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Fortis FORTIS HOLDINGS LIMITED (中 建 富 通 集 團 有 限 公 司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

CHAIRMAN'S STATEMENT

On behalf of the Board, I report the interim results of the Group for the six months ended 30 June 2023.

RESULTS

Though the overall global economy has been recovering slowly in the post-pandemic era, the impacts of such uncertainties as geopolitical instability, interest rate hike and stubborn inflation etc. still reverberate across the world and the pace of recovery varies across industries.

Amidst challenging business environment and poor market sentiment, the Group recorded net loss attributable to owners of the parent of HK\$99 million, representing an increase of 482.3% as compared to net loss of HK\$17 million for the corresponding period of last year. The current period's loss was mainly attributable to lack of one-off compensation income from litigation in the current period (30 June 2022: HK\$93 million) and increase in finance cost of HK\$21 million arising from surge in interest rates.

INTERIM DIVIDEND

In view of current adverse situation, the Group intends to conserve cash resources to combat the difficulties and challenges going forward. Therefore, the Board did not recommend the payment of interim dividend for the six months ended 30 June 2023 (30 June 2022: nil).

BUSINESS REVIEW

During the six months ended 30 June 2023, the Group was principally engaged in: (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business and investment in valuable collection; and (iv) cultural entertainment business.

PROPERTY BUSINESS

Hong Kong Property Business

The Hong Kong property market has continued to weaken amid interest rate hike and poor investment sentiment. However, it is believed that the increasing interest rate will reach its peak soon and hopefully the property market will generally resume.

SECURITIES BUSINESS

During the first half of 2023, to conserve cash and reduce risk, the Company did not trade in any listed shares or securities in the subdued stock market. Indeed, our securities business received steady interest income on promissory note receivable and recorded an operating profit of HK\$4 million in the current period.

BLACKBIRD GROUP

The Blackbird Group, under the leadership of its chairman and chief executive officer ("CEO"), Mr. TK Mak, is principally engaged in (i) the official importership and dealership of Ferrari in Hong Kong and Macau, including the repair and servicing business; (ii) the official importership and dealership of Maserati in Hong Kong and Macau, also including the repair and servicing business; (iii) valuable collection trading and investment business; and (iv) car logistics business. Despite the environment which continues to be challenging, the management is satisfied with the continuing development of the Blackbird Group's multi-faceted automotive operations.

Ferrari Business

2023 represents the sixth year of Blackbird Concessionaires' official Ferrari importership and dealership operations in Hong Kong and Macau. During the first half of this year under review, Ferrari's new model launch programme continued with the global unveiling of the new Roma Spider, the convertible version of the company's highly acclaimed V8 GT car. Blackbird Concessionaires will conduct a launch in Hong Kong later this year for customers and media.

In September of 2022, Ferrari revealed one of the most highly anticipated models in its 75 year history, the Purosangue, it means "Thoroughbred", the Purosangue is Ferrari's first utility vehicle. Blackbird Concessionaires received a large number of orders immediately after the global unveiling of the car and also held a launch event in Hong Kong in the spring of this year when further orders were generated. The first deliveries of the new model for customers are expected to begin at the end of 2023.

Deliveries of new cars continued. The new 296 hybrid sports car, in both GTB (coupe) and GTS (convertible) variants, is proving attractive to clients who appreciate the combination of strong performance combined with lower emissions. Deliveries of the first cars for Hong Kong and Macau began earlier this year.

The majority of Blackbird Concessionaires' allocation of the limited edition Ferrari 812 Competizione coupe were delivered within the first half of 2023. Deliveries of the first of the Aperta models (convertible) will begin in the second half of this year. The first deliveries for Hong Kong customers of the limited series Ferrari Daytona SP3 are also expected later this year. All of the 812 Competizione and Daytona SP3 models were allocated to clients by the Ferrari factory.

Our Ferrari after-sales centre in Kwai Chung, which occupies about 70,000 square feet, continues to perform very well. This facility is equipped to provide a full range of services including, but not limited to, repairing and maintenance, painting, body shop, restoration, pre-delivery inspection service and car storage. The facility continues to be very well received and strongly supported by customers.

Maserati Business

In the first half of this year, the Group's subsidiary, Blackbird Tridente, began the first deliveries of the highly anticipated Grecale SUV. This model is proving to be very popular with customers in Hong Kong given its attractive combination of styling, technology, efficient power trains including a hybrid, and competitive pricing. Three models are available with a fourth, fully electric version becoming available later this year.

Valuable Collection Trading and Investment Business

In the current period, the classic and investment car market continued to be affected by a slow global market. However, the management remains cautiously optimistic regarding the long-term improvement of the classic cars trading environment. The Company will continue to monitor market trends to benefit from both sales and investment opportunities.

The Watch Manual division is now well established through its print publication and online platforms. It has collaborated with a number of key brands on editorial partnerships, and provided key content for a successful DFS Masters of Time event in Macau. Its publication is gaining important visibility internationally, being now within the library of the Horological Society of New York, and was well received at the Watches & Wonders Geneva fair, which saw record attendance from professional and public enthusiasts. In addition, it has gained a key placement at one of Hong Kong's most prestigious hotels. Mr. TK Mak, the chairman and the CEO of the Blackbird Group, continues on the watch advisory board for Phillips auction house, as well as curating a highly successful third auction partnership titled "Disruptors", focusing on 20th century and contemporary art, design, and watches.

Car Logistics Business

The Group's car logistics business performed well during the first half of this year with a good operating margin. A new contract was signed with Ferrari in April of last year as the Company became the dedicated roadside rescue and recovery service to Hong Kong Ferrari owners, as well as to Maserati owners. In addition, the Company's call centre is generating additional opportunities. Work also continued in support of local importers, distributors, dealers, roadside assistance and insurance companies, racing organisations and private owners.

CULTURAL ENTERTAINMENT BUSINESS

Easing of COVID rules in early 2023 generate more momentum to recovery of cultural entertainment industry. There were many concerts, shows and entertainment events performed in current period. Accompanied by successful capture of the rebound in the cultural entertainment industry, this business division's performance is expected to improve onwards.

In July 2023, to simplify the Group's existing organisational structure and streamline the business operations, this business division disposed its certain portion of investments in its stage audio and lighting and stage engineering operations. Details of the disposal are set out in the section headed "EVENTS AFTER THE REPORTING PERIOD".

OUTLOOK

In partway through year 2023, the local and global economic outlook remains highly uncertain and challenging. Geopolitical tensions, interest rate hike and rising inflation will continues to pose challenges to local and global economic recovery.

Despite the current challenging environment, Blackbird's Ferrari business continues to perform well. In light of steady growth of Maserati business, we believe the Maserati business will contribute a stream of significant revenue to the Group and open up a new avenue for growth of income and profit. We are committed to continue to build up and grow the Blackbird Automotive Group to become one of the global leaders in the automotive sector in the near future.

Looking forward, we will stay alert on the rapid changing environment, conserve our cash and continue our on-going cost savings initiatives. With our resilient and experienced management, we consider that we can withstand the impact caused by these unprecedented challenges. We will try to turn risks into opportunities and continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term value to our Shareholders.

APPRECIATION

On behalf of the Board, I wish to thank the directors, the management and all our employees for their dedication, loyalty and hard work to meet the challenges during the period. I also want to thank our Shareholders, investors, bankers, customers, suppliers and landlords for their continued encouragement and strong support to the Company throughout these unprecedented times.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 28 August 2023

FINANCIAL REVIEW

OVERVIEW OF FIRST HALF OF 2023 FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		% increase/ (decrease)
	2023 (Unaudited)	2022 (Unaudited)	
Revenue	442	394	12.2%
Finance cost	53	32	65.6%
Loss before tax	(97)	(19)	410.5%
Tax expenses	-	-	N/A
Loss for the period	(97)	(19)	410.5%
Attributable to:			
Owners of the parent	(99)	(17)	482.4%
Non-controlling interests	2	(2)	N/A
Loss for the period	(97)	(19)	410.5%
Loss per share attributable to ordinary equity holder of the parent			
- Basic	(HK\$0.094)	(HK\$0.020)	370.0%
- Diluted	(HK\$0.094)	(HK\$0.020)	370.0%
Dividend per share	Nil	Nil	N/A

Review on Financial Results

The Group's revenue for 1H23 of HK\$442 million was HK\$48 million or 12.2% higher than 1H22, driven mainly by the sales growth of Maserati business and recovery of cultural entertainment business.

In 1H23, the Group recorded a net loss attributable to owners of the parent of HK\$99 million as compared with a net loss of HK\$17 million in 1H22. The current period's loss arose mainly as a result of lack of one-off compensation income from litigation in the current period (1H22: HK\$93 million) and incremental finance cost of HK\$21 million derived from interest rate hike.

Net profit attributable to non-controlling interests represented share of net profit by the minority shareholders of the cultural entertainment business.

ANALYSIS BY BUSINESS SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2023		2022		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Property investment and holding	4	0.9%	5	1.3%	(20.0%)
Ferrari business	189	42.8%	202	51.3%	(6.4%)
Maserati business	66	14.9%	18	4.5%	266.7%
Valuable collection and logistics business	82	18.6%	132	33.5%	(37.9%)
Cultural entertainment business	72	16.3%	15	3.8%	380.0%
Other operations	29	6.5%	22	5.6%	31.8%
Total	442	100.0%	394	100.0%	12.2%

HK\$ million	Operating profit/(loss) for the six months ended 30 June		
	2023 (Unaudited)	2022 (Unaudited)	% increase/ (decrease)
Property investment and holding	(4)	(12)	(66.7%)
Securities business	4	.*	N/A
Ferrari business	7	5	40.0%
Maserati business	(4)	(9)	(55.5%)
Valuable collection and logistics business	15	(20)	N/A
Cultural entertainment business	8	(6)	N/A
Other operations	(17)	74	N/A
Total	9	32	(71.9%)

* less than HK\$1 million operating loss

Property investment and holding

In 1H23, the property investment segment achieved a revenue of HK\$4 million which was mainly contributed from the rental income (1H22: HK\$5 million).

However, it was recorded an operating loss of HK\$4 million as compared with an operating loss of HK\$12 million in the corresponding period last year. The higher operating loss for the last corresponding period was primarily attributable to the unrealised fair value losses on our investment property portfolio of HK\$8 million.

Securities business

During the current period, this business segment recorded an operating profit of HK\$4 million due to additional interest income on the promissory note receivable of HK\$4 million.

Ferrari business

In 1H23, the Ferrari business and the Ferrari service centre in Kwai Chung continued to perform well and recorded a revenue of HK\$189 million. The Ferrari business recorded an operating profit of HK\$7 million in 1H23. The improvement in operating profit by HK2 million was primarily due to effective cost control measures.

Maserati business

It is encouraging to see strong growth in Maserati business as its revenue surged from HK\$18 million in 1H22 to HK\$66 million in current period, increased by 266.7%. Its operating loss for current period is reduced to HK\$4 million in this start-up and development stage. The Maserati business is on the right track to open up for the Group a new avenue of income and profit growth in the coming years.

Valuable collection and logistics business

Though the revenue was reduced by 37.9% down to HK\$82 million, the valuable collection and logistics business recorded an operating profits of HK\$15 million in 1H23 (1H22: operating loss of HK\$20 million). It was solely driven by the unrealised fair value gains of HK\$36 million from fair value change on our diversified and valuable collection held for investment.

Cultural entertainment business

Easing of COVID rules led to a recovery of cultural entertainment business. This business segment recorded a total revenue of HK\$72 million, represented 380.0% increased from HK\$15 million in 1H22. As opposed to an operating loss of HK\$6 million in 1H22, an operating profit of HK\$8 million was made in current period.

Other operations

Other operations mainly comprise the classic car services center, the multimedia business, and other new ventures which are in the development and start-up stage. The other operations' revenue rose by 31.8% to HK\$29 million in 1H23. Whereas, without one-off compensation income of HK\$93 million from litigation, this segment recorded an operating loss of HK\$17 million, as opposed to an operating profit of HK\$74 million in 1H22. The operating profit in 1H22 was mainly attributable to the one-off compensation income from litigation of HK\$93 million.

ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2023		2022		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Hong Kong, Macau and Mainland	396	89.6%	276	70.0%	43.5%
Rest of the world	46	10.4%	118	30.0%	(61.0%)
Total	<u>442</u>	<u>100.0%</u>	<u>394</u>	<u>100.0%</u>	12.2%

Most of the Group's revenue was generated in Hong Kong, Macau and Mainland in 1H23 and 1H22. The revenue from these regions of HK\$396 million was HK\$120 million or 43.5% higher than 1H22 by increase of sale of Maserati cars and recovery of cultural entertainment business in Hong Kong mainly. The revenue from rest of the world decreased by 61.0% as a result of decrease in sale of valuable collection in global market in the current period.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	30 June 2023		31 December 2022	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Bank borrowings	1,303	46.4%	1,325	45.6%
Other borrowings	125	4.4%	113	3.9%
Lease liabilities	88	3.1%	112	3.8%
Bonds/Convertible bonds	91	3.2%	192	6.6%
Total borrowings	<u>1,607</u>	<u>57.1%</u>	<u>1,742</u>	<u>59.9%</u>
Equity attributable to owners of the parent	<u>1,205</u>	<u>42.9%</u>	<u>1,166</u>	<u>40.1%</u>
Total capital employed	<u>2,812</u>	<u>100.0%</u>	<u>2,908</u>	<u>100.0%</u>

Equity attributable to owners of the parent as at 30 June 2023 was HK\$1,205 million, representing an increase of HK\$39 million compared with HK\$1,166 million at the being of the year 2023. The change was mainly attributable to the conversion of 2025 Convertible Bonds in principal amount of HK\$117 million and issue of 731,250,000 conversion shares, which was partially offset by the operating loss for the current period, as further elaborated in the section headed "ISSUE, TRANSFER AND CONVERSION OF 2025 CONVERTIBLE BONDS AND ISSUE OF CONVERSION SHARES".

The Group's gearing ratio was 57.1% as at 30 June 2023, lower than the gearing ratio of 59.9% as at 31 December 2022. The Group continued to maintain a reasonable gearing ratio in current period.

Total outstanding borrowings were HK\$1,607 million as at 30 June 2023 (31 December 2022: HK\$1,742 million). Most of the Group's outstanding borrowings are long-term bank loans.

As at 30 June 2023, the maturity profile of the bank and other borrowings and bonds/convertible bonds of the Group falling due within one year, in the second to the fifth years and beyond five years amounted to HK\$435 million, HK\$918 million and HK\$254 million, respectively (31 December 2022: HK\$405 million, HK\$950 million and HK\$387 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Current assets	991	909
Current liabilities	930	807
Net current assets	<u>61</u>	<u>102</u>

The Group's net current assets as at 30 June 2023 was HK\$61 million, representing decrease of HK\$41 million from last year end.

The Group derives its working capital mainly from cash on hand, net cash generated from operating activities and bank borrowings. The Board expects that the Group will rely on net cash from operating activities, additional borrowings (if required), sale of non-core assets and placing of convertible bonds to meet demand of working capital and capital expenditure, if any. Up to the date of this announcement, the Group has obtained additional capital through disposal of certain portion of interest in subsidiaries which engage in provision of stage audio, lighting and stage engineering operation services at a consideration of HK\$30 million and the placing of convertible bonds of approximately HK\$30 million, as further elaborated in the section headed "EVENTS AFTER THE REPORTING PERIOD".

The management closely monitors the Group's financial performance and liquidity position and believes that the Group will have sufficient financial resources to meet its financial obligations.

CAPITAL COMMITMENTS

As at 30 June 2023, capital commitment of the Group amounted to approximately HK\$3 million (31 December 2022: HK\$5 million). The Group intends to finance the capital commitment by internal resources.

TREASURY MANAGEMENT

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

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. Our current exposure to foreign exchange risk is not significant. The Group has not used any financial instruments to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

The Group did not acquire or dispose of any material subsidiaries and associates during six months ended 30 June 2023 under review.

Save as stated in the section headed “EVENTS AFTER THE REPORTING PERIOD” below, the Group did not acquire or dispose of any material subsidiaries and associates after the reporting period.

CHARGES ON ASSETS

As at 30 June 2023, certain assets of the Group with a net book value of HK1,921 million (31 December 2022: HK\$1,917 million) and time deposit of HK\$38 million (31 December 2022: HK\$38 million) were pledged to secure the Group’s banking facilities.

CONTINGENT LIABILITIES

As at 30 June 2023, the contingent liabilities which were not provided for in the Group’s financial information were as follows:

Litigations

During 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the “**Relevant Subsidiary**”) concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one legal proceedings. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence by the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2023 was 333 (31 December 2022: 325). 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. As at 30 June 2023, there were no outstanding share options issued by the Company (31 December 2022: nil).

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 23 June 2021, an ordinary resolution was passed by the Shareholders to adopt the new share option scheme of the Company (the “**2021 Scheme**”). Unless otherwise cancelled or amended, the 2021 Scheme will be valid for 10 years from the date of adoption which is 23 June 2021.

As at 30 June 2023, there was no share option under the 2021 Scheme remain outstanding and exercisable. No share options were granted, exercised, lapsed or cancelled by the Company under the 2021 Scheme during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2023.

CORPORATE GOVERNANCE

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

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the six months ended 30 June 2023, except for the minor deviations from the following Code Provisions of the CG Code:

Code Provision C.2.1: the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing; and

Code Provision B.2.2: every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In order to enhance the corporate governance standard of the Company and comply with Code Provision B.2.2, among others, the bye-law of the Company were amended and approved by the Shareholders at the annual general meeting of the Company held on 30 June 2023. Accordingly, the Company has complied with Code Provision B.2.2 since 30 June 2023. Details of such amendment may refer to the circular of the Company dated 27 April 2023 and will be disclosed in the 2023 interim report of the Company which will be despatched to the Shareholders on or before 29 September 2023.

Moreover, detailed information of deviations above and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the 2022 annual report of the Company issued in April 2023 and will be disclosed in the 2023 interim report of the Company, which will be despatched to the Shareholders on or before 29 September 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2023.

EVENTS AFTER THE REPORTING PERIOD

Particulars of events after the reporting period have been stated in Note 14 of this announcement.

ISSUE, TRANSFER AND CONVERSION OF 2025 CONVERTIBLE BONDS AND ISSUE OF CONVERSION SHARES

On 17 May 2023, Treasure Goal transferred (the “**Transfer**”) a part of 2025 Convertible Bonds in the aggregate principal amount of HK\$117,000,000 to each of Capital Winner, New Capital and Capital Force. The respective principal amounts transferred to Capital Winner, New Capital and Capital Force were HK\$46,500,000, HK\$45,000,000 and HK\$25,500,000 which were determined in accordance with their shareholding proportion in the Company. Immediately after the Transfer on 17 May 2023, the Company received conversion notices from each of Capital Winner, New Capital and Capital Force in respect of the exercise of the conversion rights attached to 2025 Convertible Bonds in the principal amounts of HK\$46,500,000, HK\$45,000,000 and HK\$25,500,000, respectively, at the initial conversion price of HK\$0.16 per conversion share (the “**Conversion**”). After completion of the Conversion, the outstanding principal amount of 2025 Convertible Bonds is HK\$103,000,000 which is held by Treasure Goal.

Subsequently, on 22 May 2023, the Company allotted and issued a total of 731,250,000 conversion shares (the “**Issue of Conversion Shares**”). Out of 290,625,000 conversion shares, 281,250,000 conversion shares and 159,375,000 conversion shares were allotted and issued to each of Capital Winner, New Capital and Capital Force respectively, representing approximately 18.11%, approximately 17.53% and approximately 9.93% of the total issued Shares as enlarged by the Issue of Conversion Shares and as at the date of this announcement. After the Issue of Conversion Shares, the total number of issued Shares was increased to 1,604,361,452.

Details of above may refer to announcements of the Company dated 17 May 2023 and 22 May 2023.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company for the six months ended 30 June 2023 is published on the websites of the Company at www.cct-fortis.com/eng/investor/announcements.php and the Stock Exchange at www.hkexnews.hk. The 2023 interim report of the Company will be dispatched to the Shareholders and made available on the websites of the Company and the Stock Exchange on or before 29 September 2023.

BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement and Ms. Cheng Yuk Ching, Flora; and the INEDs are Mr. Chen Li, Mr. Chow Siu Ngor and Mr. Lau Ho Kit, Ivan.

By Order of the Board
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 28 August 2023

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2023 together with the comparative figures for the corresponding period in 2022 as follows:

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

HK\$ million	Notes	Six months ended 30 June	
		2023 (Unaudited)	2022 (Unaudited)
REVENUE	3	442	394
Cost of sales		<u>(355)</u>	<u>(329)</u>
Gross profit		87	65
Other income and gains		44	109
Selling and distribution expenses		(9)	(6)
Administrative expenses		(132)	(122)
Other expenses and losses		(34)	(33)
Finance costs		(53)	(32)
Share of loss of an associate		-	-
LOSS BEFORE TAX	5	<u>(97)</u>	<u>(19)</u>
Income tax expenses	6	-	-
LOSS FOR THE PERIOD		<u>(97)</u>	<u>(19)</u>
Attributable to:			
Owners of the parent		(99)	(17)
Non-controlling interests		2	(2)
		<u>(97)</u>	<u>(19)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	<u>(HK\$0.094)</u>	<u>(HK\$0.020)</u>
Diluted	8	<u>(HK\$0.094)</u>	<u>(HK\$0.020)</u>

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(97)	(19)
Attributable to:		
Owners of the parent	(99)	(17)
Non-controlling interests	2	(2)
	(97)	(19)

Condensed Consolidated Statement of Financial Position

30 June 2023

HK\$ million	<i>Notes</i>	30 June 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	746	771
Investment properties		1,316	1,316
Goodwill		17	17
Intangible asset		-	-
Investment in an associate		-	-
Valuable collection held for investment		256	314
Other receivables		11	11
Deferred tax assets		1	1
Total non-current assets		<u>2,347</u>	<u>2,430</u>
Current assets			
Inventories		90	104
Stock of valuable collection held for sale		81	-*
Trade receivables	10	175	166
Investment in a film		80	80
Prepayments and other receivables		330	332
Financial assets at fair value through profit or loss	11	6	6
Promissory note receivable		150	150
Pledged time deposits		38	38
Cash and cash equivalents		41	33
Total current assets		<u>991</u>	<u>909</u>
Total assets		<u>3,338</u>	<u>3,339</u>

*Less than HK\$1 million

Condensed Consolidated Statement of Financial Position *(continued)*
30 June 2023

HK\$ million	<i>Note</i>	30 June 2023 (Unaudited)	31 December 2022 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		160	87
Reserves		1,045	1,079
		<u>1,205</u>	<u>1,166</u>
Non-controlling interests		9	7
Total equity		<u>1,214</u>	<u>1,173</u>
Non-current liabilities			
Interest-bearing bank and other borrowings		1,081	1,145
Convertible bonds		91	-
Bonds		-	192
Deferred tax liabilities		22	22
Total non-current liabilities		<u>1,194</u>	<u>1,359</u>
Current liabilities			
Trade payables	12	48	66
Tax payable		3	3
Other payables and accruals		444	333
Interest-bearing bank and other borrowings		435	405
Total current liabilities		<u>930</u>	<u>807</u>
Total liabilities		<u>2,124</u>	<u>2,166</u>
Total equity and liabilities		<u>3,338</u>	<u>3,339</u>
Net current assets		<u>61</u>	<u>102</u>
Total assets less current liabilities		<u>2,408</u>	<u>2,532</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standards (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited interim condensed consolidated financial information should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s 2022 Annual Report, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The application of the above HKFRS and amendments to HKFRSs in the period has had no material impact on the amounts and/or disclosures reported in the condensed consolidated financial information.

3. REVENUE

An analysis of revenue is as follows:

HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Revenue from contracts with customers		
Ferrari business	189	202
Maserati business	66	18
Valuable collection and logistics business	82	132
Cultural entertainment business	72	15
Other operations	29	22
	<u>438</u>	<u>389</u>
Revenue from other sources		
Rental income from investment properties	<u>4</u>	<u>5</u>
Total revenue	<u><u>442</u></u>	<u><u>394</u></u>

3. REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the six months ended 30 June 2023 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Ferrari business	149	40	189
Maserati business	54	12	66
Valuable collection and logistics business	62	20	82
Cultural entertainment business	-	72	72
Other operations	3	26	29
Total	<u>268</u>	<u>170</u>	<u>438</u>

For the six months ended 30 June 2022 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Ferrari business	164	38	202
Maserati business	9	9	18
Valuable collection and logistics business	118	14	132
Cultural entertainment business	-	15	15
Other operations	5	17	22
Total	<u>296</u>	<u>93</u>	<u>389</u>

3. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of Ferrari cars

The performance obligation is satisfied upon delivery of Ferrari cars and payment in advance is normally required for customers.

Sale of Maserati cars

The performance obligation is satisfied upon delivery of Maserati cars and payment in advance is normally required for customers.

Sale of valuable collection

The performance obligation is satisfied upon delivery of the valuable collection and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

Provision of car logistics and after-sale services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

Sale of stage audio and lighting equipment

The performance obligation is satisfied upon delivery of the stage audio and lighting equipment to customers and payment is generally due within 30 to 90 days from delivery.

Leasing of stage audio and lighting equipment and provision of stage technical and engineering services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services. The service contracts are project based, usually last for less than 1 year and do not contain variable consideration.

Provision of advertising services under other operations

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the property investment and holding segment which represents investment and holding of properties;
- (b) the securities business segment representing the trading in securities and holding of securities, financial assets and treasury products;
- (c) Ferrari business segment representing import and distribution of Ferrari cars and provision of after-sale services as official importer of Ferrari in Hong Kong and Macau;
- (d) Maserati business segment representing the import and distribution of Maserati cars and provision of after-sale services as official importer of Maserati in Hong Kong and Macau;
- (e) valuable collection and logistics business segment representing the acquisition of classic cars and collectible precision devices for long-term investment purpose, trading and sale of classic cars and car logistics business;
- (f) cultural entertainment business segment representing film operations, stage audio, lighting and engineering operations; and
- (g) other operations segment which is engaged in supportive business and start-up business including multimedia operations, the running of a classic car service centre, artist management and magazine publication.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance costs, share of loss of an associate, loss on early redemption of bonds and head office and corporate expenses are excluded from such measurement.

During the six months ended 30 June 2023, the segment information was redefined for better reflection of the latest development of the Group's operations, which was divided into seven segments as: property investment and holding, securities business, Ferrari business, Maserati business, valuable collection and logistics business, cultural entertainment business and other operations. The segment information for the six months ended 30 June 2022 was restated accordingly to conform to the current period's presentation.

Segment assets exclude deferred tax assets and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2023 (Unaudited)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collection and logistics	Cultural entertainment business	Other operations	Reconciliations	Total
Segment revenue:									
Sales to external customers	4	-	189	66	82	72	29	-	442
Other revenue	-	4	1	1	36	1	1	-	44
	4	4	190	67	118	73	30	-	486
Operating (loss)/profit	(4)	4	7	(4)	15	8	(17)	-	9
Finance costs									(53)
Reconciled items:									
Corporate and other unallocated expenses									(19)
Loss on early redemption of bonds									(34)
Loss before tax									(97)
Income tax expenses									-
Loss for the period									(97)
Other segment information:									
Expenditure for non-current assets	-	-	5	3	2	5	6	-	21
Depreciation and amortisation	(5)	-	(21)	(7)	(2)	(4)	(7)	-	(46)
Other material non-cash items:									
Fair value gains on valuable collection held for investment, net	-	-	-	-	36	-	-	-	36
As at 30 June 2023 (Unaudited)									
Segment assets	1,320	427	301	104	383	159	175	-	2,869
Reconciled items:									
Corporate and other unallocated assets	-	-	-	-	-	-	-	469	469
Total assets	1,320	427	301	104	383	159	175	469	3,338
Segment liabilities	859	174	396	116	30	51	90	-	1,716
Reconciled items:									
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	408	408
Total liabilities	859	174	396	116	30	51	90	408	2,124

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2022 (Unaudited)

HK\$ million	Property investment and holding (restated)	Securities business (restated)	Ferrari business (restated)	Maserati business (restated)	Valuable collection and logistics (restated)	Cultural entertainment business (restated)	Other operations (restated)	Reconciliations (restated)	Total (restated)
Segment revenue:									
Sales to external customers	5	-	202	18	132	15	22	-	394
Other revenue	-	-	3	-	8	1	97	-	109
	<u>5</u>	<u>-</u>	<u>205</u>	<u>18</u>	<u>140</u>	<u>16</u>	<u>119</u>	<u>-</u>	<u>503</u>
Operating (loss)/profit	(12)	-*	5	(9)	(20)	(6)	74	-	32
Finance costs								-	(32)
Reconciled items:									
Corporate and other unallocated expenses	-	-	-	-	-	-	-	-	(19)
Share of loss of an associate	-	-	-	-	-	-	-	-	-
Loss before tax									<u>(19)</u>
Income tax expenses									-
Loss for the period									<u>(19)</u>
Other segment information:									
Expenditure for non-current assets	-	-	3	16	1	-	5	-	25
Depreciation and amortisation	(4)	-	(23)	(2)	(2)	(4)	(10)	-	(45)
Other material non-cash items:									
Fair value losses on investment properties, net	(8)	-	-	-	-	-	-	-	(8)
Fair value losses on valuable collection held for investment, net	-	-	-	-	(14)	-	-	-	(14)
As at 31 December 2022 (Audited)									
Segment assets	1,319	425	323	97	377	140	188	-	2,869
Reconciled items:									
Corporate and other unallocated assets	-	-	-	-	-	-	-	470	470
Total assets	<u>1,319</u>	<u>425</u>	<u>323</u>	<u>97</u>	<u>377</u>	<u>140</u>	<u>188</u>	<u>470</u>	<u>3,339</u>
Segment liabilities	865	199	362	101	73	43	94	-	1,737
Reconciled items:									
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	429	429
Total liabilities	<u>865</u>	<u>199</u>	<u>362</u>	<u>101</u>	<u>73</u>	<u>43</u>	<u>94</u>	<u>429</u>	<u>2,166</u>

* operating loss less than HK\$1million

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Hong Kong, Macau and Mainland	396	276
Rest of the world	46	118
	<u>442</u>	<u>394</u>

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

(b) *Non-current assets*

HK\$ million	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
Hong Kong Macau and Mainland	2,280	2,277
Rest of the world	55	141
	<u>2,335</u>	<u>2,418</u>

The non-current assets information is based on the location of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

For the six months ended 30 June 2023, no single customer contributed 10% or more of the Group's total revenue.

For the six months ended 30 June 2022, a customer of the valuable collection and logistics segment contributed HK\$44 million, representing 11% of the Group's total revenue.

5. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Cost of valuable collection sold	61	112
Cost of Ferrari business	158	167
Cost of Maserati business	57	15
Cost of cultural entertainment business	59	16
Cost of automotive service provided	11	8
Cost of other operations	9	11
Depreciation and amortization	<u>46</u>	<u>45</u>

6. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2023 and 2022 as the Group had no profits chargeable to Hong Kong profits tax during those periods. During the six months ended 30 June 2023 and the corresponding period in 2022, the Group had no profit subject to foreign tax outside of Hong Kong and no provision had been made for overseas tax.

7. DIVIDENDS

The Board did not declare an interim dividend for the six months ended 30 June 2023 (30 June 2022: nil).

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

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

HK\$ million	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(99)	(17)
Interest on convertible bonds	<u>4</u>	<u>5</u>
Loss attributable to ordinary equity holders of the parent before interest on convertible bonds	<u>(95)</u>	<u>(12)</u>
	Number of shares	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	1,054,913,938	873,111,452
Effect of dilution – weighted average number of ordinary shares of convertible bonds	<u>576,174,033</u>	<u>228,466,851</u>
Weighted average number of ordinary shares used in the diluted loss per share calculation	<u>1,631,087,971</u>	<u>1,101,578,303</u>

For the six months ended 30 June 2023, as the diluted loss per share amount is decreased when taking into account of the convertible bonds, the 2025 Convertible Bonds (2022: 2024 Convertible Bonds) had an anti-dilutive effect on the basic loss per share and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the period of HK\$99 million (2022: HK\$17 million) and the weighted average number of ordinary shares of 1,054,913,938 (2022: 873,111,452) in issue during the six months ended 30 June 2023.

The aforesaid 2025 Convertible Bonds were issued on 20 January 2023, whereas the aforesaid 2024 Convertible Bonds were early redeemed by the Company on 29 April 2022.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment of approximately HK\$21 million (six months ended 30 June 2022: HK\$25 million) including right-of-use assets of approximately HK\$3 million (six months ended 30 June 2022: HK\$21 million).

10. TRADE RECEIVABLES

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

HK\$ million	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
	Balance	Percentage	Balance	Percentage
Within 180 days	52	30	43	26
181 to 365 days	3	2	7	4
1 to 2 years	5	3	4	3
Over 2 years	115	65	112	67
	<u>175</u>	<u>100</u>	<u>166</u>	<u>100</u>

The credit period for most business of the Group is generally one month. The credit term granted to the customers of the securities business is up to 365 days.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

HK\$ million	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Financial assets at fair value through profit or loss	<u>6</u>	<u>6</u>

12. TRADE PAYABLES

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

HK\$ million	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	35	73	30	45
31 to 60 days	4	8	5	8
61 to 90 days	3	6	3	5
Over 90 days	6	13	28	42
	<u>48</u>	<u>100</u>	<u>66</u>	<u>100</u>

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period presentation.

14. EVENTS AFTER THE REPORTING PERIOD

(i) Disposal of 71% of the issued share capital in a subsidiary

On 20 July 2023 (after trading hours), CCT Culture Media Group Limited, being the Vendor, which is a direct wholly-owned subsidiary of the Company and Giant Panda Group Holdings Limited (大熊貓集團控股有限公司), being the Purchaser entered into the sale and purchase agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase 71 shares of DeMain Culture Media Holdings Limited (未來文化娛樂有限公司), being the Disposal Company, which was an indirect wholly-owned subsidiary of the Company before the disposal, representing 71% of the issued share capital of the Disposal Company at a cash consideration of HK\$30,000,000.

Upon completion took place on 20 July 2023, the Disposal Company has ceased to be a subsidiary of the Group but remains as an associate of the Group as the Group holds 29% of the issued share capital of the Disposal Group. The financial results of the Disposal Company and its subsidiaries (the “**Disposal Group**”) are no longer be consolidated into those of the Group. However, the financial results, assets and liabilities of the Disposal Group will be equity accounted for in the consolidated financial statements of the Group as it is an associate of the Group.

Although there is a change of shareholder in the Disposal Company after completion, the operational management of subsidiaries of the Disposal Company remains unchanged. The stage audio and lighting operation services operated by AHM Engineering Company Limited (“**AHM**”) remains managed by Mr. Chan Muk Hing (陳木興) whom indirectly holds 28% of AHM, and the stage engineering operation services operated by Hip Hing Loong Stage Engineering Company Limited (“**HHL**”) remains managed by Mr. Au Ka Kam (區家鑫) whom indirectly holds 27% of HHL.

Details of above may refer to the announcement of the Company dated 20 July 2023.

(ii) Placing of convertible bonds under general mandate

On 28 July 2023, the Company entered into the conditional convertible bonds placing agreement with Kingsway Financial Services Group Limited, as Placing Agent, pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, not less than six (6) placees, who were independent third parties of the Company or its connected parties, to subscribe in cash for the 4.5% coupon convertible bonds due on date falling on the first (1st) anniversary of the issue date of such convertible bonds in the aggregate principal amount of HK\$57,900,000 at the initial conversion price of HK\$0.193 per conversion share (subject to adjustment).

The completion of such convertible bonds placing took place on 18 August 2023 and the 4.5% coupon convertible bonds in the aggregate principal amount of HK\$30,011,500 (the “**4.5%-2024 CB**”) were placed successfully to not less than six (6) placees on 18 August 2023. Based on the initial conversion price of HK\$0.193 per conversion share (subject to adjustment), 155,500,000 conversion shares will be allotted and issued by the Company upon exercise of the conversion rights attaching to the 4.5%-2024 CB in full. As at the date of this announcement, no conversion shares were allotted nor issued from 4.5%-2024 CB.

Details of above may refer to announcements of the Company dated 28 July 2023 and 18 August 2023.

GLOSSARY OF TERMS

GENERAL TERMS

“2024 Bonds”	The 4.5% coupon bonds with the aggregate principal amount of HK\$250,200,000 issued by the Company on 29 April 2022 to Treasure Goal. Out of a part of principal amount of HK\$30,200,000 was redeemed by the Company on 16 November 2022 and the aggregate outstanding principal amount of the HK\$220,000,000 under the 2024 Bonds was setting off by Treasure Goal (the subscriber of the 2025 Convertible Bonds) the subscription price of HK\$220,000,000 of the 2025 Convertible Bonds issued by the Company on 20 January 2023
“2024 Convertible Bonds”	The 5% coupon convertible bonds with the aggregate principal amount of HK\$250,200,000 issued by the Company on 30 March 2016 to Capital Force and New Capital. On 25 April 2022, Capital Force and New Capital transferred all of the 5% coupon convertible bonds to Treasure Goal; and the Company redeemed all of which on 29 April 2022
“2025 Convertible Bonds”	The 4.5% coupon convertible bonds due on 31 December 2025 with the initial aggregate principal amount of HK\$220,000,000 and the outstanding principal amount of which amounted to HK\$103,000,000 as at the date of this announcement issued by the Company to Treasure Goal on 20 January 2023, the subscription price of the 2025 Convertible Bonds has been satisfied by setting off the aggregate outstanding principal amount of HK\$220,000,000 under the 2024 Bonds by Treasure Goal, being the subscriber of the 2025 Convertible Bonds under the subscription agreement dated 16 November 2022. Details of which were stated on the circular of the Company dated 19 December 2022
“Blackbird” or “Blackbird Group”	The Blackbird group established by the Company, which is engaged in the multi-faceted automotive business including the Ferrari importership and dealership, Maserati importership and dealership, investment and trading of classic cars, car logistics operations and investment in valuable collection and other new business ventures
“Blackbird Concessionaires”	Blackbird Concessionaires Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Blackbird Tridente”	Blackbird Tridente Company Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Board”	The board of Directors
“Capital Force”	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are 51% owned by Mr. Mak and 49% owned by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially

“Capital Winner”	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are 51% owned by Mr. Mak and 49% owned by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially
“CG Code”	The Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“China” or “PRC”	The People’s Republic of China
“Company”	CCT Fortis Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00138)
“Director(s)”	The director(s) of the Company from time to time
“Group”	The Company and its subsidiaries, from time to time
“HK” or “Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“INED(s)”	Independent non-executive Director(s)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the PRC
“Mainland”	The mainland of the PRC
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Mr. Mak”	Mr. Mak Shiu Tong, Clement is the sole beneficial owner of Treasure Goal, and the chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company, and holds 25,589,652 issued Shares and is deemed under Part XV of the SFO to be interested in 1,177,275,079 issued Shares, representing approximately an aggregate of 74.97% of the total number of issued Shares as at the date of this announcement
“N/A”	Not applicable
“New Capital”	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are 51% owned by Mr. Mak and 49% owned by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially
“Share(s)”	Ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	Holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasure Goal”	Treasure Goal International Limited (寶高國際有限公司), a company incorporated in the British Virgin Islands with limited liability, which is beneficially and ultimately owned by Mr. Mak and being the subscriber of 2025 Convertible Bonds
“%”	Per cent.

Financial Terms

“Net Current Assets/ (Liabilities)”	Current assets less current liabilities
“Loss Per Share”	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
“Gearing Ratio”	Total borrowings (representing bank borrowings, bonds/convertible bonds, other borrowings and lease liabilities) divided by total capital employed (i.e. total Shareholders’ fund plus total borrowings)
“Operating Profit/(Loss)”	Operating profit/(loss) before interest, tax and unallocated income and expenses
“1H22”	First half of 2022
“1H23”	First half of 2023