati Importership Business

In the first half of 2021, definitive agreements relating to the Maserati importership were entered into between Maserati S.p.A. and the Group's new subsidiary company, Blackbird Tridente Company Limited ("**Blackbird Tridente**"), pursuant to which Blackbird Tridente was appointed as the official importer and distributor for Maserati vehicles and the provider of after-sales services in Hong Kong and Macau. The management considers that this importership appointment represents another major milestone for the Blackbird Group in the development of its automotive business.

Classic Car Trading and Investment Business

During the period, the classic and investment car market continued to be affected by the global economic slowdown due to the COVID-19 pandemic. However, the management remains cautiously optimistic regarding the long-term improvement of the classic car market.

Car Logistics Business

The Group's car logistics business performed well during the first half of this year with a good operating margin. Continuing its expansion programme, the Group has established its own call centre. Furthermore, new contracts were achieved with some additional 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 IN COLLECTIBLE PRECISION DEVICES

The Watch Manual division has gained in international visibility over the past months, gaining support from global brands for the well-regarded print publication. It maintains a steady growth in readership with a very high degree of engagement. It continues to provide consultancy services, in particular to the Phillips auction house, selecting key pieces to highlight for their highly successful Hong Kong Watch Auction XII in June last year. In addition, the continuing representation by Mr. TK Mak, the chairman and the CEO of the Blackbird Group, who sits on the watch advisory board for Phillips auction house, maintains our position in the luxury watch industry and has generated considerable international exposure for the Blackbird Group, in addition to generating revenue for the Watch Manual division.

CULTURAL ENTERTAINMENT BUSINESS

Our cultural entertainment business comprises film operations, stage audio, lighting and engineering operations and artist management.

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). Cinema release version of this film has been delayed as a result of the COVID-19 pandemic. The recent surges in the COVID-19 cases globally fueled by the spread of the Delta variant will likely cause further delay in the public release of this film.

Stage Audio, Lighting and Engineering Operations

There were very few concerts, shows, and entertainment events performed in the first six months of 2021, due to the social distancing measures and cross-border travel restrictions. The stage audio, lighting and engineering segment recorded an operating loss in the amount of HK\$7 million in the current period under review, as compared with loss of HK\$21 million for the first half of last year. The reduction in operating loss was due to various steps taken by this segment including cost savings and disposal of the loss-making Macau business.

On 27 July 2020, an agreement (the “**Agreement**”) was entered into between AHM and Mr. Lam Kong Ming (“**Mr. Lam**”), under which AHM agreed to sell and Mr. Lam agreed to purchase a 91% shareholding interests in Golden Wish Enterprises Limited (the “**Target Company**”), and an assignment of a shareholder’s loan to Mr. Lam. The Target Company, together with its subsidiary (the “**Target Group**”) is engaged in the sale and leasing of audio, lighting and stage equipment and production and provision of ancillary engineering services for live performance events in Macau. The transaction was completed on 21 January 2021 and members of the Target Group ceased to be subsidiaries of the Company. Further details of the transactions have been set out in the Company’s announcements dated 27 July 2020, 14 August 2020, 30 October 2020, 31 December 2020 and 21 January 2021. After completion of the transaction, the management can focus on the stage service operations mainly in Hong Kong.

Artist Management

The entertainment business in Hong Kong recovered slowly in the first half of 2021. Despite the current tough circumstances, the artist management segment continued to maintain a break-even position, reflecting effective cost control measures.

INDUSTRIAL PRODUCT BUSINESS

As a result of the COVID-19 pandemic and the deteriorating environment, the Company discontinued the Industrial Product Business on 24 July 2020.

OUTLOOK

Looking forward, the global economic outlook remains highly uncertain. The COVID-19 pandemic continues to pose challenges to global economic recovery and remains a presence in all of our lives.

During the 30-years' history of the Company, we have encountered many crises and cycles and each time we have overcome all these difficulties and challenges. Even during the current adverse situation, Blackbird has been appointed to be importer and distributor for Maserati vehicles in Hong Kong and Macau. This represents an important milestone of the Blackbird Group in the development of its automotive business globally. The Maserati importership will enhance the reputation and status of the Blackbird Automotive Group in the global automotive sector. We also believe that the Maserati importership will contribute a stream of significant revenue to the Group and open up a new avenue for growth of income and profit.

With our resilient management, we consider that we can withstand the impact caused by these unprecedented challenges and will become even stronger when recovery comes.

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, 30 August 2021

FINANCIAL REVIEW

OVERVIEW OF FIRST HALF OF 2021 FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		% increase/ (decrease)
	2021 (Unaudited)	2020 (Unaudited)	
Continuing operations:			
Revenue	<u>282</u>	<u>193</u>	46.1%
Loss from continuing operations	(84)	(265)	(68.3%)
Loss from a discontinued operation	<u>-</u>	<u>(2)</u>	(100.0%)
Loss for the period	<u>(84)</u>	<u>(267)</u>	(68.5%)
Attributable to:			
Owners of the parent	(82)	(260)	(68.5%)
Non-controlling interests	<u>(2)</u>	<u>(7)</u>	(71.4%)
	<u>(84)</u>	<u>(267)</u>	(68.5%)
Loss attributable to owners of the parent			
Continuing operations	(82)	(258)	(68.2%)
Discontinued operation	<u>-</u>	<u>(2)</u>	(100.0%)
	<u>(82)</u>	<u>(260)</u>	(68.5%)
Basic and diluted loss per share attributable to ordinary equity holder of the parent			
For loss for the period	(HK\$0.094)	(HK\$0.298)	(68.5%)
For loss from continuing operations	<u>(HK\$0.094)</u>	<u>(HK\$0.296)</u>	(68.2%)
Dividend per share	<u>Nil</u>	<u>Nil</u>	N/A

Review on Financial Results

The Group's revenue of continuing operations for 1H21 of HK\$282 million was HK\$89 million or 46.1% higher than 1H20, driven mainly by the recovery of the Ferrari dealership.

In 1H21, the Group recorded a net loss attributable to owners of the parent of HK\$82 million as compared with a net loss of HK\$260 million in 1H20. This notable reduction in loss arose mainly as a result of significant increase in revenue and net fair value gains of HK\$2 million on our investment properties in the current period as compared to a net fair value losses of HK\$94 million in corresponding period last year.

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				
	2021		2020		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
<u>Continuing operations:</u>					
Property development and trading	-	0.0%	-	0.0%	N/A
Property investment and holding	4	1.4%	7	3.4%	(42.9%)
Ferrari dealership	202	71.6%	145	71.1%	39.3%
Classic car trading and logistic business	46	16.3%	12	5.9%	283.3%
Stage audio, lighting and engineering operations	12	4.3%	14	6.9%	(14.3%)
Other operations	18	6.4%	15	7.3%	20.0%
	282	100.0%	193	94.6%	46.1%
<u>Discontinued operation:</u>					
Industrial Product Business	-	0.0%	11	5.4%	(100.0%)
Total	282	100.0%	204	100.0%	38.2%

HK\$ million	Operating profit/(loss) for the six months ended 30 June		
	2021	2020	% increase/ (decrease)
	(Unaudited)	(Unaudited)	
<u>Continuing operations:</u>			
Property development and trading	-	-	N/A
Property investment and holding	(3)	(92)	(96.7%)
Securities business	-*	-*	N/A
Ferrari dealership	(6)	(20)	(70.0%)
Classic car trading and logistic business	(7)	(3)	133.3%
Investment in classic cars	(2)	(9)	(77.8%)
Film operations	(2)	(4)	(50.0%)
Stage audio, lighting and engineering operations	(7)	(21)	(66.7%)
Other operations	(14)	(41)	(65.9%)
	(41)	(190)	(78.4%)
<u>Discontinued operation:</u>			
Industrial Product Business	-	(2)	(100.0%)
Total	(41)	(192)	(78.6%)

* less than HK\$1 million operating loss

CONTINUING OPERATIONS

Property development and trading

There was no revenue or financial result attributable to the property development and trading segment in 1H21 and 1H20.

Property investment and holding

In 1H21, the property investment segment achieved revenue of HK\$4 million (1H20: HK\$7 million) and recorded operating loss of HK\$3 million as compared with loss of HK\$92 million in the corresponding period last year. The higher loss for the last corresponding period was primarily attributable to the unrealised fair value losses on our investment property portfolio of HK\$94 million, whereas there was net fair value gains of HK\$2 million in the current period.

Securities business

In 1H21 and 1H20, we did not trade on the stock market and therefore our securities business did not have any revenue. This business segment recorded an operating loss of less than HK\$1 million during the current period as well as the same period last year. In 1H21, we focused our financial investment in shares of GBA, whose price was stable during the period.

Ferrari dealership

In 1H21, the Ferrari dealership business recorded revenue of HK\$202 million, increased by 39.3%, mainly from increase in sales of new cars. Meanwhile, the Ferrari service center in Kwai Chung continued to perform well and recorded a low double-digit percentage increase in service revenue during the pandemic. The dealership business recorded an operating loss of HK\$6 million in 1H21 as compared to an operating loss of HK\$20 million in 1H20. The reduction in operating loss was primarily due to significant increase in revenue and cost savings.

Classic car trading and logistic business and investment in classic cars

Given these unprecedented times, the classic car trading and investment segments incurred an operating loss of HK\$9 million (1H20: operating loss of HK\$12 million) against revenue of HK\$46 million (1H20: HK\$12 million). The increase in revenue in the current period was derived from trading of a classic car.

Film operations

No revenue was recorded from our film operations in both 1H21 and 1H20 as no film was released. The film segment recorded an operating loss of HK\$2 million in 1H21 (1H20: operating loss of HK\$4 million).

Stage audio, lighting and engineering operations

This business segment recorded total revenue of HK\$12 million, represented 14.3% decreased from HK\$14 million in 1H20. Operating loss was HK\$7 million (1H20: operating loss of HK\$21 million). The decrease in loss was primarily led by cost savings.

Other operations

Other operations comprise the classic car services center, the multi-media 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 rose by 20.0% to HK\$18 million in 1H21. Since there was no revaluation loss of our collectible precision devices held for investment in 1H21, this segment recorded an operating loss of HK\$14 million, reduced by 65.9% from HK\$41 million in 1H20. In 1H20, revaluation loss in the amount of HK\$16 million was recorded for our collectible precision devices.

DISCONTINUED OPERATION

Industrial Product Business

As a result of the COVID-19 pandemic and deteriorating operating environment, the Industrial Product Business was discontinued in July 2020.

ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue for the six months ended 30 June				2020 (Unaudited)				% increase
	2021 (Unaudited)		Total	Relative %	Continuing operations	Discontinued operation	Total	Relative %	
Continuing operations	Discontinued operation	Continuing operations							Discontinued operation
Hong Kong, Macau and Mainland China	250	-	250	88.7%	192	5	197	96.6%	26.9%
Rest of the world	32	-	32	11.3%	1	6	7	3.4%	357.1%
Total	<u>282</u>	<u>-</u>	<u>282</u>	<u>100.0%</u>	<u>193</u>	<u>11</u>	<u>204</u>	<u>100.0%</u>	<u>38.2%</u>

Most of the Group's revenue was generated in Hong Kong, Macau and Mainland China in 1H21 and 1H20. The revenue from these regions of HK\$250 million was HK\$53 million or 26.9% higher than 1H20, mainly led by increase of sales of Ferrari cars. The revenue from rest of the world increased by 357.1% as a result of sale of a classic car in the current period.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	30 June 2021		31 December 2020	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Bank borrowings	1,644	43.0%	1,648	42.6%
Other borrowings	85	2.2%	32	0.8%
Lease liabilities	38	1.0%	54	1.4%
Total borrowings	1,767	46.2%	1,734	44.8%
Equity attributable to owner of the parent	2,056	53.8%	2,138	55.2%
Total capital employed	3,823	100.0%	3,872	100.0%

The Group's gearing ratio was 46.2% as at 30 June 2021, marginally higher than the gearing ratio of 44.8% as at 31 December 2020. The Group continued to maintain a reasonable gearing ratio in difficult times.

Total outstanding bank and other borrowings amounted to HK\$1,767 million as at 30 June 2021 (31 December 2020: HK\$1,734 million). Most of the Group's bank and other borrowings are long-term bank loans.

As at 30 June 2021, 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\$377 million, HK\$910 million and HK\$480 million, respectively (31 December 2020: HK\$316 million, HK\$933 million and HK\$485 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Current assets	1,677	1,694
Current liabilities	701	650
Net current assets	976	1,044
Current ratio	239.2%	260.6%

The Group's current ratio was 239.2% as at 30 June 2021 (31 December 2020: 260.6%), reflecting a high liquidity of the Group's financial position. The position of working capital representing by net current assets was HK\$976 million as at 30 June 2021, representing a decrease of 6.5% from last year end.

As at 30 June 2021, the Group's cash balance was HK\$118 million (31 December 2020: HK\$91 million), of which HK\$54 million (31 December 2020: HK\$43 million) was pledged to secure banking facilities.

The Group derives its working capital mainly from cash on hand, net cash generated from operating activities and borrowings. The Board expects that the Group will rely on net cash from operating activities and borrowings, if required, to meet future demand of working capital and capital expenditure, if any.

CAPITAL COMMITMENTS

As at 30 June 2021, the Group did not have any capital commitment (31 December 2020: 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 1H21 as the interest rates currently remain at low level.

The Group did not have any significant exchange risk in the 1H21. 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

Save for the disposal of Golden Wish Enterprises Limited and its subsidiary, as elaborated in subsection headed "Stage Audio, Lighting and Engineering Operations" in the section headed "Business Review" of this announcement, 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 2021, certain assets of the Group with a net book value of HK\$2,250 million (31 December 2020: HK\$2,275 million) and time deposit of HK\$54 million (31 December 2020: HK\$43 million) were pledged to secure the Group's banking facilities. Save as disclosed above, the Group did not have any other charges on its assets.

CONTINGENT LIABILITIES

As at 30 June 2021, the contingent liabilities which were not provided for in the Group's financial information for the six months ended 30 June 2021 were as follows:

Litigations

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 by 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 2021 was 278 (31 December 2020: 318). 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. As at 30 June 2021, there were no outstanding share options issued by the Company (31 December 2020: nil).

SHARE OPTION SCHEMES

The 2011 Scheme

The 2011 Scheme, which was adopted by the Company on 27 May 2011, was expired on 26 May 2021. As at 30 June 2021, there was no share option under the 2011 Scheme remain outstanding and exercisable upon. No share options were granted, exercised, lapsed or cancelled by the Company under the 2011 Scheme during the six months ended 30 June 2021. No share option has ever been granted under the 2011 Scheme.

The 2021 Scheme

At the AGM held on 23 June 2021, an ordinary resolution was passed by the Shareholders to adopt the new 2021 Scheme. Unless otherwise cancelled or amended, the 2021 Scheme will be valid for 10 years from the date of adoption which is 23 June 2021.

Details of the 2021 Scheme were set out in the circular of the Company dated 26 April 2021 and some details of the scheme will also be disclosed in the 2021 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2021.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2021.

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 2021 to 30 June 2021, 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 2020 annual report of the Company issued in April 2021 and will be disclosed in the 2021 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2021.

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 2021.

EVENT AFTER THE REPORTING PERIOD

There is no significant event of the Group after the six months ended 30 June 2021.

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 2021.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company for the six months ended 30 June 2021 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 2021 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 2021.

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, 30 August 2021

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2021 together with the comparative figures for the corresponding period in 2020 as follows:

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

HK\$ million	Notes	Six months ended 30 June	
		2021 (Unaudited)	2020 (Unaudited)
CONTINUING OPERATIONS			
REVENUE	3	282	193
Cost of sales		<u>(235)</u>	<u>(167)</u>
Gross profit		47	26
Other income and gains		11	8
Selling and distribution expenses		(5)	(5)
Administrative expenses		(104)	(113)
Other expenses and losses		-	(120)
Finance costs		(32)	(44)
Share of losses of a joint venture		-	(17)
Share of losses of an associate		<u>(1)</u>	<u>-*</u>
LOSS BEFORE TAX FROM CONTINUING OPERATIONS			
	5	(84)	(265)
Income tax expenses	6	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS			
		(84)	(265)
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation	7	<u>-</u>	<u>(2)</u>
LOSS FOR THE PERIOD			
		<u>(84)</u>	<u>(267)</u>

* less than HK\$1 million

Condensed Consolidated Statement of Profit or Loss (continued)*For the six months ended 30 June 2021*

HK\$ million	Note	Six months ended 30 June	
		2021 (Unaudited)	2020 (Unaudited)
Attributable to:			
Owners of the parent			
Continuing operations		(82)	(258)
Discontinued operation		-	(2)
		<u>(82)</u>	<u>(260)</u>
Non-controlling interests			
Continuing operations		(2)	(7)
Discontinued operation		-	-
		<u>(2)</u>	<u>(7)</u>
		<u>(84)</u>	<u>(267)</u>
 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	9		
Basic and diluted			
For loss for the period		<u>(HK\$0.094)</u>	<u>(HK\$0.298)</u>
For loss from continuing operations		<u>(HK\$0.094)</u>	<u>(HK\$0.296)</u>

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(84)	(267)
Attributable to:		
Owners of the parent		
Continuing operations	(82)	(258)
Discontinued operation	-	(2)
	(82)	(260)
Non-controlling interests		
Continuing operations	(2)	(7)
Discontinued operation	-	-
	(2)	(7)
	(84)	(267)

Condensed Consolidated Statement of Financial Position

30 June 2021

HK\$ million	<i>Notes</i>	30 June 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	741	783
Investment properties		1,647	1,645
Goodwill		80	80
Intangible assets		7	10
Interest in an associate		-	1
Classic cars held for investment		100	100
Collectible precision devices held for investment		166	166
Other receivables		2	1
Deferred tax assets		1	1
Total non-current assets		2,744	2,787
Current assets			
Inventories		120	115
Stock of classic cars held for sale		89	89
Trade receivables	<i>11</i>	273	238
Investment in films		80	80
Prepayments and other receivables		452	475
Financial assets at fair value through profit or loss	<i>12</i>	545	545
Pledged time deposits		54	43
Cash and cash equivalents		64	48
		1,677	1,633
Assets of a disposal group classified as held for sale		-	61
Total current assets		1,677	1,694
Total assets		4,421	4,481

Condensed Consolidated Statement of Financial Position *(continued)*

30 June 2021

HK\$ million	<i>Note</i>	30 June 2021 (Unaudited)	31 December 2020 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		87	87
Reserves		<u>1,969</u>	<u>2,051</u>
		2,056	2,138
Non-controlling interests		<u>11</u>	<u>13</u>
Total equity		<u>2,067</u>	<u>2,151</u>
Non-current liabilities			
Interest-bearing bank and other borrowings		1,390	1,418
Convertible bonds		241	240
Deferred tax liabilities		<u>22</u>	<u>22</u>
Total non-current liabilities		<u>1,653</u>	<u>1,680</u>
Current liabilities			
Trade payables	13	66	58
Tax payable		3	3
Other payables and accruals		255	236
Interest-bearing bank and other borrowings		<u>377</u>	<u>316</u>
		701	613
Liabilities directly associated with the assets classified as held for sale		<u>-</u>	<u>37</u>
Total current liabilities		<u>701</u>	<u>650</u>
Total liabilities		<u>2,354</u>	<u>2,330</u>
Total equity and liabilities		<u>4,421</u>	<u>4,481</u>
Net current assets		<u>976</u>	<u>1,044</u>
Total assets less current liabilities		<u>3,720</u>	<u>3,831</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information 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 information should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s 2020 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 9,
HKAS 39 and HKFRS 7,
HKFRS 4 and HKFRS 16
Amendments to HKFRS 16

Interest Rate Benchmark Reform – Phase 2

*COVID-19-Related Concessions beyond 30 June
2021 (early adopted)*

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate (“LIBOR”) as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the “economically equivalent” criterion is met.

Amendment to HKFRS 16 issued in April 2021 extends the availability of the 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 by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and the amendment did not have any significant impact on the financial position and performance of the Group as the Group did not have any lease payments being reduced or waived as a result of the COVID-19 pandemic during the six months ended 30 June 2021.

3. REVENUE

An analysis of revenue from continuing operations is as follows:

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Revenue from contracts with customers		
Ferrari dealership	202	145
Classic car trading and logistic business	46	12
Stage audio, lighting and engineering operations	12	14
Other operations	18	15
	<u>278</u>	<u>186</u>
Revenue from other sources		
Rental income from investment properties	<u>4</u>	<u>7</u>
Total revenue	<u><u>282</u></u>	<u><u>193</u></u>

3. REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

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

For the six months ended 30 June 2021 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Continuing operations			
Ferrari dealership	202	-	202
Classic car trading and logistic business	46	-	46
Stage audio, lighting and engineering operations	-	12	12
Other operations	13	5	18
	<u>261</u>	<u>17</u>	<u>278</u>
Discontinued operation			
Industrial Product Business	-	-	-
Total	<u>261</u>	<u>17</u>	<u>278</u>

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
Continuing operations			
Ferrari dealership	145	-	145
Classic car trading and logistic business	12	-	12
Stage audio, lighting and engineering operations	-	14	14
Other operations	15	-	15
	<u>172</u>	<u>14</u>	<u>186</u>
Discontinued operation			
Industrial Product Business	11	-	11
Total	<u>183</u>	<u>14</u>	<u>197</u>

3. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of Ferrari cars

The performance obligation is satisfied upon delivery of Ferrari cars and payment in advance is normally required for customers.

Sale of classic cars

The performance obligation is satisfied upon delivery of the classic cars and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

Provision of car logistics and after-sale services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

Sales of plastic components and child products

The performance obligation is satisfied upon delivery of the plastic components and child products to customers and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Sale of stage audio and lighting equipment

The performance obligation is satisfied upon delivery of the stage audio and lighting equipment to customers and payment is generally due within 30 to 90 days from delivery.

Leasing of stage audio and lighting equipment and provision of stage technical and engineering services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services. The service contracts are project based, usually less than 1 year and do not contain variable consideration.

Provision of advertising services under other operations

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year.

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) 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; and
- (j) the Industrial Product Business representing the manufacture of plastic components and trading of child products (discontinued in July 2020).

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, share of profits/losses of a joint venture and associate and 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 and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2021 (Unaudited)

HK\$ million	Continuing operations									Discontinued operation		Total
	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	Other operations	Total continuing operations	Industrial product business	Reconciliations	
Segment revenue:												
Sales to external customers	4	-	202	46	-	-	12	18	282	-	-	282
Other revenue	-	-	1	-	-	-	-	4	5	-	-	5
	4	-	203	46	-	-	12	22	287	-	-	287
Operating loss	(3)	-	(6)	(7)	(2)	(2)	(7)	(14)	(41)	-	-	(41)
Finance costs									(32)	-	-	(32)
Reconciled items:												
Corporate and other unallocated expenses	-	-	-	-	-	-	-	-	(10)	-	-	(10)
Share of losses of an associate	-	-	-	-	-	-	-	(1)	(1)	-	-	(1)
Loss before tax									(84)			(84)
Income tax expenses									-	-	-	-
Loss for the period									(84)			(84)
Other segment information:												
Expenditure for non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	(4)	-	(23)	(2)	-	-	(4)	(7)	(40)	-	-	(40)
Other material non-cash items:												
Fair value gain on investment properties	2	-	-	-	-	-	-	-	2	-	-	2
As at 30 June 2021												
Segment assets	1,653	1,085	327	146	104	86	141	375	3,917	-	-	3,917
Reconciled items:												
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	504	504
Total assets	1,653	1,085	327	146	104	86	141	375	3,917	-	504	4,421
Segment liabilities	864	397	423	48	-	-	56	91	1,879	-	-	1,879
Reconciled items:												
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	475	475
Total liabilities	864	397	423	48	-	-	56	91	1,879	-	475	2,354

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2020 (Unaudited)

HK\$ million	Continuing operations								Discontinued operation		Total	
	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	Other operations	Total continuing operations	Industrial Product Business		Reconciliations
Segment revenue:												
Sales to external customers	7	-	145	12	-	-	14	15	193	11	-	204
Other revenue	-	-	4	-	-	-	1	2	7	-	1	8
	<u>7</u>	<u>-</u>	<u>149</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>17</u>	<u>200</u>	<u>11</u>	<u>1</u>	<u>212</u>
Operating loss	(92)	-	(20)	(3)	(9)	(4)	(21)	(41)	(190)	(2)	-	(192)
Finance costs									(44)	-	-	(44)
Reconciled items:												
Corporate and other unallocated expenses									(14)	-	-	(14)
Share of losses of a joint venture	(17)	-	-	-	-	-	-	-	(17)	-	-	(17)
Share of losses of an associate	-	-	-	-	-	-	-	_*	_*	-	-	_*
Loss before tax									<u>(265)</u>	<u>(2)</u>	<u>-</u>	<u>(267)</u>
Income tax expenses									-	-	-	-
Loss for the period									<u>(265)</u>	<u>(2)</u>	<u>-</u>	<u>(267)</u>
Other segment information:												
Expenditure for non-current assets	-	-	-	1	-	-	-	-	1	-	-	1
Depreciation and amortisation	(4)	(1)	(22)	(1)	-	-	(1)	(9)	(38)	-	-	(38)
Other material non-cash items:												
Fair value loss on investment properties	(94)	-	-	-	-	-	-	-	(94)	-	-	(94)
Fair value loss on classic cars held for investment	-	-	-	-	(9)	-	-	-	(9)	-	-	(9)
Fair value loss on collectible precision devices held for investment	-	-	-	-	-	-	-	(16)	(16)	-	-	(16)
As at 31 December 2020 (Audited)												
Segment assets	1,652	1,087	384	111	113	85	184	342	3,958	-	-	3,958
Reconciled items:												
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	-	-	523	523
Total assets	<u>1,652</u>	<u>1,087</u>	<u>384</u>	<u>111</u>	<u>113</u>	<u>85</u>	<u>184</u>	<u>342</u>	<u>3,958</u>	<u>-</u>	<u>523</u>	<u>4,481</u>
Segment liabilities	862	398	456	12	-	-	94	94	1,916	-	-	1,916
Reconciled items:												
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	-	-	414	414
Total liabilities	<u>862</u>	<u>398</u>	<u>456</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>94</u>	<u>94</u>	<u>1,916</u>	<u>-</u>	<u>414</u>	<u>2,330</u>

* less than HK\$1million

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June			
	2021 (Unaudited)		2020 (Unaudited)	
	Continuing operations	Discontinued operation	Continuing operations	Discontinued operation
Hong Kong, Macau and Mainland China	250	-	192	5
Rest of the world	32	-	1	6
	<u>282</u>	<u>-</u>	<u>193</u>	<u>11</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 2021	31 December 2020
	(Unaudited)	(Audited)
Hong Kong and Macau	2,691	2,735
Mainland China	1	1
Rest of the world	49	49
	<u>2,741</u>	<u>2,785</u>

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

Information about major customers

For the six months ended 30 June 2021, a customer of the classic car segment contributed HK\$32 million, representing 11% of the Group's total revenue from continuing operations.

For the six months ended 30 June 2020, no single customer contributed 10% or more of the Group's total revenue from continuing operations.

5. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Cost of classic cars sold	31	2
Cost of Ferrari dealership business	170	123
Cost of provision and leasing of lighting and stage audio equipment and engineering services	16	27
Cost of automotive service provided	8	5
Cost of sales – other operations	10	10
Depreciation and amortisation	40	38

6. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2021 and 2020 as the Group had no profits chargeable to Hong Kong profits tax during those periods. During the period of six months ended 30 June 2021 and the corresponding period in 2020, the Group had no profit subject to foreign tax outside of Hong Kong and no provision had been made for overseas tax.

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

The calculation of basic and diluted loss per share are based on:

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation:		
From continuing operations	(82)	(258)
From a discontinued operation	-	(2)
	<u>(82)</u>	<u>(260)</u>
Interest on convertible bonds	<u>8</u>	<u>8</u>
Loss attributable to ordinary equity holders of the parent before interest on convertible bonds, used in the diluted loss per share calculation	<u>(74)</u>	<u>(252)</u>
Attributable to:		
Continuing operations	(74)	(250)
Discontinued operation	-	(2)
	<u>(74)</u>	<u>(252)</u>
	Number of shares	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	873,111,452	873,111,452
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 loss per share calculation	<u>1,220,611,452</u>	<u>1,220,611,452</u>

As the diluted loss per share amount is decreased when taking into account of the convertible bonds, the convertible bonds had an anti-dilutive effect on the basic loss per share for the period and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the period and the loss attributable to continuing operations of HK\$82 million (2020: HK\$260 million) and HK\$82 million (2020: HK\$258 million) respectively, and the weighted average number of ordinary shares of 873,111,452 (2020: 873,111,452) in issue during the six months ended 30 June 2021.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, no property, plant and equipment was acquired by the Group (six months ended 30 June 2020: HK\$1 million).

11. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

HK\$ million	30 June 2021 (Unaudited)		31 December 2020 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 180 days	58	21	26	11
181 to 365 days	3	1	3	1
1 to 2 years	13	5	8	3
Over 2 years	199	73	201	85
	<u>273</u>	<u>100</u>	<u>238</u>	<u>100</u>

The credit period for most business of the Group is generally one month. The credit term granted to the customers of the securities business is up to 365 days.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

HK\$ million	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Financial assets at fair value through profit or loss	<u>545</u>	<u>545</u>

13. 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 2021 (Unaudited)		31 December 2020 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	45	68	2	3
31 to 60 days	1	2	29	50
61 to 90 days	6	9	2	3
Over 90 days	14	21	25	44
	<u>66</u>	<u>100</u>	<u>58</u>	<u>100</u>

14. COMPARATIVE AMOUNTS

The comparative condensed consolidated statement of profit or loss and the comparative condensed consolidated statement of comprehensive income have been represented as if the operation discontinued during the year ended 31 December 2020 had been discontinued at the beginning of the comparative period (note 7). In addition, certain comparative amounts have been reclassified to conform with the current period's presentation.

15. EVENT AFTER REPORTING PERIOD

There is no significant event of the Group after the reporting period.

GLOSSARY OF TERMS

GENERAL TERMS

“2011 Scheme”	The previous share option scheme which was adopted by the Company on 27 May 2011 and expired on 26 May 2021
“2021 Scheme”	The adoption of the new share option scheme of the Company which was approved by the Shareholders at the AGM held on 23 June 2021
“AGM”	The annual general meeting of the Company
“AHM”	AHM Engineering Company Limited, a company incorporated in Hong Kong with limited liability, which is an indirect non-wholly owned subsidiary of the Company, the issued shares of which are held indirectly as to approximately 72% by the Company and approximately 28% by Mr. Chan Muk Hing
“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 in collectible precision devices and other new business ventures
“Board”	The board of Directors
“CG Code”	The Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“China” or “PRC”	The People’s Republic of China
“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 are listed on the Main Board of the Stock Exchange
“Director(s)”	The director(s) of the Company
“GBA”	GBA 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 product trading business previously carried by the Group, which was discontinued by the Group in July 2020
“Joint Venture”	Xinjiang Xingkai Real Estate Development Limited, which is engaged in property development in Mainland China and which was a joint venture of the Company until the termination of cooperation in 2020
“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
“Share(s)”	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
“%”	Per cent.

FINANCIAL TERMS

“current ratio”	Current assets divided by current liabilities
“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
“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 evaluation of performance of business segments
“1H20”	First half of 2020
“1H21”	First half of 2021