



CC1" RESOURCES
中建資源集團有限公司

FIRST QUARTERLY REPORT 2010
Stock Code : 8163

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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

CCT Resources Holdings Limited (the “Company”) together with its subsidiaries (the “Group”) recorded revenue for the trading business of approximately HK\$2,996,000 for the three months ended 31 March 2010, as compared to approximately HK\$1,510,000 for the corresponding period in 2009. As the forestry resources business was still in the development stage and has not yet commenced commercial production during the period under review, no revenue from the forestry resources business was recorded. The Group reported a loss of approximately HK\$16,762,000 for the three months ended 31 March 2010, as compared to a loss of approximately HK\$20,141,000 for the corresponding period in 2009, mainly attributable to (i) the non-cash accounting imputed interest expenses of approximately HK\$8,736,000 on the liability component of the convertible bonds; and (ii) the forestry business development costs of approximately HK\$6,772,000 incurred during the period under review.

The financial year-end date of the Company was changed from 31 March to 31 December with effect from 1 April 2009 in order to align with the statutory year-end date of the Company’s principal subsidiaries in Indonesia. As a result of this change, the first quarter of 2010 covers the period of three months from 1 January to 31 March, 2010, as opposed to the previous first quarter period of 1 April to 30 June, 2009. As such, the comparative figures presented in this quarterly report cover the results for the corresponding period from 1 January to 31 March 2009.

BUSINESS REVIEW

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

The forest project acquired by the Group in 2008 consists of concessions with an aggregate area of 313,500 hectares of natural forests located in Papua, Indonesia. Since the acquisition of the forest project in 2008, the Group has devoted significant effort and resources in the development of the forestry resources business, which has achieved significant progress. The Group has started to harvest trees from the forest. The first sawmill has commenced operation and has processed logs harvested from the forest into sawn timber, for use in the construction of the factory plants. Production of sawn timber in the second sawmill is expected in the second half of 2010. The construction of the Group’s veneer factory has also been completed. Most of the machinery and equipments for the veneer factory manufactured in the People’s Republic of China (the “PRC”) have

been shipped to Papua for installation in the veneer factory. Additional veneer production machinery has been purchased and being shipped from the PRC to Papua. After all machinery and equipments have been installed, the veneer production line will be test run and the veneer factory is expected to commence production in the second half of 2010. Sale of timber products is expected in the second half of 2010 and the timber business is expected to contribute revenue to the Group later this year.

Besides the timber business, the Group will also be engaged in the plantation of oil palms and the production of palm oil. The Group has already developed a nursery near our forest. 500,000 oil palm seeds and seedlings have been ordered, which will be delivered to the nursery within the next 10 months. The first delivery will take place in May 2010. Oil palm seeds and seedlings will be planted in the nursery first, and after having reached 10 months old, the young trees will then be transplanted to the plantation fields in the forest land cleared by logging.

CONVERSION OF MCL CONVERTIBLE BONDS

In March 2010, the MCL Convertible Bonds with a nominal value of HK\$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 HK\$504,880,000.

The conversion of MCL Convertible Bonds has enhanced the capital base of the Company and improved the financial position of the Group.

OUTLOOK

With strategic development plan for the forestry resources business, the Group has reinforced the management of its forestry operations; and has also streamlined and refined its operational plan in order to improve efficiency. The Group focuses on the long-term development of the forestry resources business which the Board believes will have good prospect. It is expected that the PRC, amidst its strong recovery from the global financial turmoil, will continue to achieve economic growth and its housing, infrastructure and construction sectors will remain robust. Demands for the timber and wood products are expected to be persistently strong in the PRC, the Group's targeted market, as the timber and wood products are widely used in construction, interior decoration, floors and furniture and paper industry. Besides the timber business, the plantation business of the Group also offers huge growth potential as the demand and price for palm oil, a kind of renewable green bio-fuel and an alternative source of energy to fossil fuel has been increasing. The Board is confident of the prospect of the forestry resources business, and believes such business will be developed into substantial business and they will become the major driver of growth in revenue and profitability of the Group in the future.



UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2010

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 31 March 2010, together with the comparative unaudited figures for the corresponding period in 2009, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2010

	<i>Notes</i>	Three months ended	
		2010	2009
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
REVENUE	2	2,996	1,510
Cost of sales		(2,951)	(1,435)
Gross profit		45	75
Other income and gains/(loss)		1	(3,778)
Forestry business development costs		(6,772)	(3,398)
General and administrative expenses		(1,300)	(2,373)
Equity-settled share option expenses		-	(704)
Finance costs	3	(8,736)	(9,963)
LOSS BEFORE TAX		(16,762)	(20,141)
Tax	4	-	-
LOSS FOR THE PERIOD		(16,762)	(20,141)
Loss attributable to:			
Owners of the parent		(17,355)	(20,436)
Minority interests		593	295
		(16,762)	(20,141)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	6		
Basic		(HK0.35 cents)	(HK0.55 cents)
Diluted		(HK0.35 cents)	(HK0.55 cents)

Details of the dividends payable and proposed for the periods are disclosed in note 5.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2010

	Three months ended	
	31 March	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(16,762)	(20,141)
Other comprehensive gain/(loss), after tax:		
Exchange difference on translating foreign operations	(394)	8,071
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(17,156)	12,070
Total comprehensive loss attributable to:		
Owners of the parent	(17,749)	(12,365)
Minority interests	593	295
	(17,156)	(12,070)



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 nine months ended 31 December 2009 ("2009 Annual Report"). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's 2009 Annual Report.

The Group has adopted the standards, amendments and interpretations that have been issued and effective for the accounting period beginning on 1 January 2010. The adoption of such standards, amendments and interpretations did not have material effect on these results.

The unaudited condensed consolidated quarterly results of the Group for the three months ended 31 March 2010 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 during the three-month period under review.

An analysis of revenue is as follows:

	Three months ended 31 March	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Sale of goods attributable to the trading business	2,996	1,510

3. FINANCE COSTS

The charge represents the imputed interest on the liability component of the convertible bonds for the three months ended 31 March 2010 and 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 (2009: Nil). Overseas profits tax has not been provided as the overseas subsidiaries had no taxable income for the period (2009: Nil).

There was no income tax relating to the other comprehensive income during the period (2009: Nil).

5. DIVIDEND

No quarterly dividend has been paid or declared by the Company or any of its subsidiaries during the three months ended 31 March 2010 (2009: Nil).

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

The calculation of basic loss per share is based on the loss for the three months ended 31 March 2010 attributable to equity holders of the parent and the weighted average number of ordinary shares in issue during the period.

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

	Three months ended 31 March	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<hr/>		
<u>Loss for the period</u>		
Loss attributable to equity holders of the parent:	(17,355)	(20,436)
<hr/>		
	Number of shares	
<hr/>		
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period	4,960,482,333	3,729,815,667
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No adjustment has been made to the basic loss per share presented for the three months ended 31 March 2010 and 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.



7. MOVEMENT IN RESERVES

	Attributable to owners of the parent								
	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Equity	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
			component of						
			convertible bonds (Unaudited) HK\$'000						
At 1 January 2009	258,901	66,710	135,822	955	(8,631)	(124,336)	329,421	41,792	371,213
Total comprehensive gain/(loss)	-	-	-	-	8,071	(20,436)	(12,365)	295	(12,070)
Issue of shares upon conversion of the convertible bonds	93,024	-	(18,947)	-	-	-	74,077	-	74,077
Equity-settled share option arrangements	-	-	-	704	-	-	704	-	704
At 31 March 2009	351,925	66,710	116,875	1,659	(560)	(144,772)	391,837	42,087	433,924
At 1 January 2010	412,400	66,710	105,083	13,643	478	(202,208)	396,106	40,901	437,007
Total comprehensive gain/(loss)	-	-	-	-	(394)	(17,355)	(17,749)	593	(17,156)
Issue of shares upon conversion of the convertible bonds	49,880	-	(9,469)	-	-	-	40,411	-	40,411
Issue of new shares upon exercise of share options	1,288	-	-	(363)	-	-	925	-	925
At 31 March 2010	463,568	66,710	95,614	13,280	84	(219,563)	419,893	41,494	461,187

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with current period's presentation.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2010, 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 March 2010

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

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of the Company (%)
	Personal	Corporate	Total	
Mak Shiu Tong, Clement <i>(Note)</i>	19,344,000	2,031,764,070	2,051,108,070	38.50
Tam Ngai Hung, Terry	7,500,000	–	7,500,000	0.14
Fung Hoi Wing, Henry	550,000	–	550,000	0.01
Lau Ho Wai, Lucas	950,000	–	950,000	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 March 2010.



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 31 March 2010 *(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 total underlying shares	Approximate percentage of the total issued share capital of the Company (%)
Mak Shiu Tong, Clement	5/7/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.42
Tam Ngai Hung, Terry	5/7/2006	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.34
	7/7/2009	11/8/2009 – 6/3/2012	0.160	40,500,000	40,500,000	0.76
Cheng Yuk Ching, Flora	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.09
	7/7/2009	11/8/2009 – 6/3/2012	0.160	46,000,000	46,000,000	0.86
William Donald Putt	5/7/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.09
	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

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 31 March 2010

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.



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*
(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 March 2010
(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 March 2010.

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

(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 March 2010 *(continued)*

- (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 HK\$	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of CCT Tech (%)
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 March 2010, 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 three months ended 31 March 2010 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 March 2010, 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 March 2010:

Name of shareholders	Capacity and nature of interest	<i>Notes</i>	Number of the shares interested	Approximate percentage of the total issued share capital of the Company (%)
Merdeka Commodities Limited ("MCL")	Directly beneficially owned		1,300,000,000	24.40
Merdeka Finance Group Limited	Through a controlled corporation	<i>1</i>	1,300,000,000	24.40
Lai Wing Hung	Directly beneficially owned and through a controlled corporation	<i>1 and 2</i>	1,375,000,000	25.81

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

(i) Long positions in the shares of the Company as at 31 March 2010: *(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	38.13
CCT Capital International Holdings Limited	Through a controlled corporation	3	2,031,764,070	38.13
CCT Telecom	Through a controlled corporation	3	2,031,764,070	38.13

Notes:

1. *The 1,300,000,000 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 March 2010.*
2. *Of the shareholdings in which Mr. Lai Wing Hung was interested, 1,300,000,000 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 March 2010. 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.*



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 31 March 2010:

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 <i>(Note)</i>	504,880,000	5,048,800,000	94.76
Merdeka Finance Group Limited	MCL Convertible Bonds <i>(Note)</i>	504,880,000	5,048,800,000	94.76
Lai Wing Hung	MCL Convertible Bonds <i>(Note)</i>	504,880,000	5,048,800,000	94.76

Note: The MCL Convertible Bonds with an outstanding principal amount of HK\$504,880,000 as at 31 March 2010, 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 March 2010. 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 March 2010.

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

Save as disclosed above, the directors and chief executive of the Company are not aware that there is any party who, as at 31 March 2010, 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 March 2010, there were 263,500,000 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 263,500,000, which represents approximately 4.95% and 4.95% of the total issued share capital of the Company as at 31 March 2010 and the date of this report respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 263,500,000 additional ordinary shares of the Company, additional share capital of HK\$2,635,000 and share premium of HK\$33,187,000 (before the share issue expenses).



SHARE OPTION SCHEME *(continued)*

Details of the movements of the share options under the Share Option Scheme during the period were as follows:

Name or category of the participants	Number of share options				Outstanding as at 31 March 2010	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options <i>(Note 1)</i> HK\$ per share	Price of the shares before the date of grant <i>(Note 2)</i> HK\$ per share
	Outstanding as at 1 January 2010	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 <i>(resigned on 15 January 2010)</i>	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
	150,500,000	-	5,000,000	-	145,500,000				

SHARE OPTION SCHEME (continued)

Name or category of the participants	Number of share options					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 January 2010	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 31 March 2010				
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				
Others									
Pang Tung Choi (Note 3)	90,000,000	-	-	-	90,000,000	7/7/2009	11/8/2009 – 6/3/2012	0.160	0.157
Other eligible participants in aggregate	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
	9,500,000	-	-	-	9,500,000	7/7/2009	7/7/2009 – 6/3/2012	0.160	0.157
	107,500,000	-	-	-	107,500,000				
	268,500,000	-	5,000,000	-	263,500,000				

Notes:

- 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)*

Notes: (continued)

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.*
3. *Mr. Pang Tung Choi's share options were granted in excess of the individual limit under the Share Option Scheme. The said grant was approved by the shareholders of the Company at the extraordinary general meeting held on 5 August 2009.*

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 listed shares of the Company during the period for the three months ended 31 March 2010.

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.

AUDIT COMMITTEE *(continued)*

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 the applicable standards; (v) reviewing and monitoring the financial reporting and reporting judgement contained in them; and (vi) reviewing the financial and internal control (including the adequacy of resources, qualifications and experience of the staff of the Company's accounting and financial reporting function, and their training programmes and budget), accounting policies and practices with the management of the Group, and internal and external auditors of the Company.

The Audit Committee consists of three members comprising three independent non-executive directors, 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 31 March 2010, 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 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, 11 May 2010

