

# RESOURCES HOLDINGS LIMITED

(中建資源集團有限公司\*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08163)

## **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

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

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\* For identification purposes only

## **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\$6,715,000 for the nine months ended 30 September 2010, as compared to approximately HK\$4,115,000 for the corresponding period in 2009. As the forestry resources business is still in the development stage and has not yet commenced commercial operation during the period under review, no revenue from the forestry resources business was recorded. The Group reported a loss of approximately HK\$45,759,000 for the nine months ended 30 September 2010, as compared to a loss of approximately HK\$60,353,000 for the corresponding period in 2009, mainly attributable to (i) the forestry business development costs of approximately HK\$15,432,000; and (ii) the non-cash accounting imputed interest expenses of approximately HK\$25,747,000 on the liability component of the convertible bonds incurred during the period under review.

The Company has changed its financial year end from 31 March to 31 December effective from 1 April, 2009 so as to cope with the statutory year end date of the Company’s principal subsidiaries in Indonesia. Due to such change, the third quarterly results of 2010 covers the period from 1 January to 30 September 2010 and accordingly, the comparative figures of the corresponding period presented in this quarterly results covers the period from 1 January to 30 September 2009.

### **BUSINESS REVIEW**

The Group is 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 put into tremendous effort in the development of the forestry resources business, which has achieved substantial progress. Despite the local relatively under-developed working environment and infrastructure, the Group has managed to build two sawmills and one veneer mill in our forest area. However, as a result of such business conditions, the preparation for commencement of commercial operations of the forestry resources business has taken a longer time than originally planned. The management has put in extra effort and resources to expedite the commencement preparation. The management will keep on their best effort and strive to commence commercial operation for timber business as soon as possible. The Company still plans to commence commercial production within this year.

Apart from the timber business, the Group has also been engaged in the plantation business and will plant oil palms and will process fruits from oil palms into palm oil. The Group has developed a nursery for plantation purpose nearby our forest. Approximately 180,000 seeds and seedlings from a supplier have been delivered to the nursery and grown thereon. After the young trees having reached at least 10 months old in the nursery, then they will be moved to the forest land to be developed as plantation estate and will be continued to grow in such estate for future harvest.

## **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.

## **CHANGE OF COMPANY NAME**

Ever since the carrying out of the forestry resources business by the Group in 2008, the principal subsidiaries of the Group which are engaged in the forestry resources business have been using the word “Merdeka” but not the word CCT in their English names. In order to better reflect the clear independent identification of the Company separate from CCT Telecom and in line with its principal subsidiaries in their English names, the board of directors (the “Board”) proposed to change the Company’s name to “Merdeka Resources Holdings Limited” and to adopt the Chinese name of “萬德資源集團有限公司” for identification purpose. The change of the Company’s name has been approved by the shareholders in the extraordinary general meeting held on 5 November 2010. Subject to the approval of the Registrar of Companies in the Cayman Islands, the change of the Company’s name will take effect on the date of issue of the Certificate of Incorporation on Change of Name by the Registrar of Companies in the Cayman Islands. Following the issue of the Certificate of Incorporation on Change of Name, the Company will carry out all necessary filing procedures with the Companies Registry in Hong Kong upon the change of the Company’s name becoming effective.

## **OUTLOOK**

The Group focuses on the long-term development of the forestry resources business which the Board believes will have good prospect. Meanwhile, the Group has reinforced the management of its forestry resources business in accordance with formulated strategic development plans as a whole, as well as streamlined and refined its operational plans in order to improve capabilities and efficiency on all fronts to support our future development.

For the timber business, it is expected that the PRC, one of the Group’s major targeted markets, will sustain economic growth in a healthy manner and in particular its housing, infrastructure and construction sectors will continue to be robust. Demand for the timber and wood products are expected to be persistently strong in the PRC, as the timber and wood products are widely used in construction, interior decoration, floors and furniture and paper industry. Whereas the plantation business also offers huge business growth potential to the Group as both demand and price for palm oil, a kind of renewable green bio-fuel as one of alternative sources of energy to fossil fuel, has been increasing.

Despite certain delay in the commencement of commercial operations of the forestry resources business, the Board is cautiously optimistic on the prospect of the forestry resources business, and believes such business will grow into a substantial business with significant contribution both in terms of revenue and profit to the Group in the future.

## UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

The Board of the Company is pleased to announce that the unaudited condensed consolidated quarterly results of the Group for the three months and the nine months ended 30 September 2010, together with the comparative unaudited figures for the corresponding period in 2009, are as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2010

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
REVENUE	2	2,274	380	6,715	4,115
Cost of sales		<u>(2,239)</u>	<u>(334)</u>	<u>(6,614)</u>	<u>(3,880)</u>
Gross profit		35	46	101	235
Other income/(loss)		16	–	53	(3,552)
Forestry business development costs		(4,685)	(5,128)	(15,432)	(13,041)
General and administrative expenses		(1,845)	(1,904)	(4,734)	(4,881)
Equity-settled share option expenses		–	(9,096)	–	(9,986)
Finance costs	3	<u>(8,623)</u>	<u>(9,644)</u>	<u>(25,747)</u>	<u>(29,128)</u>
LOSS BEFORE TAX		(15,102)	(25,726)	(45,759)	(60,353)
Tax	4	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
LOSS FOR THE PERIOD		<u>(15,102)</u>	<u>(25,726)</u>	<u>(45,759)</u>	<u>(60,353)</u>
Loss attributable to:					
Owners of the parent		(14,446)	(26,432)	(43,805)	(59,761)
Non-controlling interests		<u>(656)</u>	<u>706</u>	<u>(1,954)</u>	<u>(592)</u>
		<u>(15,102)</u>	<u>(25,726)</u>	<u>(45,759)</u>	<u>(60,353)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	6				
Basic		<u>(HK0.27 cents)</u>	<u>(HK0.61 cents)</u>	<u>(HK0.84 cents)</u>	<u>(HK1.46 cents)</u>
Diluted		<u>(HK0.27 cents)</u>	<u>(HK0.61 cents)</u>	<u>(HK0.84 cents)</u>	<u>(HK1.46 cents)</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the nine months ended 30 September 2010*

	Three months ended		Nine months ended	
	30 September		30 September	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LOSS FOR THE PERIOD	(15,102)	(25,726)	(45,759)	(60,353)
Other comprehensive income/(loss), after tax:				
Exchange difference on translating foreign operations	374	1	(111)	8,088
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(14,728)</b>	<b>(25,725)</b>	<b>(45,870)</b>	<b>(52,265)</b>
Total comprehensive loss attributable to:				
Owners of the parent	(14,072)	(25,379)	(43,916)	(51,673)
Non-controlling interests	(656)	(346)	(1,954)	(592)
	<b>(14,728)</b>	<b>(25,725)</b>	<b>(45,870)</b>	<b>(52,265)</b>

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 (which also include the Hong Kong Accounting Standards 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 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 (the "2009 Annual Report"). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the 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 does not have material financial effect on this quarterly results.

## 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 nine-month period under review.

An analysis of revenue is as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sale of goods attributable to the trading business	<u>2,274</u>	<u>380</u>	<u>6,715</u>	<u>4,115</u>

## 3. FINANCE COSTS

The charge represents the imputed interest on the liability component of the convertible bonds for the nine months ended 30 September 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 under review (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 under review (2009: Nil).

#### 5. DIVIDEND

No quarterly dividend has been paid or declared by the Company or any of its subsidiaries during the nine months ended 30 September 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 nine months ended 30 September 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		Nine months ended	
	30 September		30 September	
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>Loss</u>				
Loss attributable to owners of the parent	<u>(14,446)</u>	<u>(26,432)</u>	<u>(43,805)</u>	<u>(59,761)</u>
<u>Shares</u>				
Weighted average number of ordinary shares in issue during the period	<u>5,328,149,000</u>	<u>4,305,322,913</u>	<u>5,206,940,209</u>	<u>4,081,537,278</u>

No adjustment has been made to the basic loss per share presented for the nine months ended 30 September 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								
	Equity						Total	Non-controlling interests	Total equity
	Share premium account	Contributed surplus	component of convertible bonds	Share option reserve	Exchange fluctuation reserve	Accumulated losses			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2009	258,901	66,710	135,822	955	(8,631)	(124,336)	329,421	41,792	371,213
Total comprehensive income/(loss)	-	-	-	-	8,088	(59,761)	(51,673)	(592)	(52,265)
Issue of shares upon conversion of the convertible bonds	114,239	-	(23,163)	-	-	-	91,076	-	91,076
Equity-settled share option arrangements	-	-	-	9,986	-	-	9,986	-	9,986
At 30 September 2009	<u>373,140</u>	<u>66,710</u>	<u>112,659</u>	<u>10,941</u>	<u>(543)</u>	<u>(184,097)</u>	<u>378,810</u>	<u>41,200</u>	<u>420,010</u>
At 1 January 2010	412,400	66,710	105,083	13,643	478	(202,208)	396,106	40,901	437,007
Total comprehensive loss	-	-	-	-	(111)	(43,805)	(43,916)	(1,954)	(45,870)
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 30 September 2010	<u>463,568</u>	<u>66,710</u>	<u>95,614</u>	<u>13,280</u>	<u>367</u>	<u>(246,013)</u>	<u>393,526</u>	<u>38,947</u>	<u>432,473</u>

## 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 30 September 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 30 September 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 shareholding 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 shareholding of 49.33% of the total issued share capital in CCT Telecom as at 30 September 2010.*

(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	0.42
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

**(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Telecom as at 30 September 2010**

Long positions in the shares of CCT Telecom:

Name of directors	Number of the shares interested and nature of interest			Total	Approximate percentage of the total issued share capital of CCT Telecom (%)
	Personal	Corporate			
Mak Shiu Tong, Clement ( <i>Note</i> )	4,251,652	294,775,079		299,026,731	49.33
Tam Ngai Hung, Terry	500,000	–		500,000	0.08
William Donald Putt	591,500	–		591,500	0.10

*Note: Of the shareholding in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 294,775,079 shares of CCT 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 30 September 2010**

(i) Long positions in the shares of CCT Tech:

Name of directors	Number of the shares interested and nature of interest			Total	Approximate percentage of the total issued share capital of CCT Tech (%)
	Personal	Corporate			
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 shareholding 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 shareholding of 49.33% of the total issued share capital in CCT Telecom as at 30 September 2010.*

- (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 30 September 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 nine months ended 30 September 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 30 September 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 30 September 2010:

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		577,680,000	10.84
Merdeka Finance Group Limited	Through a controlled corporation	<i>1</i>	577,680,000	10.84
Lai Wing Hung	Directly beneficially owned and through a controlled corporation	<i>1 and 2</i>	652,680,000	12.25
Manistar	Directly beneficially owned		2,031,764,070	38.13
CCT Capital International Holdings Limited	Through a controlled corporation	<i>3</i>	2,031,764,070	38.13
CCT Telecom	Through a controlled corporation	<i>3</i>	2,031,764,070	38.13

Notes:

1. The 577,680,000 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 shareholding of 70% of the total issued share capital in MCL as at 30 September 2010.
2. Of the shareholding in which Mr. Lai Wing Hung was interested, 577,680,000 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 30% personal shareholding in MCL and through his 100% shareholding in Merdeka Finance Group Limited, which in turn held 70% shareholding in MCL as at 30 September 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.

(ii) Long positions in the underlying shares of the convertible bonds of the Company as at 30 September 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 (Note)	504,880,000	5,048,800,000	94.76
Merdeka Finance Group Limited	MCL Convertible Bonds (Note)	504,880,000	5,048,800,000	94.76
Lai Wing Hung	MCL Convertible Bonds (Note)	504,880,000	5,048,800,000	94.76

*Note: 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 shareholding of 70% of the total issued share capital in MCL as at 30 September 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 30% personal shareholding in MCL and through his 100% shareholding in Merdeka Finance Group Limited, which in turn held 70% shareholding in MCL as at 30 September 2010.*

Save as disclosed above, the directors and chief executive of the Company are not aware that there is any party who, as at 30 September 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 30 September 2010, there were 258,500,000 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 258,500,000, which represents approximately 4.85% and 4.85% of the total issued share capital of the Company as at 30 September 2010 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 258,500,000 additional ordinary shares of the Company, additional share capital of HK\$2,585,000 and share premium of HK\$32,262,000 (before the share issue expenses).

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 30 September 2010	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					
<b>Executive directors</b>									
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
	<u>150,500,000</u>	<u>–</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>140,500,000</u>				



Number of share options

Name or category of the participants	Number of share options				Outstanding as at 30 September 2010	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					
<b>Independent non-executive directors</b>									
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				
<b>Others</b>									
Pang Tung Choi	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	5,000,000	258,500,000				

*Notes:*

1. *The exercise price of the share options is subject to adjustment in the case of capitalisation issue, rights issue, subdivision 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.*

## **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 nine months ended 30 September 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.

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 third quarterly results of the Group for the nine months ended 30 September 2010.

## **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, 11 November 2010

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://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](http://www.cct-resources.com).*