

RESOURCES HOLDINGS LIMITED

(中 建 資 源 集 團 有 限 公 司 *)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08163)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2009

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* For identification purpose only

CHAIRMAN'S LETTER

On behalf of the board of directors of CCT Resources Holdings Limited (the "Company"), I am pleased to report the Annual Results of the Company for the nine months ended 31 December 2009.

During the period under review, significant progress has been made in the development of the Group's forestry business, which will be further elaborated in the operation review of this report. The Company has changed its financial year end from 31 March to 31 December, resulting in the current financial period covering only the nine months ended 31 December 2009. The revenue of the continuing business of the Company and its subsidiaries (the "Group") for the nine months ended 31 December 2009 was HK\$6,970,000, as compared to HK\$7,370,000 for the twelve months ended 31 March 2009. The Group reported a loss of approximately HK\$58,622,000, due mainly to the non-cash accounting charges and the start-up costs of the forestry business.

Formation of an Advisory Committee

The Board was pleased to announce that an advisory committee (the "Advisory Committee") has been formed in August 2009. The primary duty of the Advisory Committee is to advise and work closely with the Board in the fields of forestry business, oil palm plantation and the production of palm oil. The Advisory Committee consists of three members comprising Mr. Wang Jun who is the chairman, and Mr. Xu Dingming and Mr. Li Changwei who are the deputy chairmen. Mr. Wang Jun, Mr. Xu Dingming and Mr. Li Changwei possess extensive business experience and excellent track record, and are well-connected with major companies and the PRC authorities in the resources and energy sector. The Board believes that their advice and contribution will create value for and will strengthen the Company's resources business in the long run.

Change of Management

In October 2009, Mr. Ma Hang Kon, Louis ("Mr. Ma") resigned as the chief executive officer of the Company (the "CEO") and Mr. Chan Hoi Tung, Tony ("Mr. Chan") resigned as the executive director and the chief financial officer of the Company (the "CFO"). Mr. Ma also resigned as the executive director of the Company with effect from 15 January 2010. The resignation of both Mr. Ma and Mr. Chan was due to their family reasons. After their resignation, Mr. Mak Shiu Tong, Clement has been appointed as the CEO and Mr. Tam Ngai Hung, Terry has been appointed as the CFO. Additional senior officers have been employed in the operating level in Indonesia to cope with the development of the forestry business. With smooth handover, the management change has no material adverse impact on the daily operations of the Group's forestry business in Indonesia.

Operation Review

During the period under review, the Group was principally engaged in (i) the forestry business including the upstream operations of harvesting timber and the downstream operations of production of timber and wood products; and (ii) the trading business.

The Group has achieved significant progress in the development of its forestry business since its acquisition in 2008. During the period, the Group has commenced the upstream forestry operations and has started to log and harvest trees to produce logs for the downstream operations. In the downstream operations, the Group has built two sawmills and one veneer factory. The first sawmill has commenced operations during the period and has processed logs harvested from the forest into sawn timber, for use in the construction of the wood processing plants. Construction of the second sawmill has also been completed and most of the machinery has been installed. Production of the second sawmill is expected later this year. Most of the machinery for the Group's veneer factory manufactured in China has been shipped to Timika, Papua, Indonesia and is being installed into the veneer factory. After installation, the veneer production machinery will be test run. It is expected that the veneer factory will commence production in mid this year and will process soft wood timber into veneer wood products. It is expected that the forestry operations will start to generate revenue within the year of 2010.

Due to the change of the senior management as set out above, the Group has reinforced the management of its forestry operations and has streamlined and refined its operational plan in order to improve efficiency. The Group focuses on the long-term development of the forestry and plantation businesses which the Group believes have huge growth potential.

Outlook

The Board is confident of the prospect of the forestry resources business. Though the financial turmoil has substantially affected the global economy in the years 2008 and 2009, with the global efforts of the stimulus and financial rescue packages implemented by various governments, the world's economy has become stabilized and has shown sign of recovery. The People's Republic of China (the "PRC") is the first major economy that has walked away from the economic crisis. In the past few months, housing, infrastructure and construction activities in the PRC remained strong. As the timber products are widely used in various areas in construction, interior decoration, floors and furniture, the rebound of the global economic activities especially in the PRC which will be the major market for our timber products, will increase the demand of timber and wood products. The Group will leverage the supply shortfall situation of the natural wood market, which has provided a highly favourable business opportunity to the forestry industry. To make sure the Group is poised for recovery after the economic downturn, the Group will allocate additional resources to develop and strengthen its forestry business by recruit of experienced workforce, purchase of additional machinery and equipment and the building of timber processing factories.

Beside the timber operations, the Group will also be engaged in the plantation of oil palms in the forest land and the production of palm oil. Palm oil is a kind of renewable green bio-fuel and its demand is increasing. Palm oil is also a kind of new energy, the use of which is encouraged by many governments including PRC. During the period, the Group has already cleared forest to develop a nursery. Oil palm seeds will be purchased and growing of seedlings will be started later this year. Though the palm oil business is a long-term business and will involve substantial amount of investment, the Board believes that the demand and the prices of palm oil will continue to be robust due to global commitment to reduce greenhouse gas emissions and the increasing use of palm oil as alternate energy to fossil fuels. As such, we believe this business will be established a major core business of the Group and it will become one of the key drivers for business growth and profitability of the Group and will increase the returns of the Group's shareholders in the future years to come.

Appreciation

On behalf of the Board, I would like to express our gratitude to the Directors, the management and all employees for their strong commitment and contribution towards the execution of the Group's strategies and operations. We also wish to thank all customers, suppliers, business partners, bankers, the authorities and shareholders for their support over the past years.

Mak Shiu Tong, Clement

Chairman

Hong Kong

22 March 2010

ANNUAL RESULTS

The board of directors (the “Board”) of the Company is pleased to announce that the consolidated annual results of the Group for the nine months ended 31 December 2009, together with the comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

Period from 1 April 2009 to 31 December 2009

		Period from 1 April 2009 to 31 December 2009 HK\$'000	Year ended 31 March 2009 HK\$'000
	<i>Notes</i>		
CONTINUING OPERATIONS			
REVENUE	4	6,970	7,370
Cost of sales		<u>(6,785)</u>	<u>(7,030)</u>
Gross profit		185	340
Other income	4	711	1,394
General and administrative expenses		(18,904)	(14,045)
Equity-settled share option expenses		(11,984)	(704)
Other expenses		–	(914)
Finance costs	7	<u>(28,630)</u>	<u>(29,902)</u>
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(58,622)	(43,831)
Income tax expense	8	<u>–</u>	<u>–</u>
LOSS FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS		(58,622)	(43,831)
DISCONTINUED OPERATIONS			
Loss for the period/year from discontinued operations	10	<u>–</u>	<u>(3,572)</u>
LOSS FOR THE PERIOD/YEAR		<u>(58,622)</u>	<u>(47,403)</u>

	Period from 1 April 2009 to 31 December 2009	Year ended 31 March 2009
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Attributable to:		
Owners of the parent	(57,436)	(47,322)
Minority interests	(1,186)	(81)
	<u>(58,622)</u>	<u>(47,403)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>11</i>	
Basic		
– For loss for the period/year	<u>(HK1.3 cents)</u>	<u>(HK2.3 cents)</u>
– For loss from continuing operations	<u>(HK1.3 cents)</u>	<u>(HK2.1 cents)</u>
Diluted		
– For loss for the period/year	<u>(HK1.3 cents)</u>	<u>(HK2.3 cents)</u>
– For loss from continuing operations	<u>(HK1.3 cents)</u>	<u>(HK2.1 cents)</u>

Detail of the dividends payable and proposed for the period/year are disclosed in note 9 below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period from 1 April 2009 to 31 December 2009

	Period from 1 April 2009 to 31 December 2009 <i>HK\$'000</i>	Year ended 31 March 2009 <i>HK\$'000</i>
LOSS FOR THE PERIOD/YEAR	(58,622)	(47,403)
Other comprehensive gain/(loss), net of tax:		
Exchange difference on translating foreign operations	<u>1,038</u>	<u>(729)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR	<u><u>(57,584)</u></u>	<u><u>(48,132)</u></u>
Total comprehensive loss attributable to:		
Owners of the parent	(56,398)	(48,051)
Minority interests	<u>(1,186)</u>	<u>(81)</u>
	<u><u>(57,584)</u></u>	<u><u>(48,132)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2009

		31 December 2009	31 March 2009
	<i>Notes</i>	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		35,460	24,055
Forest concessions	12	<u>833,801</u>	<u>833,801</u>
Total non-current assets		<u>869,261</u>	<u>857,856</u>
Current assets			
Trade receivables	13	3,479	834
Prepayments, deposits and other receivables		12,253	3,280
Pledged deposits		4,238	–
Cash and cash equivalents		<u>101,439</u>	<u>145,349</u>
Total current assets		<u>121,409</u>	<u>149,463</u>
Total assets		<u>990,670</u>	<u>1,007,319</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		48,231	42,031
Reserves		<u>396,106</u>	<u>391,837</u>
		444,337	433,868
Minority interests		<u>40,901</u>	<u>42,087</u>
Total equity		<u>485,238</u>	<u>475,955</u>
Non-current liabilities			
Convertible bonds		<u>497,304</u>	<u>523,557</u>
Current liabilities			
Trade payables	14	3,427	817
Other payables and accruals		<u>4,701</u>	<u>6,990</u>
Total current liabilities		<u>8,128</u>	<u>7,807</u>
Total liabilities		<u>505,432</u>	<u>531,364</u>
Total equity and liabilities		<u>990,670</u>	<u>1,007,319</u>
Net current assets		<u>113,281</u>	<u>141,656</u>
Total assets less current liabilities		<u>982,542</u>	<u>999,512</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 April 2009 to 31 December 2009

	Attributable to owners of the parent									
	Issued capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Equity component of convertible bonds <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Minority interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2008	11,803	75,006	66,710	-	1,605	169	(97,450)	57,843	(4)	57,839
Total comprehensive loss for the year	-	-	-	-	-	(729)	(47,322)	(48,051)	(81)	(48,132)
Issue of convertible bonds	-	-	-	173,435	-	-	-	173,435	-	173,435
Issue of new shares upon conversion of convertible bonds	29,884	275,306	-	(56,560)	-	-	-	248,630	-	248,630
Issue of new shares upon exercise of share options	344	1,613	-	-	(650)	-	-	1,307	-	1,307
Equity-settled share option arrangements	-	-	-	-	704	-	-	704	-	704
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	42,172	42,172
At 31 March 2009 and 1 April 2009	42,031	351,925*	66,710*	116,875*	1,659*	(560)*	(144,772)*	433,868	42,087	475,955
Total comprehensive income/(loss) for the period	-	-	-	-	-	1,038	(57,436)	(56,398)	(1,186)	(57,584)
Issue of new shares upon conversion of convertible bonds	6,200	60,475	-	(11,792)	-	-	-	54,883	-	54,883
Equity-settled share option arrangements	-	-	-	-	11,984	-	-	11,984	-	11,984
At 31 December 2009	<u>48,231</u>	<u>412,400*</u>	<u>66,710*</u>	<u>105,083*</u>	<u>13,643*</u>	<u>478*</u>	<u>(202,208)*</u>	<u>444,337</u>	<u>40,901</u>	<u>485,238</u>

* These reserve accounts comprise the consolidated reserves of HK\$396,106,000 (31 March 2009: HK\$391,837,000) in the consolidated statement of financial position.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the current period’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised HKFRSs has had no material effect on these financial statements.

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>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 18 Amendment	Amendment to Appendix to HKAS 18 <i>Revenue – Determining whether an entity is acting as a principal or as an agent</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 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</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>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers</i> (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)	Amendments to a number of HKFRSs

Other than as further explained below regarding the impact of HKAS 1 (Revised) and HKFRS 8, the principal effects of adopting these new and revised HKFRSs which has had no significant financial effect on these financial statements are as follows:

(a) *HKFRS 8 Operating Segments*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in note 5 below.

(b) *HKAS 1 (Revised) Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognized in profit or loss, together with all other items of recognized income and expense recognized directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standard</i> ¹
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i> ²
	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters</i> ⁴
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Group Cash-settled Share-based Payment Transactions</i> ²
HKFRS 3 (Revised)	<i>Business Combinations</i> ¹
HKFRS 9	<i>Financial Instruments</i> ⁶
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ⁵
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ¹
HKAS 32 Amendment	Amendment to HKAS 32 <i>Financial Instruments: Presentation and Classification of Rights Issues</i> ³
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> ¹
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ⁵
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i> ¹
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ⁴
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	Amendments to HKFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i> ¹
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i> ²

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 38 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

¹ *Effective for annual periods beginning on or after 1 July 2009*

² *Effective for annual periods beginning on or after 1 January 2010*

³ *Effective for annual periods beginning on or after 1 February 2010*

⁴ *Effective for annual periods beginning on or after 1 July 2010*

⁵ *Effective for annual periods beginning on or after 1 January 2011*

⁶ *Effective for annual periods beginning on or after 1 January 2013*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. REVENUE AND OTHER INCOME

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 period/year.

An analysis of revenue and other income is as follows:

		Period from 1 April 2009 to 31 December 2009 HK\$'000	Year ended 31 March 2009 HK\$'000
<u>Revenue</u>			
Sale of goods attributable to the continuing trading business		6,970	7,370
Rendering of services attributable to the discontinued B2B Business	<i>10</i>	—	15,302
		6,970	22,672
<u>Other income</u>			
Interest income		52	407
Others		659	987
		711	1,394

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 “*Operating Segments*” with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. HKFRS 8 replaces the requirement under HKAS 14 to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of HKFRS 8 did not have any effect on the Group’s results of operations or financial position.

The Group determines that in accordance with HKFRS 8, there are three business reportable segments during the period under review which are the continuing trading business and the forestry business and the discontinued B2B business. Summary details of the business segments are as follows:

- (a) the trading business segment which is the trading of products, components and accessories;
- (b) the forestry business segment which represents logging of trees, the operations of sawmills and the processing, production and export of sawn timber, other timber and wood products; and
- (c) the provision of e-commerce services (the “B2B Business”) segment which comprises the provision of on-line and off-line integrated marketing solution services, application service provider services and technical consultancy services (discontinued during the year ended 31 March 2009).

**For the period from 1 April 2009 to
31 December 2009**

<i>HK\$’000</i>	Continuing operations			Reconciliations	Group Total
	Trading business	Forestry business	Total		
Segment revenue:					
Revenue from external customers	<u>6,970</u>	<u>–</u>	<u>6,970</u>	<u>–</u>	<u>6,970</u>
Operating loss	(161)	(17,899)	(18,060)	–	(18,060)
Interest income	–	52	52	–	52
Finance costs	–	(28,630)	(28,630)	–	(28,630)
Reconciled items:					
Unallocated expenses					
– equity-settled share option expenses	–	–	–	(11,984)	(11,984)
Loss before tax	<u>(161)</u>	<u>(46,477)</u>	<u>(46,638)</u>	<u>(11,984)</u>	<u>(58,622)</u>
Expenditure for non-current assets	–	14,150	14,150	–	14,150
Depreciation and amortisation	–	(2,732)	(2,732)	–	(2,732)
Other material non-cash items:					
Finance costs	–	(28,630)	(28,630)	–	(28,630)
Equity-settled share option expenses	–	–	–	(11,984)	(11,984)

For the year ended 31 March 2009	Continuing operations			Discontinued operations		Group Total
	Trading business	Forestry business	Total	B2B Business	Reconciliations	
<i>HK\$'000</i>						
Segment revenue:						
Revenue from external customers	<u>7,370</u>	<u>-</u>	<u>7,370</u>	<u>15,302</u>	<u>-</u>	<u>22,672</u>
Operating loss	(160)	(12,518)	(12,678)	(3,713)	-	(16,391)
Interest income	-	407	407	-	-	407
Finance costs	-	(29,902)	(29,902)	-	-	(29,902)
Share of profits and losses of associate	-	-	-	141	-	141
Reconciled items:						
Unallocated expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,658)</u>	<u>(1,658)</u>
Loss before tax	<u>(160)</u>	<u>(42,013)</u>	<u>(42,173)</u>	<u>(3,572)</u>	<u>(1,658)</u>	<u>(47,403)</u>
Expenditure for non-current assets	-	24,652	24,652	1,275	-	25,927
Depreciation and amortisation	-	(581)	(581)	(905)	-	(1,486)
Impairment of deferred development expenditure	-	-	-	(5,531)	-	(5,531)
Other material non-cash items:						
Finance costs	-	(29,902)	(29,902)	-	-	(29,902)
Other non-cash expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,206)</u>	<u>-</u>	<u>(3,206)</u>

As at 31 December 2009

	Continuing operations			Reconciliations	Group Total
	Trading business	Forestry business	Total		
<i>HK\$'000</i>					
Segment assets	4,925	887,525	892,450	-	892,450
Reconciled items:					
Unallocated corporate assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,220</u>	<u>98,220</u>
Total assets	<u>4,925</u>	<u>887,525</u>	<u>892,450</u>	<u>98,220</u>	<u>990,670</u>
Total liabilities	<u>3,637</u>	<u>501,645</u>	<u>505,282</u>	<u>150</u>	<u>505,432</u>

As at 31 March 2009	Continuing operations			Reconciliations	Group Total
	Trading business	Forestry business	Total		
<i>HK\$'000</i>					
Segment assets	1,878	955,550	957,428	–	957,428
Reconciled items:					
Unallocated corporate assets	–	–	–	49,891	49,891
Total assets	<u>1,878</u>	<u>955,550</u>	<u>957,428</u>	<u>49,891</u>	<u>1,007,319</u>
Segment liabilities	1,086	530,078	531,164	–	531,164
Reconciled items:					
Unallocated corporate liabilities	–	–	–	200	200
Total liabilities	<u>1,086</u>	<u>530,078</u>	<u>531,164</u>	<u>200</u>	<u>531,364</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Central corporate office income and expenses, assets and liabilities that are not directly related to reportable segments have not been allocated to the operating segments. Performance is evaluated on the basis of profit or loss from operations before taxation. Taxation charge/(credit) is not allocated to reportable segments.

Additional disclosures on segments information by geographical location for the period ended 31 December 2009 and for the year ended 31 March 2009 are shown below:

(a) Revenue from external customers

	Period from 1 April 2009 to 31 December 2009 <i>HK\$'000</i>	Year ended 31 March 2009 <i>HK\$'000</i>
Mainland China	<u>6,970</u>	<u>7,370</u>

The revenue information from continuing operations above is based on the location of the customers.

(b) Non-current assets

	31 December 2009 <i>HK\$'000</i>	31 March 2009 <i>HK\$'000</i>
Indonesia	860,656	856,690
Hong Kong	<u>8,605</u>	<u>1,166</u>
	<u>869,261</u>	<u>857,856</u>

The non-current asset information from continuing operations above is based on the location of assets.

Information about a major customer

Revenue from continuing operations of HK\$6,641,000 for the period ended 31 December 2009 (Year ended 31 March 2009: HK\$6,503,000) was derived from sales by the trading business segment to one major customer.

6. LOSS BEFORE TAX

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

	Period from 1 April 2009 to 31 December 2009 HK\$'000	Year ended 31 March 2009 HK\$'000
Depreciation	2,732	1,251
Amortisation	—	235
	<u>2,732</u>	<u>1,486</u>

7. FINANCE COSTS

	Period from 1 April 2009 to 31 December 2009 HK\$'000	Year ended 31 March 2009 HK\$'000
Interest charge on convertible bonds	28,630	29,902
	<u>28,630</u>	<u>29,902</u>

The charge represents the imputed interest on the liability component of the convertible bonds for the period/year.

8. INCOME TAX EXPENSE

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 (year ended 31 March 2009: Nil). Overseas profits tax has not been provided as the overseas subsidiaries had no taxable income for the period/year.

There were no income tax relating to the other comprehensive income during the period ended 31 December 2009 (year ended 31 March 2009: Nil).

9. DIVIDEND

No dividend has been paid or declared by the Company during the period ended 31 December 2009 (year ended 31 March 2009: Nil).

10. DISCONTINUED OPERATION

On 8 August 2008, the Company entered into a conditional sale and purchase agreement with an independent third party for the sale of the 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 its B2B Business.

The results of the B2B Business for the year ended 31 March 2009 are presented below:

	Year ended 31 March 2009 <i>HK\$'000</i>
Revenue	15,302
Cost of sales	<u>(10,687)</u>
Gross profit	4,615
Other income and gains	243
Selling and distribution costs	(1,443)
General and administrative expenses	(8,096)
Advertising and promotion expenses	(1,708)
Other expenses	(686)
Share of profits and losses of an associate	<u>141</u>
Loss before tax from the discontinued operations	(6,934)
Tax	<u>–</u>
Loss for the year from the discontinued operations	(6,934)
Gain on disposal of the discontinued operations	<u>3,362</u>
	<u><u>(3,572)</u></u>

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

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period/year.

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

	Period from 1 April 2009 to 31 December 2009 HK\$'000	Year ended 31 March 2009 HK\$'000
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent:		
From continuing operations	(57,436)	(43,750)
From discontinued operations	—	(3,572)
	<u>(57,436)</u>	<u>(47,322)</u>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period/year	<u>4,347,003,545</u>	<u>2,037,203,795</u>

No adjustment has been made to the basic loss per share amounts presented for the period from 1 April 2009 to 31 December 2009 and the year ended 31 March 2009 in respect of a dilution as the impact of the convertible bonds and share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

12. FOREST CONCESSIONS

During the year ended 31 March 2009, the Group acquired certain forest concessions in the Papua Province of Indonesia through acquisition of subsidiaries, which provides the Group with the right to exploit and harvest trees in 313,500 hectares of forest area and to carry out plantation activities in the concession areas.

The Group commenced harvesting of trees in certain concession areas in the later part of 2009. In the opinion of the Company's directors, as amortisation of the forest concessions for the period from 1 April 2009 to 31 December 2009 was insignificant to the Group's results and financial position, no amortisation of the forest concessions was recognised in the consolidated income statement for the period from 1 April 2009 to 31 December 2009.

13. 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 impairment, is as follows:

	31 December	31 March
	2009	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 30 days	1,710	834
31 to 60 days	1,769	–
	<u>3,479</u>	<u>834</u>

The Group normally allows credit terms for established customers ranging from 30 to 60 days.

14. TRADE PAYABLES

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

	31 December	31 March
	2009	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 30 days	1,684	817
31 to 60 days	1,743	–
	<u>3,427</u>	<u>817</u>

The trade payables are non-interest-bearing and are normally settled on credit terms of 60 days.

FINANCIAL REVIEW

Highlights on Financial Results

	(9 months) From 1 April 2009 to 31 December 2009 <i>HK\$'000</i>	(12 months) From 1 April 2008 to 31 March 2009 <i>HK\$'000</i>	% increase/ (decrease)
Continuing operations:			
– Turnover	<u>6,970</u>	<u>7,370</u>	(5.4%)
– Loss before finance costs and share option expenses	(18,008)	(13,225)	36.2%
– Share option expenses	(11,984)	(704)	1,602.3%
– Finance costs	<u>(28,630)</u>	<u>(29,902)</u>	(4.3%)
Loss from the continuing operations	<u>(58,622)</u>	<u>(43,831)</u>	33.7%
Discontinued operations:			
– Turnover	<u>–</u>	<u>15,302</u>	N/A
Loss from the discontinued operations	<u>–</u>	<u>(3,572)</u>	N/A
LOSS FOR THE PERIOD/YEAR	<u>(58,622)</u>	<u>(47,403)</u>	23.7%

Discussion on Financial Results

During the period ended 31 December 2009, the Group reported a turnover of approximately \$6,970,000, decreased by 5.4% as compared to approximately \$7,370,000 for the year ended 31 March 2009, due to the shorter accounting period as a result of change in the financial year end.

The Group's continuing operations, representing the forestry business and the trading business, posted an operating loss before finance costs and share option expenses of \$18,008,000, an increase of approximately 36.2% compared with last year, due mainly to the increase in the preparation and start-up costs to establish the forestry business before it commences commercial operations.

Adding to the loss is the share option expense, which is merely a non-cash accounting charge. The charge increased from approximately \$704,000 for the previous financial year to approximately \$11,984,000 for the period. The increase was caused by the grant of 200,000,000 share options to directors and eligible participants of the Company during the period under review.

The Group's loss for the period was further increased by the finance costs of the Group which represent an accounting interest charge, not involving any cash outflow of the Group. The charge represents interest imputed on the liability component of the outstanding convertible bonds of the Company. The imputed interest amounted to approximately \$28,630,000 for the period, decreased by 4.3% as a result of the partial conversion of the convertible bonds during the period.

The Group posted a net loss from continuing operations of approximately \$58,622,000 for the period as compared to the loss of approximately \$43,831,000 for the previous financial year. The loss was caused by the combined effect of the start-up costs, and the non-cash charges of share option expense and the finance costs. If these expense items are excluded, the loss of the Group is not considered significant.

For the last financial year ended 31 March 2009, the Group's discontinued operations, representing the B2B business which was disposed by the Group in September 2008, incurred a net loss of \$3,572,000.

Analysis by Business Segment

	Revenue (excluding other revenue)		Operating loss before finance costs and tax	
	(9 months) From 1 April 2009 to 31 December 2009 <i>HK\$'000</i>	(12 months) From 1 April 2008 to 31 March 2009 <i>HK\$'000</i>	(9 months) From 1 April 2009 to 31 December 2009 <i>HK\$'000</i>	(12 months) From 1 April 2008 to 31 March 2009 <i>HK\$'000</i>
Continuing operations:				
– Trading business	6,970	7,370	(161)	(160)
– Forestry business	–	–	(17,899)	(12,518)
	6,970	7,370	(18,060)	(12,678)
Discontinued operations:				
– B2B Business	–	15,302	–	(6,934)
– Gain on disposal of B2B Business	–	–	–	3,362
	–	15,302	–	(3,572)

During the period, the Group's business reportable segments comprise the continuing operations of the trading business and the forestry business and the discontinued B2B business. Turnover of the Group's trading business was \$6,970,000 for the period under review, representing a decrease of 5.4% as compared with the last financial year, as a result of change of financial year end. The trading business incurred a small loss of \$161,000 under competitive business environment.

As the forestry business was still in the development stage, no revenue from the forestry business was recorded during the period. The forestry business incurred a loss of \$17,899,000, up 43.0%, attributable to increase in preparation and start-up costs to establish and prepare for the commencement of operations of the forestry business.

The Group's discontinued B2B business reported a turnover of \$15,302,000 and incurred a net loss of \$3,572,000 for the previous financial year ended 31 March 2009.

Analysis by Geographical Segment

	Turnover				
	(9 months)		(12 months)		% decrease
	From 1 April 2009 to 31 December 2009		From 1 April 2008 to 31 March 2009		
Amount <i>HK\$'000</i>	Relative %	Amount <i>HK\$'000</i>	Relative %		
Continuing operations:					
– Mainland China	<u>6,970</u>	<u>100.0%</u>	<u>7,370</u>	<u>100.0%</u>	(5.4%)
	<u>6,970</u>	<u>100.0%</u>	<u>7,370</u>	<u>100.0%</u>	(5.4%)
Discontinued operations:					
– Hong Kong	–	–	10,432	68.2%	N/A
– Mainland China	<u>–</u>	<u>–</u>	<u>4,870</u>	<u>31.8%</u>	N/A
	<u>–</u>	<u>–</u>	<u>15,302</u>	<u>100.0%</u>	N/A

During the current financial period and the previous financial year, all the turnover of the Group's trading business was derived from Mainland China. In the previous financial year, approximately 68.2% of the discontinued B2B Business was derived from Hong Kong and the remaining 31.8% was derived from Mainland China.

Highlights on Financial Position

	31 December 2009 <i>HK\$'000</i>	31 March 2009 <i>HK\$'000</i>	% increase/ (decrease)
Property, plant and equipment	35,460	24,055	47.4%
Forest concessions	833,801	833,801	–
Prepayment, deposits and other receivable	12,253	3,280	273.6%
Cash and cash equivalents	101,439	145,349	(30.2%)
Convertible bonds (liability portion)	497,304	523,557	(5.0%)
Minority interests	40,901	42,087	(2.8%)
Shareholders' funds	<u>444,337</u>	<u>433,868</u>	<u>2.4%</u>

Discussion on Financial Position

The book value of the property, plant and equipment increased from approximately \$24,055,000 as at 31 March 2009 to approximately \$35,460,000 as at 31 December 2009. The increase was attributable mainly to additions of machineries and equipment in relation to the forestry business less depreciation of the fixed assets during the period.

The forest concessions amounted to approximately \$833,801,000 as at 31 December 2009 and 31 March 2009, representing the estimated fair value of the concessions acquired.

The prepayment, other receivable and deposits assets amounted to approximately \$12,253,000 as at 31 December 2009, representing mainly the deposits for purchase of machinery and equipment relating to the forestry business.

The cash and cash equivalents of the Group decreased by 30.2% to approximately \$101,439,000 as at 31 December 2009. The decrease in cash was mainly caused by the net cash outflow to finance the development of the Group's forestry business.

The convertible bonds represent the liability component of the outstanding convertible bonds which were issued to the vendor by the Company in 2008 as part of the consideration to acquire the forest concessions. The outstanding convertible bonds amounted to approximately \$497,304,000 as at 31 December 2009. The decrease in the liability component of the convertible bonds was due to partial conversion of the convertible bonds during period under review.

The decrease in minority interests was due to the sharing of loss of certain Indonesian subsidiaries for the nine months ended 31 December 2009 by the minority shareholders of these subsidiaries.

The Group's shareholders' funds increased from \$433,868,000 as at 31 March 2009 to \$444,337,000 as at 31 December 2009, mainly due to the issue of new shares of the Company upon conversion of some of the convertible bonds less the loss of the Group for the nine months ended 31 December 2009

Capital Structure and Gearing Ratio

	31 December 2009		31 March 2009	
	Amount <i>HK\$'000</i>	Relative %	Amount <i>HK\$'000</i>	Relative %
Convertible bonds (liability component)	<u>497,304</u>	<u>52.8%</u>	<u>523,557</u>	<u>54.7%</u>
Total borrowings	<u>497,304</u>	<u>52.8%</u>	<u>523,557</u>	<u>54.7%</u>
Equity	<u>444,337</u>	<u>47.2%</u>	<u>433,868</u>	<u>45.3%</u>
Total capital employed	<u><u>941,641</u></u>	<u><u>100.0%</u></u>	<u><u>957,425</u></u>	<u><u>100.0%</u></u>

During the nine months ended 31 December 2009, the MCL Convertible Bonds with an aggregate principal amount of \$62,000,000 were converted into 620,000,000 shares of the Company. As at 31 December 2009, the outstanding principal amount of the MCL Convertible Bonds was \$554,880,000, of which the liability component plus accrued imputed interest amounted to \$497,304,000. The MCL Convertible Bonds are interest free and have a maturity date of 12 August 2011.

The Group's gearing ratio was approximately 52.8% as at 31 December 2009 (31 March 2009: 54.7%). The decrease in the gearing ratio was due to (i) the decrease in the liability component of the convertible bonds resulting from partial conversion of the convertible bonds during the period; and (ii) the net increase in equity caused by the issue of new shares upon conversion of the convertible bonds less loss incurred in the period.

As the conversion price of the MCL Convertible Bonds is substantially below the current market price of the Company's shares, it is likely that the balance of the MCL Convertible Bonds will be converted into shares of the Company and thus relieving the obligations of the Company to repay the MCL Convertible Bonds. Other than the convertible bonds, the Group has no other borrowings as at 31 December 2009.

As at 31 December 2009, the maturity profile of the convertible bonds of the Group is falling due in the second to the fifth year. There was no material effect of seasonality on the Group's borrowing requirements.

Liquidity and Financial Resources

	31 December 2009 <i>HK\$'000</i>	31 March 2009 <i>HK\$'000</i>
Current assets	121,409	149,463
Current liabilities	<u>8,128</u>	<u>7,807</u>
Current ratio	<u>1,493.7%</u>	<u>1,914.5%</u>

The current ratio of the Group as at 31 December 2009 was 1,493.7% (31 March 2009: 1,914.5%), reflecting strong liquidity and sound financial position of the Group.

As at 31 December 2009, the Group's total cash balance amounted to approximately \$105,677,000 (31 March 2009: \$145,349,000). Almost all of the Group's cash was placed on Hong Kong dollar deposits with licensed banks in Hong Kong. The ample cash balance provides sufficient cash resources to the Group to cover all cash requirements, including working capital and capital expenditure needs.

Foreign currency exposure

The Group's reporting currency is in Hong Kong dollars. During the period, most of the transactions of Group's forestry business were denominated in Hong Kong dollars, Indonesian Rupiah or in US dollars. As the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation of the US dollar against the Hong Kong dollar was not significant during the period. As such, the forestry business did not have any significant exposure to foreign exchange risk during the period under review as the forestry operation was still in the development stage.

The Board considers that the Group's exposure to foreign exchange risk is not significant at present and therefore, no hedging transaction was entered into during the period.

Contingent liabilities

As at 31 December 2009, the Group did not have any significant contingent liabilities.

Acquisition and disposal of subsidiaries and affiliated companies

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

Significant investments

The Group did not acquire or hold any significant investment during the nine months ended 31 December 2009.

Pledge of assets

As at 31 December 2009, save for the pledged deposits of \$4,238,000, the Group did not have any pledge of assets.

Capital commitments

The Group's capital commitments amounted to approximately \$5,412,000 (31 March 2009: \$19,562,000) as at 31 December 2009, which was mainly related to capital expenditure for the forestry business of the Group and all of which will be financed by internal resources.

Employees and Remuneration Policy

As at 31 December 2009, the Group employed 225 staff (31 March 2009: 124). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. At 31 December 2009, there were outstanding share options of approximately 268,500,000 (31 March 2009: 68,500,000).

Event After the Reporting Period

Subsequent to the end of the reporting period, the MCL Convertible Bonds with a nominal value of \$50,000,000 were converted into 500,000,000 shares in the Company of HK\$0.01 each. The outstanding principal amount immediately after the conversion of the MCL Convertible Bonds was \$504,880,000.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2009, 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 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 31 December 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	42.53
Tam Ngai Hung, Terry	7,500,000	–		7,500,000	0.16
Fung Hoi Wing, Henry	550,000	–		550,000	0.01
Lau Ho Wai, Lucas	950,000	–		950,000	0.02
Ma Hang Kon, Louis (<i>resigned on 15 January 2010</i>)	1,180,000	–		1,180,000	0.02

Note: Of the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 shares of the Company were beneficially held by 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 48.75% of the total issued share capital in CCT Telecom as at 31 December 2009.

(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 <i>HK\$</i>	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company <i>(%)</i>
Mak Shiu Tong, Clement	5/7/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.47
Tam Ngai Hung, Terry	5/7/2006	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.37
	7/7/2009	11/8/2009 – 6/3/2012	0.160	40,500,000	40,500,000	0.84
Cheng Yuk Ching, Flora	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.10
	7/7/2009	11/8/2009 – 6/3/2012	0.160	46,000,000	46,000,000	0.95
William Donald Putt	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.10
	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Fung Hoi Wing, Henry	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Lau Ho Wai, Lucas	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Lam Kin Kau, Mark	7/7/2009	11/8/2009 – 6/3/2012	0.160	3,500,000	3,500,000	0.07
Ma Hang Kon, Louis <i>(resigned on 15 January 2010)</i>	6/10/2008	6/4/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.10
	6/10/2008	6/10/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.10

(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Telecom as at 31 December 2009

Long positions in the shares of CCT Telecom:

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of CCT Telecom (%)
	Personal	Corporate	Total	
Mak Shiu Tong, Clement (<i>Note</i>)	715,652	294,775,079	295,490,731	48.75
Tam Ngai Hung, Terry	500,000	–	500,000	0.08
William Donald Putt	591,500	–	591,500	0.10

Note: Of the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 294,775,079 shares of CCT Telecom 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 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.

(c) Interests and short positions in the shares and the underlying shares of the share options of an associated corporation – CCT Tech International Limited (“CCT Tech”) as at 31 December 2009

(i) 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: Of 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 48.75% of the total issued share capital in CCT Telecom as at 31 December 2009.

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

Name of directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share <i>HK\$</i>	Number of the share options outstanding	Number of the total underlying shares	Approximate
						percentage of the total issued share capital of CCT Tech <i>(%)</i>
Tam Ngai Hung, Terry	23/7/2009	23/7/2009 – 6/11/2012	0.01	223,000,000	223,000,000	0.34
Cheng Yuk Ching, Flora	23/7/2009	23/7/2009 – 6/11/2012	0.01	245,000,000	245,000,000	0.37
William Donald Putt	23/7/2009	23/7/2009 – 6/11/2012	0.01	8,000,000	8,000,000	0.01

Save as disclosed above, as at 31 December 2009, 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 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 nine months ended 31 December 2009 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2009, the following persons (not being the directors or 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 31 December 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		800,000,000	16.59
Merdeka Finance Group Limited	Through a controlled corporation	1	800,000,000	16.59
Lai Wing Hung	Directly beneficially owned and through a controlled corporation	1 and 2	875,000,000	18.14
Manistar	Directly beneficially owned		2,031,764,070	42.13
CCT Capital International Holdings Limited	Through a controlled corporation	3	2,031,764,070	42.13
CCT Telecom	Through a controlled corporation	3	2,031,764,070	42.13

Notes:

1. The 800,000,000 shares of the Company were held by 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 31 December 2009.
2. Of the shareholdings in which Mr. Lai Wing Hung was interested, 800,000,000 shares of the Company were held by 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 31 December 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 held by Manistar, which is wholly-owned by CCT Capital International Holdings Limited which in turn is a wholly-owned subsidiary of CCT Telecom.

- (ii) Long positions in the underlying shares of the convertible bonds of the Company as at 31 December 2009:

Name of the holder of the convertible bonds	Description of equity derivatives	Principal amount of the convertible bonds HK\$	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (%)
MCL	MCL Convertible Bonds (Note)	554,880,000	5,548,800,000	115.05
Merdeka Finance Group Limited	MCL Convertible Bonds (Note)	554,880,000	5,548,800,000	115.05
Lai Wing Hung	MCL Convertible Bonds (Note)	554,880,000	5,548,800,000	115.05

Note: The MCL Convertible Bonds with an outstanding principal amount of HK\$554,880,000 as at 31 December 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 adjustment 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 31 December 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 31 December 2009.

Save as disclosed above, the directors and chief executive of the Company are not aware that there is any party who, as at 31 December 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 31 December 2009, there were 268,500,000 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 268,500,000, which represents approximately 5.57% and 5.04% of the total issued share capital of the Company as at 31 December 2009 and the date of this announcement respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 268,500,000 additional ordinary shares of the Company, additional share capital of HK\$2,685,000 and share premium of HK\$34,112,000 (before the share issue expenses).

Details of the movements of the share options under the Share Option Scheme during the period for the nine months ended 31 December 2009 were as follows:

Name or category of the participants	Number of share options				Outstanding as at 31 December 2009	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options (Note 1) HK\$ per share	Price of the shares before the date of grant (Note 2) HK\$ per share
	Outstanding as at 1 April 2009	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period					
Executive directors									
Mak Shiu Tong, Clement	22,500,000	-	-	-	22,500,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
Tam Ngai Hung, Terry	18,000,000	-	-	-	18,000,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
	-	40,500,000	-	-	40,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Cheng Yuk Ching, Flora	5,000,000	-	-	-	5,000,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
	-	46,000,000	-	-	46,000,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
William Donald Putt	5,000,000	-	-	-	5,000,000	5/7/2006	14/8/2006 – 13/8/2011	0.038	0.035
	-	3,500,000	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Ma Hang Kon, Louis (resigned on 15 January 2010)	5,000,000	-	-	-	5,000,000	6/10/2008	6/4/2009 – 13/8/2011	0.195	0.185
	5,000,000	-	-	-	5,000,000	6/10/2008	6/10/2009 – 13/8/2011	0.195	0.185
Chan Hoi Tung, Tony (resigned on 31 October 2009)	4,000,000	-	-	-	4,000,000	14/11/2008	14/5/2009 – 13/8/2011	0.116	0.112
	4,000,000	-	-	-	4,000,000	14/11/2008	14/11/2009 – 13/8/2011	0.116	0.112
	<u>68,500,000</u>	<u>90,000,000</u>	<u>-</u>	<u>-</u>	<u>158,500,000</u>				

Name or category of the participants	Number of share options				Outstanding as at 31 December 2009	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options (Note 1) HK\$ per share	Price of the shares before the date of grant (Note 2) HK\$ per share
	Outstanding as at 1 April 2009	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period					
Independent non-executive directors									
Fung Hoi Wing, Henry	-	3,500,000	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Lau Ho Wai, Lucas	-	3,500,000	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Lam Kin Kau, Mark	-	3,500,000	-	-	3,500,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
	-	10,500,000	-	-	10,500,000				
Director of certain subsidiaries of the Company									
Pang Tung Choi	-	90,000,000	-	-	90,000,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
	-	90,000,000	-	-	90,000,000				
Others									
In aggregate	-	9,500,000	-	-	9,500,000	7/7/2009	7/7/2009 – 6/3/2012	0.160	0.157
	-	9,500,000	-	-	9,500,000				
	<u>68,500,000</u>	<u>200,000,000</u>	<u>-</u>	<u>-</u>	<u>268,500,000</u>				

Notes:

1. 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.
2. The price of the shares of the Company before the date of the grant of the share options is the closing price of the shares of the Company as quoted on the Stock Exchange on the trading day immediately before the date on which the share options were granted.

At the date of this announcement, 5,000,000 share options were exercised subsequent to the balance sheet date. As a result, the Company had 263,500,000 share options outstanding under the Share Option Scheme, which represented approximately 4.95% of the shares in issue as at that date.

During the period for the nine months ended 31 December 2009, a total of 200,000,000 share options were granted by the Company on 7 July 2009, among which the grant of 190,500,000 share options to the directors of the Company and a director of certain subsidiaries of the Company was beyond the limit under the Share Option Scheme and was subject to shareholders' approval in a 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. The directors of the Company have estimated the following theoretical values of the said 200,000,000 share options granted under the Share Option Scheme during the period, calculated using the Black-Scholes option pricing model which is a generally accepted method of valuing share options as at the date of grant of the share options:

Name of grantees	Number of the share options granted during the period	Theoretical value of the share options <i>HK\$</i>
Tam Ngai Hung, Terry	40,500,000	2,383,000
Cheng Yuk Ching, Flora	46,000,000	2,707,000
William Donald Putt	3,500,000	206,000
Fung Hoi Wing, Henry	3,500,000	206,000
Lau Ho Wai, Lucas	3,500,000	206,000
Lam Kin Kau, Mark	3,500,000	206,000
Pang Tung Choi	90,000,000	5,296,000
Others	9,500,000	424,000
	<u>200,000,000</u>	<u>11,634,000</u>

The fair value of the share options granted during the period for the nine months ended 31 December 2009 was HK\$11,634,000 (31 March 2009: HK\$1,054,000) of which the Group recognised a share option expense of HK\$11,634,000 (31 March 2009: HK\$704,000) during the period.

The fair value of equity-settled share options granted during the period was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	–
Expected volatility (%)	54 – 56
Historical volatility (%)	54 – 56
Risk-free interest rate (%)	0.2 – 1.0
Expected life of share options (year)	1.3 – 2.7
Closing share price at grant date (HK\$)	0.150 – 0.191

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

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the shareholders of the Company's (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.

Throughout the period for the nine months ended 31 December 2009, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions under the Code on Corporate Governance Practices (the "Code") set out in Appendix 15 to the GEM Listing Rules, except for the following deviations from the code provisions of the Code:

Code Provision A.2.1

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

There has been no separation of the roles of chairman and chief executive officer as set out in the Code Provision A.2.1 since 1 November 2009 when Mr. Mak Shiu Tong, Clement was appointed as the CEO to replace Mr. Ma Hang Kon, Louis who resigned from the position of the CEO with effect from 31 October 2009.

The Company has complied with the Code Provision A.2.1 between the period from 1 April 2009 and 31 October 2009 during which Mr. Ma Hang Kon, Louis assumed the role of the CEO whilst Mr. Mak Shiu Tong, Clement acted as the chairman of the Company (the “Chairman”). Following the appointment of Mr. Mak to replace Mr. Ma as the CEO with effect from 1 November 2009, Mr. Mak assumes the roles of both the Chairman and the CEO, and the Code Provision A.2.1 has deviated since then. Mr. Mak has substantial experience 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. Currently, the Board is composed of four executive directors (including the Chairman) and three independent non-executive directors (the “INED(s)”) 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. The Board does not believe that the separation of the roles of the Chairman and the CEO will improve the corporate performance.

Code Provision A.4.1

The Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing INEDs of the Company is appointed for a specific term. However, all INEDs of the Company are subject to retirement by rotation and re-election at the annual general meeting of the Company (the “AGM”) in accordance with the articles of association of the Company.

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

Pursuant to the articles of association of the Company, the Chairman and the managing director of the Company shall not be subject to retirement by rotation or also not be taken into account in determining the number of directors to retire in each year. The Board considers that the continuity of the Chairman and his leadership will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the directors of the Company other than the Chairman will rotate at least once every three years in order to comply with the Code Provision A.4.2.

In the opinion of the directors of the Company, the Company has complied with the code provisions under the Code set out in Appendix 15 to the GEM Listing Rules throughout the financial period under review, except for the deviations from Code Provisions A.2.1, A.4.1 and A.4.2. 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 which will be contained in the 2009 Annual Report of the Company.

Model Code for Securities Transactions by the Directors of the Company

The Company has not adopted a code of conduct regarding the securities transactions by the directors of the Company but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all directors of the Company and the Company is not aware of any non-compliance with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period for the nine months ended 31 December 2009.

Remuneration Committee

The Company has established a remuneration committee (the “Remuneration Committee”) with specific written terms of reference in line with the code provisions under the Code. The Remuneration Committee consists of five members comprising three INEDs, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas, and two executive directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is chaired by one of the members who must be an INED and is subject to rotation each year. The chairman of the Remuneration Committee is elected by the members who are present at the meeting provided that he/she must be an INED.

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 consists of three members comprising three INEDs, 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 consolidated annual results of the Group for the nine months ended 31 December 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Each of the INEDs of the Company has filed a written confirmation to the Company confirming his independence pursuant to Rule 5.09 of the GEM Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, the INEDs of the Company are still considered to be independent. The INEDs of the Company are not appointed for any specific terms, but they are subject to retirement by rotation and re-election at the AGM in accordance with the articles of association of the Company.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed shares during the period for the nine months ended 31 December 2009.

PUBLICATION OF THE ANNUAL RESULTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The results announcement of the Company for the nine months ended 31 December 2009 will be published and remains on the website of the Company at www.cct-resources.com and will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. The Company’s annual report, corporate governance report and notice of the AGM will be despatched to the Shareholders and made available on the websites of the Company and the Stock Exchange on or before 31 March 2010.

ANNUAL GENERAL MEETING

The 2010 AGM of the Shareholders will be held at 2208, 22/F., St. George’s Building, 2 Ice House Street, Central, Hong Kong on Friday, 30 April 2010 at 10:00 a.m. and the notice of the AGM will be published and despatched to the Shareholders in the manner as required by the GEM Listing Rules in due course.

BOARD OF DIRECTORS

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

Executive Directors:

Mr. Mak Shiu Tong, Clement (*Chairman and Chief Executive Officer*)

Mr. Tam Ngai Hung, Terry

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, 22 March 2010

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication and will be published and remains on the website of the Company at www.cct-resources.com.