CCT LAND 2013

中建置地集團有限公司

Stock Code : 261

chairman's letter

On behalf of the Board of the Company, CCT Land Holdings Limited (formerly known as CCT Tech International Limited), I present the interim results of the Group for the six months ended 30 June 2013.

The Group continued to make good progress in restructuring and reforming its manufacturing operations. Amidst slower global economic growth, the Group's turnover declined by 2.8% to $593 million in the first half, as compared to $610 million in the same period last year. Despite decline in revenue, the Group managed to increase its EBITDA (earnings before interest, tax, depreciation and amortisation) from last reporting period of $3 million to $12 million in the current period. Reported net loss further narrowed to $18 million, a decrease of 37.9% as compared to the net loss of $29 million for the first half of 2012, led by continuing efforts of improving costs.

INTERIM DIVIDEND

As the Group intends to retain cash resources to finance operations and future development of our business, the Board does not propose payment of an interim dividend for the six months ended 30 June 2013 (30 June 2012: Nil).

REVIEW OF OPERATIONS

Reported turnover of the Group dropped by 2.8% to $593 million amidst slower global market. The decline in revenue was primarily caused by weak economies which caused customers to control inventory level. Turnover of the original design manufacturing ("**ODM**") business improved as orders from a major customer increased. The lower demand of traditional residential phones was partially offset by growing market interest in premium and advanced products.

We saw slow-down in CMS business in the current period as our major CMS customers faced keen competition. On the other hand, child products contributed higher revenue, reaching $97 million in the first half as compared to $53 million in last corresponding period mainly as a result of full six-month contribution in the current period after the inter-group transfer of this product line from the Company's holding company, CCT Fortis (formerly known as CCT Telecom Holdings Limited) in March 2012. This line of business recorded additional revenue as new customers were added while sales of baby monitors increased. We continued to improve efficiency and productivity of the child product business which has begun to contribute positive EBITDA to the Group.

Sales to Europe, our largest market, amounted to $359 million, an increase of 5.0%, led by higher revenue from ODM business and child product business in the first half. We saw weakness in Asian Pacific and others markets, as sales declined by 14.4% to $149 million, affected by slower economies in the regions. Sales to the North American market also decreased by 9.6% to only $85 million in the reporting period, as the Group ceased to sell telecom products in that market.

We have invested significantly in the R&D, focusing in developing technologically advanced and innovative products. We have developed and introduced new Android phone for market in United Kingdom and new Android tablet plus phone for Australian service providers. New designer phone was also launched globally. As for the child products, new nursery items, such as teether and brush and new range of feeding items to our major European customers were launched in the first half. All these new products have received market accolade.

In the first half of the current year, we benefited from cost of raw materials becoming stabilised, led by weak global demand. However, labour costs and factory overheads in Mainland China continued to rise. It has become increasingly difficult to recruit and retain Chinese workers. However, benefiting from the continuous measures to restructure and streamline operations and to control costs, the Group has been able to improve gross profit from $18 million in first half of 2012 to $30 million in first half of this year, a notable increase of 66.7%. This improvement has further proved the success of the Group's strategic move in restructuring and reforming the Group's manufacturing business.

OUTLOOK

Looking forward, the global economy continues to face uncertainties. Although the property market and unemployment in the US have shown some improvement, concerns on the US Federal Reserve's plan to start tapering monetary stimulus have brought turbulence to the global financial market. As for the other major economies, China government has pledged to stabilise growth amid increasing signs of China's economic slow-down while euro sovereign debt crisis is lingering.

Against a backdrop of challenging operating environment, we will strive to improve our performance of our manufacturing business in the second half. We will foster relationship with existing customers and seek new customers. We will continue to roll out advance and innovative products to meet market expectation and will continue to streamline operations and optimise efficiency. We will strive to maintain a competitive position in the phone business and will explore to diversify into other product lines that have better growth prospects.

We continue to pursue our strategic aim of achieving a long-term sustainable growth by strengthening its existing business and seeking attractive opportunities to expand in other business sectors. In April this year, the Company announced the restructuring transactions (the "**Restructuring Transactions**") contracted with CCT Fortis under which the Group would own almost all the shareholding in the Land Company, an indirect wholly-owned subsidiary of CCT Fortis before completion of the Restructuring Transactions. The Land Group are engaged in the property development business in Mainland China. The Restructuring Transactions, completed in July 2013, have enabled the Group to expand and diversify into the property development business in Mainland China, which is considered to have better growth potential than the Group's manufacturing business. It is expected that the property development business will increase the Group's source of revenue and will open a new platform for the Group to grow.

APPRECIATION

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

Mak Shiu Tong, Clement
Chairman

Hong Kong, 26 August 2013

financial review

HIGHLIGHTS ON FINANCIAL RESULTS

	Six months ended 30 June		
$ million	**2013 (Unaudited)**	2012 (Unaudited)	% increase/ (decrease)
Turnover	**593**	610	(2.8%)
Gross profit	**30**	18	66.7%
EBITDA	**12**	3	300.0%
Loss before tax	**(18)**	(28)	(35.7%)
Income tax expense	**–**	(1)	N/A
Loss for the period	**(18)**	(29)	(37.9%)

Discussion on Financial Results

For the six months ended 30 June 2013, the Group recorded a turnover of $593 million, representing a 2.8% decrease over the $610 million for the last corresponding period. Despite the decline in turnover, gross profit significantly improved by 66.7% to $30 million in first six months of 2013, due to improved cost of sales. The Group also managed to increase the EBITDA in the first half of 2013 to $12 million from $3 million. The reported net loss narrowed to $18 million, a decrease of 37.9% from $29 million in the first half of last year, due to the positive effect of the continuous restructuring and cost saving measures taken by the Group.

ANALYSIS BY BUSINESS SEGMENT

	Turnover Six months ended 30 June		Loss before tax Six months ended 30 June	
$ million	**2013 (Unaudited)**	2012 (Unaudited)	**2013 (Unaudited)**	2012 (Unaudited)
Telecom, electronic and child products	**593**	610	**(14)**	(23)

During the reporting period, the Group's single business segment — the manufacture and sale of telecom, electronic and child products — recorded an operating loss of $14 million in the first six months of 2013. The current period result already improved notably from the $23 million loss reported in the corresponding period in 2012, led by the Group's continuous strategic focus to streamline and improve costs.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Turnover Six months ended 30 June				
	2013		2012		
$ million	**Amount (Unaudited)**	**Relative %**	Amount (Unaudited)	Relative %	% increase/ (decrease)
Europe	**359**	**60.6%**	342	56.1%	5.0%
Asian Pacific and others	**149**	**25.1%**	174	28.5%	(14.4%)
North America	**85**	**14.3%**	94	15.4%	(9.6%)
Total	**593**	**100.0%**	610	100.0%	(2.8%)

European market — the largest market of the Group — contributed 60.6% of the Group's total turnover. Sales to Europe increased by 5.0% to $359 million in the current period, led by higher sales to ODM and child product customers. Amidst the slower world economy, the Group's business in the Asian Pacific and other regions and the North American market suffered and dropped by 14.4% and 9.6% respectively to $149 million and $85 million in current period, respectively.

HIGHLIGHTS ON SIGNIFICANT MOVEMENTS OF FINANCIAL POSITION

$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)	% increase/ (decrease)
Inventories	**58**	88	(34.1%)
Trade receivables	**294**	306	(3.9%)
Pledged time deposits	**189**	186	1.6%
Cash and cash equivalents	**233**	263	(11.4%)
Trade and bills payables	**263**	309	(14.9%)
Current and non-current interest-bearing bank and other borrowings	**456**	479	(4.8%)
Promissory note	**67**	67	–
Equity attributable to owners of the parent	**473**	491	(3.7%)

Discussion on Financial Position

Inventory decreased by 34.1% for the period under review, led by decrease in sales and further improvement in inventory control. The inventory turnover period of the Group for the period maintained at a healthy level of only 23.5 days (31 December 2012: 30.5 days).

Trade receivables of the Group amounted to $294 million as at 30 June 2013, a decrease of 3.9% from $306 million as at 31 December 2012, in line with drop in sales.

Pledged time deposits rose marginally from $186 million at end of last year to $189 million at end of current period. Of the pledged deposits, a total amount of $104 million (equivalent to RMB83 million) in deposits were denominated in RMB, which were pledged to a banker to secure equivalent amount of Hong Kong dollar loans. Such arrangements are aimed at hedging RMB appreciation risk under which the Group is entitled to benefit from exchange appreciation of the pledged RMB deposits whilst the Group can continue to use the funds borrowed in Hong Kong dollars for business purpose.

Reported cash and cash equivalents dropped by 11.4% to $233 million. This net decrease represented net cash used for operations and net repayment of bank loans in the first half this year.

Trade and bills payables decreased by 14.9% to $263 million, largely reflecting reduction of purchases following reduction in sales and lower material costs.

The aggregate amount of the current and non-current interest-bearing bank and other borrowings amounted to $456 million as at the end of the current period, a decrease of 4.8% compared to $479 million as the end of last year, due primarily to part repayment of bank loans.

Promissory note of $67 million represented the deferred payment of consideration for acquisition of the child product business from CCT Fortis.

Equity attributable to owners of the parent declined 3.7% from $491 million as at 31 December 2012 to $473 million as at 30 June 2013 due to the loss attributable to the owners of the parent in the first half.

CAPITAL STRUCTURE AND GEARING RATIO

$ million	30 June 2013 Amount (Unaudited)	30 June 2013 Relative %	31 December 2012 Amount (Audited)	31 December 2012 Relative %
Bank borrowings	**456**	**49.1%**	477	49.2%
Finance lease payable	**–**	**–**	2	0.2%
Total borrowings	**456**	**49.1%**	479	49.4%
Equity	**473**	**50.9%**	491	50.6%
Total capital employed	**929**	**100.0%**	970	100.0%

The Group's gearing ratio slightly decreased to 49.1% as at 30 June 2013 (31 December 2012: 49.4%) as a result of net decrease of the bank and other borrowings during the period.

The Group's outstanding bank and other borrowings amounted to $456 million as at 30 June 2013 (31 December 2012: $479 million). As at 30 June 2013, the maturity profile of the Group's bank and other borrowings falling due within one year and in the second to the fifth years amounted to $386 million and $70 million respectively (31 December 2012: $397 million and $82 million respectively).

Out of the Group's bank and other borrowings, a total of $356 million (31 December 2012: $379 million) in bank loans were borrowed to finance the ordinary business of the Group and the balance of $100 million (31 December 2012: $100 million) were Hong Kong dollar loans fully secured by RMB deposits for hedging against RMB appreciation exposure. There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Current assets	**803**	886
Current liabilities	**746**	824
Current ratio	**107.6%**	107.5%

Current ratio as at 30 June 2013 maintained at a healthy level of 107.6% (31 December 2012: 107.5%). Among the total cash balance of $430 million, deposits of $189 million (31 December 2012: $186 million) were pledged for general banking facilities and for arrangement of hedging RMB appreciation.

In view of the Group's current cash position and the unutilised banking facilities available, the Group continued to maintain a sound financial position and has sufficient resources to finance its operations and its future expansion plan.

CAPITAL COMMITMENTS

As at 30 June 2013, capital commitment of the Group amounted to $2 million (31 December 2012: $2 million). The capital commitment will be funded partly by internal resources and partly by bank borrowings.

TREASURY MANAGEMENT

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

During the period under review, the Group's business receipts were mainly denominated in US dollar. Payments were mainly made in Hong Kong dollar, US dollar and RMB. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, US dollar and RMB. As at 30 June 2013, the Group's borrowings were mainly denominated in Hong Kong dollar, US dollar and RMB and interest on the borrowings was principally determined on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk as the interest rates currently remain at extremely low level. In terms of foreign exchange exposures, the Group is principally exposed to two major currencies, namely the US dollar in terms of receipts and the RMB in terms of the production costs (including workers' wages and overhead) in Mainland China. On the US dollar exposure, since the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation is not expected to be significant. In addition, as large portion of the Group's purchases are also made in US dollar or Hong Kong dollar, which are to be paid out of our sales receipts in US dollar, the management considers that the foreign exchange exposure risk for the US dollar is not material.

As for RMB exposure, since our factory wages and overhead are paid in RMB, our production costs will rise due to the further appreciation of RMB. In order to hedge against RMB appreciation risk, we have converted some of our surplus funds from Hong Kong dollars to RMB. These RMB funds have been placed on short-term deposits to secure equivalent amount of Hong Kong dollar loans, which have been drawn down to finance working capital of the Group. We consider such arrangement is an effective way to hedge a part of our exposure against RMB appreciation in the long run.

ACQUISITIONS AND DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

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

SIGNIFICANT INVESTMENT

Save for disclosed in the review of operations, the Group did not hold any significant investment as at 30 June 2013.

PLEDGE OF ASSETS

As at 30 June 2013, certain of the Group's assets with net book value of $484 million (31 December 2012: $499 million) and time deposits of $189 million (31 December 2012: $186 million) were pledged to secure general banking facilities granted to the Group to finance operations and for hedging RMB exposure.

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2013 was 3,563 (31 December 2012: 4,690). The Group's remuneration policy is built on the 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 2013, there was no outstanding share option.

interim results

The Board of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2013 together with the comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2013

		Six months ended 30 June	
HK$ million	Notes	**2013 (Unaudited)**	2012 (Unaudited)
REVENUE	3	**593**	610
Cost of sales		**(563)**	(592)
Gross profit		**30**	18
Other income and gains		**9**	18
Selling and distribution expenses		**(13)**	(16)
Administrative expenses		**(31)**	(35)
Other expenses		**(6)**	(5)
Finance costs		**(7)**	(8)
LOSS BEFORE TAX	4	**(18)**	(28)
Income tax expense	5	**–**	(1)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(18)**	(29)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic		**(HK0.03 cent)**	(HK0.04 cent)
Diluted		**(HK0.03 cent)**	(HK0.04 cent)

Details of the dividends payable and proposed for the period are disclosed in note 6 to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Six months ended 30 June	
HK$ million	**2013 (Unaudited)**	2012 (Unaudited)
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(18)**	(29)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2013

HK$ million	Notes	30 June 2013 (Unaudited)	31 December 2012 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**282**	306
Investment properties		**178**	178
Prepaid land lease payments		**77**	78
Goodwill		**22**	22
Total non-current assets		**559**	584
Current assets			
Inventories		**58**	88
Trade receivables	9	**294**	306
Prepayments, deposits and other receivables		**21**	35
Time deposits with original maturity of more than three months		**8**	8
Pledged time deposits		**189**	186
Cash and cash equivalents		**233**	263
Total current assets		**803**	886
Total assets		**1,362**	1,470
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital	11	**654**	654
Reserves		**(181)**	(163)
Total equity		**473**	491
Non-current liabilities			
Interest-bearing bank and other borrowings		**70**	82
Deferred tax liabilities		**6**	6
Promissory note		**67**	67
Total non-current liabilities		**143**	155
Current liabilities			
Trade and bills payables	10	**263**	309
Tax payable		**3**	3
Other payables and accruals		**94**	115
Interest-bearing bank and other borrowings		**386**	397
Total current liabilities		**746**	824
Total liabilities		**889**	979
Total equity and liabilities		**1,362**	1,470
Net current assets		**57**	62
Total assets less current liabilities		**616**	646

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Attributable to owners of the parent						
HK$ million	Issued capital (Unaudited)	Share premium account (Unaudited)	Capital reserve (Unaudited)	Share option reserve (Unaudited)	Exchange fluctuation reserve (Unaudited)	Accumulated losses (Unaudited)	Total (Unaudited)
At 1 January 2013	**654**	**238**	**733**	**–**	**2**	**(1,136)**	**491**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**(18)**	**(18)**
At 30 June 2013	**654**	**238**	**733**	**–**	**2**	**(1,154)**	**473**
At 1 January 2012	654	238	733	6	1	(1,084)	548
Total comprehensive loss for the period	–	–	–	–	–	(29)	(29)
At 30 June 2012	654	238	733	6	1	(1,113)	519

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	Six months ended 30 June	
HK$ million	**2013 (Unaudited)**	2012 (Unaudited)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(6)**	(101)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(1)**	(67)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	**(23)**	127
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(30)**	(41)
Cash and cash equivalents at beginning of period	**263**	320
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**233**	279
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**145**	163
Non-pledged time deposits with original maturity of less than three months when acquired	**88**	116
	233	279

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2012 (the "**2012 Annual Report**").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's 2012 Annual Report.

The following new and revised HKFRSs have been adopted by the Company with effect from 1 January 2013. The adoption of the new and revised HKFRSs does not have any significant financial effect on the interim financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *— Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

3. OPERATING SEGMENT INFORMATION

The Group has only one reportable operating segment which is the manufacture and sale of telecom, electronic and child products.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

a) *Revenue from external customers*

	Six months ended 30 June	
HK$ million	**2013 (Unaudited)**	2012 (Unaudited)
Europe	**359**	342
Asian Pacific and others	**149**	174
North America	**85**	94
	593	610

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

b) *Non-current assets*

HK$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Hong Kong	**33**	35
Mainland China	**526**	549
	559	584

The non-current assets information is based on the location of assets.

3. OPERATING SEGMENT INFORMATION *(continued)*

Information about major customers

For the six months ended 30 June 2013, revenue from each of two major customers was HK$198 million and HK$82 million respectively, representing 33% and 14% of the Group's total revenue, respectively.

For the six months ended 30 June 2012, revenue from each of two major customers was HK$120 million and HK$91 million respectively, representing 20% and 15% of the Group's total revenue, respectively.

4. LOSS BEFORE TAX

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

	Six months ended 30 June	
HK$ million	**2013 (Unaudited)**	2012 (Unaudited)
Cost of inventories sold	**563**	592
Depreciation	**22**	22
Amortisation of prepaid land lease payments	**1**	1

5. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for the six months ended 30 June 2013 and 2012 as the Group did not have any profit chargeable to Hong Kong profits tax for those periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	Six months ended 30 June	
HK$ million	**2013 (Unaudited)**	2012 (Unaudited)
Current — Elsewhere	**–**	1
Total tax charge for the period	**–**	1

6. DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2013 (30 June 2012: Nil).

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

The calculation of basic and diluted loss per share for the period is based on the loss for the period attributable to ordinary equity holders of the parent of HK$18 million (30 June 2012: HK$29 million), and the weighted average number of 65,413,993,990 (30 June 2012: 65,413,993,990) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share presented for the period ended 30 June 2012 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share presented.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group did not acquire any fixed assets (six months ended 30 June 2012: HK$8 million).

9. 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:

	30 June 2013 (Unaudited)		31 December 2012 (Audited)	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Current to 30 days	**85**	**29**	95	31
31 to 60 days	**84**	**29**	84	27
61 to 90 days	**64**	**22**	76	25
Over 90 days	**61**	**20**	51	17
	294	**100**	306	100

The Group allows an average credit period of 30 to 90 days to its trade customers.

10. TRADE AND BILLS PAYABLES

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

HK$ million	**30 June 2013 (Unaudited) Balance**	**30 June 2013 (Unaudited) Percentage**	31 December 2012 (Audited) Balance	31 December 2012 (Audited) Percentage
Current to 30 days	**67**	**25**	94	31
31 to 60 days	**91**	**35**	72	23
61 to 90 days	**62**	**24**	63	20
Over 90 days	**43**	**16**	80	26
	263	**100**	309	100

11. SHARE CAPITAL

HK$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Authorised:		
120,000,000,000 (31 December 2012: 120,000,000,000) ordinary shares of HK$0.01 each	**1,200**	1,200
Issued and fully paid:		
65,413,993,990 (31 December 2012: 65,413,993,990) ordinary shares of HK$0.01 each	**654**	654

There were no transactions involving the Company's issued ordinary share capital during the six months ended 30 June 2013.

12. CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any significant contingent liabilities (31 December 2012: Nil).

13. PLEDGE OF ASSETS

At 30 June 2013, the Group's interest-bearing bank borrowings were secured by:

(a) the pledge of the Group's buildings situated in Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$227 million (31 December 2012: HK$241 million);

(b) the pledge of the Group's investment properties situated in Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$178 million (31 December 2012: HK$178 million);

(c) the pledge of the Group's leasehold land situated in Mainland China, which had an aggregate carrying amount at the end of the reporting period of approximately HK$79 million (31 December 2012: HK$80 million); and

(d) the pledge of certain of the Group's time deposits amounting to approximately HK$189 million (31 December 2012: HK$186 million).

14. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties under operating lease arrangements with leases negotiated for terms of three years.

At 30 June 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

HK$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Within one year	**2**	2

14. OPERATING LEASE ARRANGEMENTS *(continued)*

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At 30 June 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

HK$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Within one year	**1**	1

15. COMMITMENTS

In addition to the operating lease commitments detailed in note 14(b) above, the Group had the following capital commitments at the end of the reporting period:

HK$ million	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Contracted, but not provided for:		
Building	**2**	2

16. RELATED PARTY TRANSACTIONS

(a) During the current period, the Group had the following transactions with the CCT Fortis Remaining Group:

HK$ million	Notes	Six months ended 30 June **2013 (Unaudited)**	2012 (Unaudited)
Fellow subsidiaries:			
Purchase of components	(i)	**61**	57
Factory rental income	(ii)	**3**	3
Office rental expenses	(iii)	**1**	1
Sale of electronic children products	(iv)	**–**	25
Ultimate holding company:			
Management information system service fee	(v)	**3**	3

Notes:

(i) The power supply components, transformers, plastic casings and components and toolings for the production of telecom and electronic products for the Group were purchased by the subsidiaries of the Company from fellow subsidiaries within the CCT Fortis Remaining Group at prices mutually agreed between the relevant parties.

(ii) The factory rental income was charged to a fellow subsidiary within the CCT Fortis Remaining Group for the provision of factory space in Huiyang, Mainland China, at a rate determined in accordance with the terms and conditions set out in a tenancy agreement.

(iii) The office rental expenses were charged to the Company by a fellow subsidiary within the CCT Fortis Remaining Group for the provision of office spaces in Hong Kong, at rates determined in accordance with the terms and conditions set out in the tenancy agreements.

(iv) The Company and CCT Fortis entered into a manufacturing agreement ("the **Electronic Children Products Manufacturing Agreement**") dated 30 September 2011, pursuant to which the Company agreed to design, develop, manufacture and supply through the Company and its subsidiaries certain electronic children products, electronic components and toolings for the CCT Fortis Remaining Group. The selling prices were determined in accordance with the terms and conditions set out in the Electronic Children Products Manufacturing Agreement. These transactions no longer constitute continuing connected transactions for the Company after the child product business was transferred to the Company pursuant to the agreement dated 1 February 2012.

(v) The management information system service fee was charged to CCT Fortis by the Company for the provision of general management information system support, network and software consultation and hardware maintenance services. The rate was determined in accordance with the terms and conditions set out in MIS agreement.

16. RELATED PARTY TRANSACTIONS *(continued)*

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
HK$ million	**2013 (Unaudited)**	2012 (Unaudited)
Short term employee benefits	**3**	3

17. EVENT AFTER THE REPORTING PERIOD

The Company entered into a subscription agreement with CCT Fortis and Land Company on 19 April 2013, pursuant to which the Company (or its nominee) would subscribe for 99.995% of the shareholding in the Land Company and would acquire the shareholder's loan due from the Land Company at a subscription price of US$19,999 for the subscription and a consideration of HK$900,000,000 for the restructuring transactions. The consideration of HK$900,000,000 would be satisfied by the promissory note issued by the Company as deferred payment of consideration. The principal activities of the Land Company and its subsidiaries are property development business in Mainland China. The subscription agreement and all the transactions contemplated under the subscription agreement were approved by the Company's independent shareholders at the Company's special general meeting held on 8 July 2013. The restructuring transactions were completed in July 2013.

18. APPROVAL OF THE INTERIM REPORT

The interim report was approved by the Board on 26 August 2013.

disclosure of interests

DIRECTORS' INTERESTS

As at 30 June 2013, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company:

(a) Interests and short positions in the Shares and the underlying Shares as at 30 June 2013

Long positions in the Shares:

Name of the Directors	Number of the Shares interested and nature of interest Personal	Corporate	Total	Approximate percentage of the total issued share capital of the Company
				(%)
Mak Shiu Tong, Clement (Note)	–	33,026,391,124	33,026,391,124	50.49
Cheng Yuk Ching, Flora	18,000,000	–	18,000,000	0.03
Tam Ngai Hung, Terry	20,000,000	–	20,000,000	0.03
Chen Li	10,000,000	–	10,000,000	0.02

Note: The interest disclosed represents 33,026,391,124 Shares held by CCT Fortis through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement is deemed to be interested in such Shares under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Fortis through his interest in the shareholding of approximately 50.03% of the total issued share capital in CCT Fortis as at 30 June 2013.

(b) Interests and short positions in the shares and the underlying shares of an associated corporation — CCT Fortis as at 30 June 2013

Long positions in the shares of CCT Fortis:

Name of the Directors	Number of the shares interested and nature of interest Personal	Corporate	Total	Approximate percentage of the total issued share capital of CCT Fortis
				(%)
Mak Shiu Tong, Clement (Note)	8,475,652	294,775,079	303,250,731	50.03
Tam Ngai Hung, Terry	500,000	–	500,000	0.08
William Donald Putt	591,500	–	591,500	0.10

Note: Of the shareholding in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 294,775,079 shares of CCT Fortis were beneficially held by Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited, all of which are corporations wholly-owned by him, his spouse and his two sons. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Fortis under the SFO as he controls the exercise of one-third or more of the voting power at general meetings of Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited.

Save as disclosed above, as at 30 June 2013, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the sections headed "Directors' Interests" above and "Share Option Scheme" below, at no time during the period for the six months ended 30 June 2013 was the Company, or any of its holding companies, subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2013, the following persons (not being the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Shares as at 30 June 2013:

Name of the Shareholders	Number of the Shares held	Approximate percentage of the total issued share capital of the Company
		(%)
CCT Fortis (Note 1)	33,026,391,124	50.49
CCT Technology Investment Limited (Note 2)	33,026,391,124	50.49
Jade Assets Company Limited	29,326,391,124	44.83

Notes:

1. The interest disclosed represents 33,026,391,124 Shares indirectly owned by CCT Technology Investment Limited through the subsidiaries stated in Note 2 below. CCT Technology Investment Limited is a wholly-owned subsidiary of CCT Fortis.

2. The interest disclosed represents 29,326,391,124 Shares held by Jade Assets Company Limited, 1,350,000,000 Shares held by CCT Assets Management Limited and 2,350,000,000 Shares held by Expert Success International Limited, all of which are wholly-owned subsidiaries of CCT Technology Investment Limited.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 June 2013, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

share option scheme

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

As at 30 June 2013, there was no share option outstanding under the 2011 Scheme. No share option has been granted, exercised, cancelled or has lapsed under the 2011 Scheme during the six months ended 30 June 2013.

other information

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed Shares during the period for the six months ended 30 June 2013.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the period from 1 January 2013 to 30 June 2013, except for the following deviations from the Code Provisions of the CG Code:

Code Provision A.2.1

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

There is no separation of the roles of chairman and chief executive officer of the Company and hence the Company has not complied with the Code Provision A.2.1 during the period from 1 January 2013 to 30 June 2013.

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

Code Provision A.4.2

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

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

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

Other information on the corporate governance practices of the Company has been disclosed in the corporate governance report contained in the 2012 Annual Report of the Company issued in April 2013.

Model Code for Securities Transactions by the Directors

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2013.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting of the Company held on 8 July 2013 and the approval granted by the Registrar of Companies in Bermuda on 8 July 2013, the name of the Company has been changed from “CCT Tech International Limited” to “CCT Land Holdings Limited — 中建置地集團有限公司” (the “**Change of Company Name**”). The Chinese name “中建科技國際有限公司” which was previously adopted for identification purpose only is no longer used by the Company.

Details of the Change of Company Name are set out in the announcement of the Company dated 20 August 2013.

REVIEW OF INTERIM REPORT

The Group's interim report including the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2013 has been reviewed by the Audit Committee.

BOARD AND COMMITTEES OF THE BOARD

Executive Directors
Mak Shiu Tong, Clement *(Chairman and CEO)*
Cheng Yuk Ching, Flora *(Deputy Chairman)*
Tam Ngai Hung, Terry
William Donald Putt

Independent Non-executive Directors
Chow Siu Ngor
Lau Ho Kit, Ivan
Chen Li

Audit Committee
Lau Ho Kit, Ivan *(Chairman)*
Chow Siu Ngor
Chen Li

Remuneration Committee
Chow Siu Ngor *(Chairman)*
Lau Ho Kit, Ivan
Chen Li
Mak Shiu Tong, Clement
Tam Ngai Hung, Terry

Nomination Committee
Mak Shiu Tong, Clement *(Chairman)*
Tam Ngai Hung, Terry
Chow Siu Ngor
Lau Ho Kit, Ivan
Chen Li

Company Secretary
Tam Ngai Hung, Terry

glossary of terms

GENERAL TERMS

"2011 Scheme"	The share option scheme conditionally adopted by the Company on 27 May 2011, which took effect on 30 May 2011
"AGM"	Annual general meeting
"Audit Committee"	The audit committee of the Company
"Board"	The board of Directors
"CCT Fortis"	CCT Fortis Holdings Limited (formerly known as CCT Telecom Holdings Limited), a company listed on the Main Board of the Stock Exchange and the ultimate holding company of the Company
"CCT Fortis Remaining Group"	CCT Fortis and its subsidiaries other than the Group
"CEO"	The chief executive officer of the Company
"CG Code"	The Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Chairman"	The chairman of the Company
"CMS"	Contract manufacturing service
"Company"	CCT Land Holdings Limited (formerly known as CCT Tech International Limited)
"Director(s)"	The director(s) of the Company
"Group"	The Company and its subsidiaries
"HK" or "Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"HK$" or "$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"INED(s)"	Independent non-executive director(s)
"Land Company"	CCT Land (China) Holdings Limited, a company incorporated in the British Virgin Islands
"Land Group"	The Land Company and its subsidiaries

"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mainland China"	The mainland of the PRC
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules
"N/A"	Not applicable
"Nomination Committee"	The nomination committee of the Company
"PRC" or "China"	The People's Republic of China
"Remuneration Committee"	The remuneration committee of the Company
"R&D"	Research and development
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	The ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	Holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US"	The United States of America
"US$"	United States dollar(s), the lawful currency of the US
"%"	Per cent.

FINANCIAL TERMS

"Gearing Ratio"	Total borrowings (representing bank & other borrowings) divided by total capital employed (i.e. total Shareholders' fund plus total borrowings)
"Loss Per Share"	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
"Current Ratio"	Current assets divided by current liabilities