



CCTTM RESOURCES

中建資源集團有限公司
CCT Resources Holdings Ltd

First Quarterly Report 2009

Stock Code : 8163

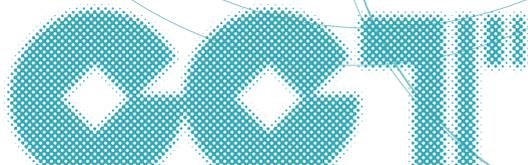
CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors of CCT Resources Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to CCT Resources Holdings Limited. The directors of CCT Resources Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.





MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The continuing operations of CCT Resources Holdings Limited (the “Company”) and its subsidiaries (the “Group”) posted a significant increase in turnover from approximately HK\$269,000 for the three months ended 30 June 2008 to approximately HK\$2,225,000 for the three months ended 30 June 2009 due to the increase in turnover of the trading business.

The Group incurred a loss of approximately HK\$14,486,000 for the three months ended 30 June 2009, as compared to a loss of approximately HK\$1,445,000 for the corresponding period in 2008. The increase in loss was mainly due to (i) charging of non-cash imputed interest of approximately HK\$9,521,000 on the liability component of the zero coupon convertible bonds; and (ii) the start-up loss of the forestry business in the amount of approximately HK\$5,421,000 during the period under review.

After the period end, the Company has announced to change its financial year end from 31 March to 31 December effective from the year of 2009 in order to cope with the statutory year end date of the Company’s principal subsidiaries in Indonesia.

BUSINESS REVIEW

After the completion of the acquisition of the forestry project in Papua, Indonesia in August 2008 and the disposal of the loss-making e-commerce business (the “B2B Business”) in September 2008 by the Group, the Group has transformed its business into an integrated natural resources business. During the three months ended 30 June 2009, the Group was principally engaged in forestry business and trading business.

The forestry project that the Group acquired consists of concession with an area of 313,500 hectares of natural forests in Papua, Indonesia. The forestry business will be developed into vertically integrated resources business including harvest of trees and production of timber and wood products, plantation of oil palm and the production of palm oil. The Group has commenced the upstream operations of harvest of timber. Because of the huge size of the concession areas, the forestry business will be a long-term business as the forests covered by the concession will be harvested over many years. The natural forests in Papua are tropical forests which contain a variety of species of trees which can be produced into valuable hardwood and softwood timber products. The Group will also be engaged in the downstream operations of producing timber and other wood products mainly for export out of Indonesia. Wood is widely used for construction, interior decoration, furniture and paper manufacturing. The Group intends to export its timber products to China where demand for wood products is robust due to increasing urbanization and growing economy of China. For good future of people and environment, the Group will replant oil palm trees in the forest land. The fruits and seeds of palm trees will be processed to produce palm oil for export. Palm oil is a kind of bio-fuel and renewable green energy. Indonesia is one of the world’s largest producers and exporters of palm oil, besides Malaysia. Due to the commitment of most industrialized countries to reduce green house gas emissions, the demand for palm oil as alternative source to fossil fuels has been increasing.

Business plans for the forestry business have been drawn up and implemented according to schedule to develop and establish the forestry business. During the period, the Group has started to harvest trees from the forest to build the sawmill and the forest road paths. Sale of timber products is expected in the second half of 2009 and the forestry business is expected to generate revenue to the Group in the second half of 2009.

As the forestry business was still in the start-up stage during the period under review, no revenue from the forestry business was recorded for the three months ended 30 June 2009. The forestry business incurred a loss of approximately HK\$5,421,000 for the three months ended 30 June 2009, mainly attributable to the preparation and administration costs.

During the period under review, the trading business of the Group shows a significant growth in turnover, up approximately 727.1% from approximately HK\$269,000 for the three months ended 30 June 2008 to approximately HK\$2,225,000 for the three months ended 30 June 2009 as a result of the Group's efforts to grow the business. The trading business, however, incurred a small loss of HK\$24,000 under a difficult business environment.

OUTLOOK

Despite the global economy is still uncertain and challenging, the Board is confident of the prospect of our forestry business given the large size of the concession areas and the promising outlook of the forestry industry. Due to surge demand for timber products in developing countries such as China, particularly for tropical forests, there is a significant and growing shortage of both softwood and hardwood. The supply shortfall provides a highly favourable business opportunity for the forestry business. In consequence of huge demand of timber and wood products versus scarce supply, the price of timber and wood products are expected to maintain at a high level and increasing. Besides the timber business, the future plantation business offers huge business growth potential because demand for palm oil as an alternative source of energy to fossil fuels has been increasing. We will dedicate more resources to the development and exploitation of the forestry resources business which is expected to become the major driver of growth in revenue and profitability of the Group in the near future.



UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2009

The board of directors (the "Board") of the Company is pleased to announce that the unaudited condensed consolidated first quarterly results of the Group for the three months ended 30 June 2009, together with the comparative unaudited figures for the corresponding period in 2008, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 June 2009

		Three months ended 30 June	
	Notes	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
CONTINUING OPERATIONS			
REVENUE	2	2,225	269
Cost of sales		(2,111)	(202)
Gross profit		114	67
Other income and gains		226	132
General and administrative expenses		(5,305)	(1,252)
Finance costs	3	(9,521)	-
LOSS BEFORE TAX		(14,486)	(1,053)
Tax	4	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(14,486)	(1,053)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	6	-	(392)
LOSS FOR THE PERIOD		(14,486)	(1,445)
Loss attributable to:			
Owners of the parent		(13,945)	(1,323)
Minority interests		(541)	(122)
		(14,486)	(1,445)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	7		
Basic			
- For loss for the period		(HK0.33 cent)	(HK0.11 cent)
- For loss from continuing operations		(HK0.33 cent)	(HK0.09 cent)
Diluted			
- For loss for the period		N/A	N/A
- For loss from continuing operations		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2009

	Three months ended 30 June	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Loss for the period	(14,486)	(1,445)
Other comprehensive gain/(loss), after tax:		
Exchange difference on translating foreign operations	16	(712)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(14,470)	(2,157)
Total comprehensive loss attributable to:		
Owners of the parent	(13,929)	(2,035)
Minority interests	(541)	(122)
	(14,470)	(2,157)





Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") (which also include the Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention. These unaudited condensed consolidated quarterly results are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated quarterly results should be read in conjunction with the Group's audited annual financial statements for the year ended 31 March 2009 ("2008/09 Annual Report"). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's 2008/09 Annual Report, except for the impact of the adoption of the Standards and Interpretation described below.

HKAS 1 (Revised) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present a separate income statement and a statement of comprehensive income.

HKFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009)

HKFRS 8 is a disclosure standard that has resulted in a re-designation of the Group's reportable segments, but has no impact on the results or financial positions of the Group.

The following amendments and interpretations issued by the HKICPA which are or have become effective and did not have any significant impact on the accounting policies of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs
HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>

The unaudited condensed consolidated quarterly results of the Group for the three months ended 30 June 2009 have been reviewed by the Company's audit committee (the "Audit Committee").

2. Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the three-month period under review.

An analysis of revenue is as follows:

	Three months ended 30 June	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Sale of goods attributable to the continuing trading business	2,225	269
Rendering of services attributable to the discontinued B2B Business	–	8,215
	2,225	8,484

3. Finance costs

The charge represents the imputed interest on the liability component of the convertible bonds for the three months ended 30 June 2009.



4. Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2008: Nil). Overseas profits tax has not been provided as the overseas subsidiaries had no taxable income for the period.

There was no income tax relating to the other comprehensive income during the period (2008: Nil).

5. Dividend

No dividend has been paid or declared by the Company during the three months ended 30 June 2009 (2008: Nil).

6. Discontinued operations

On 8 August 2008, the Company entered into a conditional sale and purchase agreement with an independent third party for the sale of B2B Business at a total consideration of approximately HK\$12,000,000 (the "Disposal"). The consideration was satisfied by way of cash.

The Disposal was completed on 23 September 2008. Thereafter, the Group discontinued the B2B Business.

The results of the B2B Business for the three months ended 30 June 2008 was presented below:

	Three months ended 30 June	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Revenue	-	8,215
Cost of sales	-	(6,025)
Gross profit	-	2,190
Other income and gains	-	181
Selling and distribution costs	-	(671)
General and administrative expenses	-	(1,628)
Advertising and promotion expenses	-	(468)
Other expenses	-	(137)
Share of profits and losses of an associate	-	141
Loss before tax from the discontinued operations	-	(392)
Tax	-	-
Loss for the period from the discontinued operations	-	(392)

7. Loss per share attributable to owners of the parent

The calculation of basic loss per share amounts is based on the loss for the three months ended 30 June 2009 attributable to owners of the parent and the weighted average number of ordinary shares in issue during the period.

The calculation of basic loss per share is based on:

	Three months ended 30 June	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
<u>Loss for the period</u>		
Loss attributable to owners of the parent:		
from the continuing operations	(13,945)	(1,053)
from the discontinued operations	-	(270)
	(13,945)	(1,323)
	Number of shares	
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period	4,203,149,000	1,205,676,473

Diluted loss per share amounts for the periods ended 30 June 2009 and 2008 have not been disclosed, as the convertible bonds and share options outstanding during these periods had an anti-dilutive effect on the basic loss per share amounts for these periods.



8. Movement in reserves

	Attributable to owners of the parent								
	Share premium account	Contributed surplus	Equity component of convertible bonds	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total	Minority interests	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2008	75,006	66,710	-	1,605	169	(97,450)	46,040	(4)	46,036
Loss for the period	-	-	-	-	-	(1,323)	(1,323)	(122)	(1,445)
Other comprehensive loss	-	-	-	-	(712)	-	(712)	-	(712)
Total comprehensive loss	-	-	-	-	(712)	(1,323)	(2,035)	(122)	(2,157)
Issue of new shares upon exercise of share options	1,615	-	-	(651)	-	-	964	-	964
At 30 June 2008	76,621	66,710	-	954	(543)	(98,773)	44,969	(126)	44,843
At 1 April 2009	351,925	66,710	116,875	1,659	(560)	(144,772)	391,837	42,087	433,924
Loss for the period	-	-	-	-	-	(13,945)	(13,945)	(541)	(14,486)
Other comprehensive gain	-	-	-	-	16	-	16	-	16
Total comprehensive loss	-	-	-	-	16	(13,945)	(13,929)	(541)	(14,470)
Equity-settled share option arrangements	-	-	-	186	-	-	186	-	186
At 30 June 2009	351,925	66,710	116,875	1,845	(544)	(158,717)	378,094	41,546	419,640

9. Comparative figures

Due to the adoption of new and revised HKFRSs during the current period, the accounting treatment and presentation of certain items in the condensed consolidated quarterly results have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current period's presentation and accounting treatment.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

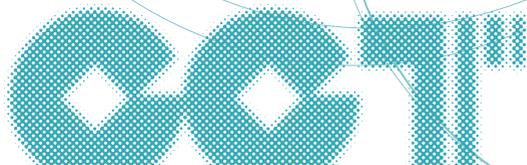
As at 30 June 2009, the directors and the chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 Rule 5.46 of the GEM Listing Rules:

(a) Interests and short positions in the shares and the underlying shares of the share options of the Company as at 30 June 2009

- (i) Long positions in the shares of the Company:

Name of directors	Number of the shares interested and nature of interest			Total	Approximate percentage of the total issued share capital of the Company (%)
	Personal	Corporate			
Mak Shiu Tong, Clement <i>(Note)</i>	19,344,000	2,031,764,070	2,051,108,070	48.80	
Ma Hang Kon, Louis	1,180,000	–	1,180,000	0.03	
Tam Ngai Hung, Terry	7,500,000	–	7,500,000	0.18	
Fung Hoi Wing, Henry	550,000	–	550,000	0.01	
Lau Ho Wai, Lucas	950,000	–	950,000	0.02	

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 shares of the Company were registered in the name of Manistar Enterprises Limited ("Manistar") (an indirect wholly-owned subsidiary of CCT Telecom Holdings Limited ("CCT Telecom")). Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of the Company 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 Telecom through his interest in the shareholdings of 45.11% of the total issued share capital in CCT Telecom as at 30 June 2009.



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

(a) Interests and short positions in the shares and the underlying shares of the share options of the Company as at 30 June 2009 *(continued)*

- (ii) Long positions in the underlying shares of the share options granted under the share option scheme of the Company:

Name of directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share HK\$	Number of the share options outstanding	Number of the underlying shares	Approximate percentage of the total issued share capital of the Company (%)
Mak Shiu Tong, Clement	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.54
Tam Ngai Hung, Terry	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.43
Cheng Yuk Ching, Flora	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.12
William Donald Putt	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.12
Ma Hang Kon, Louis	6/10/2008	6/4/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.12
	6/10/2008	6/10/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.12
Chan Hoi Tung, Tony	14/11/2008	14/5/2009 – 13/8/2011	0.116	4,000,000	4,000,000	0.10
	14/11/2008	14/11/2009 – 13/8/2011	0.116	4,000,000	4,000,000	0.10

Note: The share options were conditionally granted on 5 July 2006 and became unconditional on 9 August 2006. The related share option certificates were issued on 14 August 2006.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

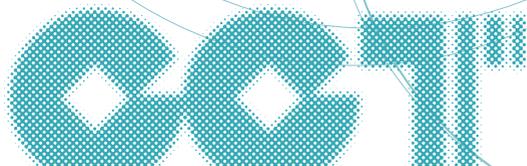
(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Telecom as at 30 June 2009

Long positions in the shares of CCT Telecom:

Name of directors	Number of the shares interested and nature of interest			Total	Approximate percentage of the total issued share capital of CCT Telecom (%)
	Personal	Family	Corporate		
Mak Shiu Tong, Clement <i>(Note 1)</i>	715,652	-	294,775,079	295,490,731	45.11
Tam Ngai Hung, Terry	500,000	-	-	500,000	0.08
Cheng Yuk Ching, Flora <i>(Note 2)</i>	14,076,713	160,000	-	14,236,713	2.17
William Donald Putt	591,500	-	-	591,500	0.09

Notes:

1. Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 294,775,079 shares of CCT Telecom were registered in the name of 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 Telecom 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.
2. Included in the shareholdings in which Ms. Cheng Yuk Ching, Flora was interested, 160,000 shares of CCT Telecom were beneficially owned by the spouse of Ms. Cheng Yuk Ching, Flora, who is deemed to be interested in such shares of CCT Telecom under the provisions of Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

(c) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Tech International Limited (“CCT Tech”) as at 30 June 2009

Long positions in the shares of CCT Tech:

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of CCT Tech
	Personal	Corporate	Total	(%)
Mak Shiu Tong, Clement <i>(Note)</i>	120,000,000	33,026,391,124	33,146,391,124	50.67
Tam Ngai Hung, Terry	20,000,000	–	20,000,000	0.03
Cheng Yuk Ching, Flora	18,000,000	–	18,000,000	0.03

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 33,026,391,124 shares of CCT Tech were held by CCT Telecom through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Tech 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 Telecom through his interest in the shareholdings of 45.11% of the total issued share capital in CCT Telecom as at 30 June 2009.

Save as disclosed above, as at 30 June 2009, none of the directors and the 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 Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' Interests in Shares and Underlying Shares" above and "Share Option Scheme" below, at no time during the period for the three months ended 30 June 2009 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and the 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 IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2009, the following persons (not being the directors or the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company 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:

- (i) Long positions in the shares of the Company as at 30 June 2009:

Name of shareholders	Capacity and nature of interest	Notes	Number of the shares interested	Approximate percentage of the total issued share capital of the Company (%)
Merdeka Commodities Limited ("MCL")	Directly beneficially owned		700,000,000	16.65
Merdeka Finance Group Limited	Through a controlled corporation	1	700,000,000	16.65
Lai Wing Hung	Directly beneficially owned and through a controlled corporation	1 and 2	775,000,000	18.44



SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

(i) Long positions in the shares of the Company as at 30 June 2009: *(continued)*

Name of shareholders	Capacity and nature of interest	Notes	Number of the shares interested	Approximate percentage of the total issued share capital of the Company (%)
Manistar	Directly beneficially owned		2,031,764,070	48.34
CCT Telecom Securities Group Limited	Through a controlled corporation	3	2,031,764,070	48.34
CCT Telecom	Through a controlled corporation	3	2,031,764,070	48.34

Notes:

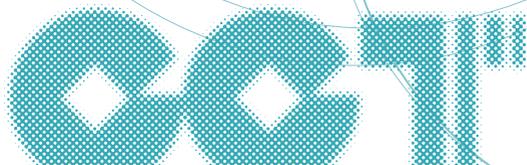
1. The 700,000,000 shares of the Company were registered in the name of MCL, a subsidiary of Merdeka Finance Group Limited which is deemed to be interested in such shares of the Company under the SFO as it is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of MCL through its shareholdings of 70% of the total issued share capital in MCL as at 30 June 2009.
2. Included in the shareholdings in which Mr. Lai Wing Hung was interested, 700,000,000 shares of the Company were registered in the name of MCL. Mr. Lai Wing Hung is deemed to be interested in such shares of the Company 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 MCL through his 15% personal shareholdings in MCL and through his 100% shareholdings in Merdeka Finance Group Limited, which in turn held 70% shareholdings in MCL as at 30 June 2009. The remaining 75,000,000 shares of the Company were beneficially owned by Mr. Lai Wing Hung personally.
3. The shares of the Company were registered in the name of Manistar, which is wholly-owned by CCT Telecom Securities Group Limited which in turn is a wholly-owned subsidiary of CCT Telecom.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

- (ii) Long positions in the underlying shares of the convertible bonds of the Company as at 30 June 2009:

Name of the holder of the convertible bonds	Description of equity derivatives	Principal amount of the convertible bonds HK\$	Number of the underlying shares	Approximate percentage of the total issued share capital of the Company (%)
MCL	MCL Convertible Bonds <i>(Note)</i>	616,880,000	6,168,800,000	146.77
Merdeka Finance Group Limited	MCL Convertible Bonds <i>(Note)</i>	616,880,000	6,168,800,000	146.77
Lai Wing Hung	MCL Convertible Bonds <i>(Note)</i>	616,880,000	6,168,800,000	146.77

Note: The MCL Convertible Bonds with an outstanding principal amount of HK\$616,880,000 as at 30 June 2009, were issued by the Company to MCL on 12 August 2008 following the completion of the agreement entered into amongst the Company, MCL and Merdeka Timber Group Ltd. ("MTG") in connection with the acquisition and subscription by the Company of the shares in MTG representing 100% shareholdings in MTG on that date. The MCL Convertible Bonds, due on 12 August 2011, are unlisted, interest-free and convertible into the shares of the Company (subject to conversion restrictions and conversion lock-up provisions pursuant to the MCL Convertible Bonds) at the conversion price of HK\$0.10 per share of the Company (subject to adjustments pursuant to the MCL Convertible Bonds). Merdeka Finance Group Limited is deemed to be interested in such underlying shares of the Company under the SFO as it is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of MCL through its shareholdings of 70% of the total issued share capital in MCL as at 30 June 2009. Mr. Lai Wing Hung is deemed to be interested in such underlying shares of the Company 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 MCL through his 15% personal shareholdings in MCL and through his 100% shareholdings in Merdeka Finance Group Limited, which in turn held 70% shareholdings in MCL as at 30 June 2009.





SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

Save as disclosed above, the directors and the chief executive of the Company are not aware that there is any party who, as at 30 June 2009, had an interest or short position in the shares or underlying shares of the Company 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

The share option scheme of the Company (the "Share Option Scheme") was effective on 7 March 2002. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. As at 30 June 2009, there were 68,500,000 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 68,500,000, which represents approximately 1.63% and 1.63% of the total issued share capital of the Company as at 30 June 2009 and the date of this report respectively.

SHARE OPTION SCHEME (continued)

Details of the movements of the share options under the Share Option Scheme during the three months ended 30 June 2009 were as follows:

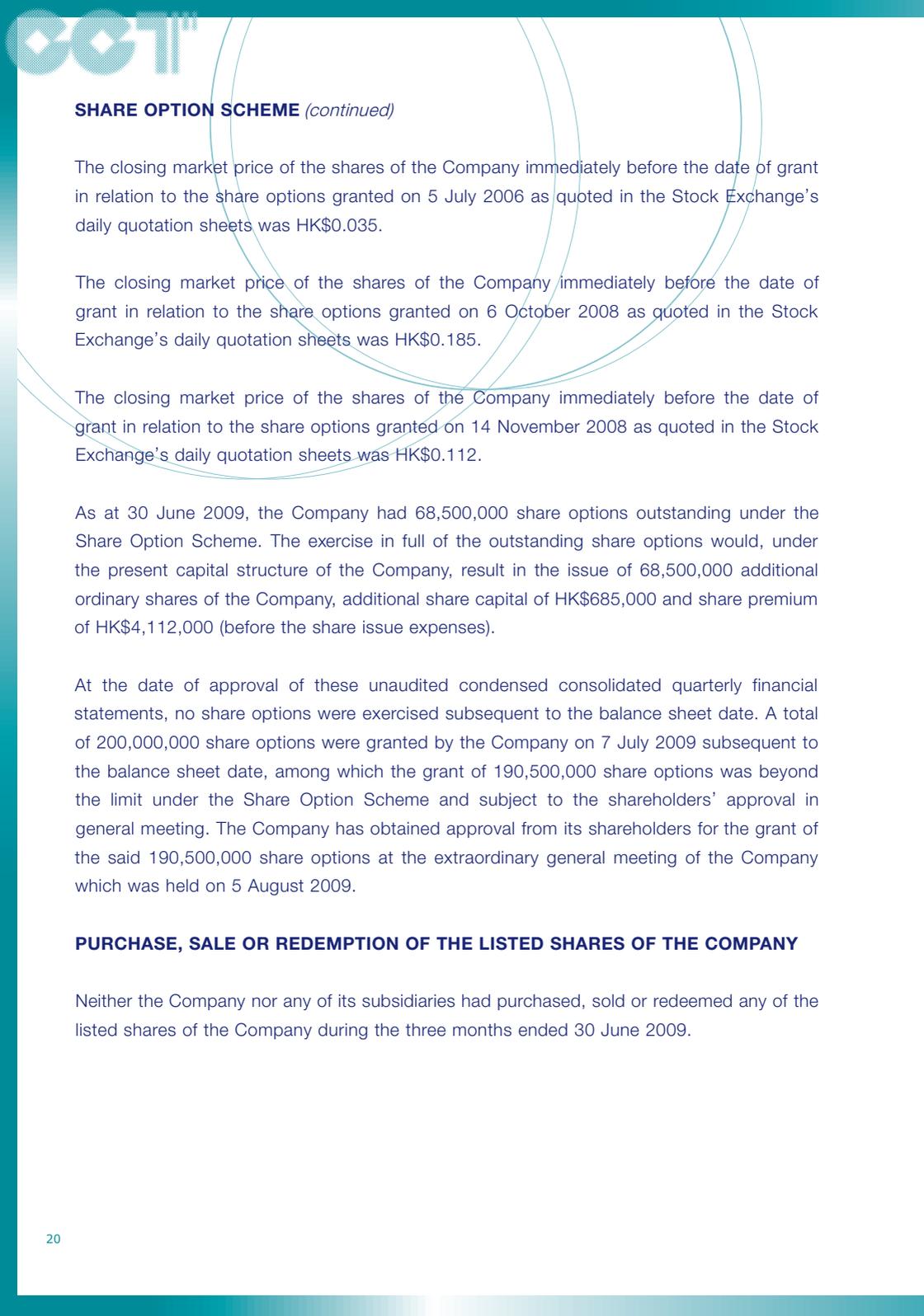
Name or category of the participants	Number of share options				Outstanding as at 30 June 2009	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options* HK\$ per share
	Outstanding as at 1 April 2009	Granted during the period	Exercised during the period	Expired/ Forfeited during the period				
Executive directors								
Mak Shiu Tong, Clement	22,500,000	-	-	-	22,500,000	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038
Tam Ngai Hung, Terry	18,000,000	-	-	-	18,000,000	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038
Cheng Yuk Ching, Flora	5,000,000	-	-	-	5,000,000	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038
William Donald Putt	5,000,000	-	-	-	5,000,000	5/7/2006 <i>(Note)</i>	14/8/2006 – 13/8/2011	0.038
Ma Hang Kon, Louis	5,000,000	-	-	-	5,000,000	6/10/2008	6/4/2009 – 13/8/2011	0.195
	5,000,000	-	-	-	5,000,000	6/10/2008	6/10/2009 – 13/8/2011	0.195
Chan Hoi Tung, Tony	4,000,000	-	-	-	4,000,000	14/11/2008	14/5/2009 – 13/8/2011	0.116
	4,000,000	-	-	-	4,000,000	14/11/2008	14/11/2009 – 13/8/2011	0.116
	68,500,000	-	-	-	68,500,000			

Note: The share options were conditionally granted on 5 July 2006 and became unconditional on 9 August 2006. The related share option certificates were issued on 14 August 2006.

Note to the reconciliation of the share options outstanding as at 30 June 2009:

* The exercise price of the share options is subject to adjustment in the case of capitalisation issue, rights issue, sub-division or consolidation of the shares of the Company, or other similar changes in the Company's share capital.





SHARE OPTION SCHEME *(continued)*

The closing market price of the shares of the Company immediately before the date of grant in relation to the share options granted on 5 July 2006 as quoted in the Stock Exchange's daily quotation sheets was HK\$0.035.

The closing market price of the shares of the Company immediately before the date of grant in relation to the share options granted on 6 October 2008 as quoted in the Stock Exchange's daily quotation sheets was HK\$0.185.

The closing market price of the shares of the Company immediately before the date of grant in relation to the share options granted on 14 November 2008 as quoted in the Stock Exchange's daily quotation sheets was HK\$0.112.

As at 30 June 2009, the Company had 68,500,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 68,500,000 additional ordinary shares of the Company, additional share capital of HK\$685,000 and share premium of HK\$4,112,000 (before the share issue expenses).

At the date of approval of these unaudited condensed consolidated quarterly financial statements, no share options were exercised subsequent to the balance sheet date. A total of 200,000,000 share options were granted by the Company on 7 July 2009 subsequent to the balance sheet date, among which the grant of 190,500,000 share options was beyond the limit under the Share Option Scheme and subject to the shareholders' approval in general meeting. The Company has obtained approval from its shareholders for the grant of the said 190,500,000 share options at the extraordinary general meeting of the Company which was held on 5 August 2009.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed shares of the Company during the three months ended 30 June 2009.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company’s financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee is mainly responsible for (i) reviewing the Company’s quarterly results, half-yearly results and annual financial statements and making recommendations as to the approval of the Company’s quarterly results, half-yearly results and annual financial statements by the Board; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards; (v) reviewing and monitoring financial reporting and the reporting judgment contained in them; and (vi) reviewing financial and internal control (including the adequacy of resources, qualifications and experience of staff of the Company’s accounting and financial reporting function, and their training programmes and budget), accounting policies and practices with management of the Group and internal and external auditors of the Company.

The Audit Committee consists of three members comprising the three independent non-executive directors of the Company, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas, one of whom is a qualified accountant and has extensive experience in accounting and financial matters. The chairman of the Audit Committee is elected by the members who are present at the meeting. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board’s strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated first quarterly results of the Group for the three months ended 30 June 2009, and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.





BOARD OF DIRECTORS

As at the date of this report, the directors of the Company are:

Executive Directors:

Mr. Mak Shiu Tong, Clement (*Chairman*)

Mr. Ma Hang Kon, Louis (*Chief Executive Officer*)

Mr. Tam Ngai Hung, Terry

Mr. Chan Hoi Tung, Tony

Ms. Cheng Yuk Ching, Flora

Dr. William Donald Putt

Independent Non-Executive Directors:

Mr. Lam Kin Kau, Mark

Mr. Fung Hoi Wing, Henry

Mr. Lau Ho Wai, Lucas

By Order of the Board of
CCT RESOURCES HOLDINGS LIMITED

Mak Shiu Tong, Clement

Chairman

Hong Kong, 10 August 2009

