THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in CCT Telecom Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

CCT TELECOM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

PROPOSAL FOR
REDUCTION OF SHARE CAPITAL

A notice convening the Extraordinary General Meeting of the Company to be held at 32/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 8 April 2002 at 10:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you intend to attend and vote at the Extraordinary General Meeting, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof (as the case may be) should you so wish.

7 March 2002

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In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

''Announcement''	the announcement issued by the Company on 6 February 2002 relating to the Capital Reduction
''Auditors''	Ernst & Young, the auditors of the Company
''Board''	the board of Directors
''Business Day''	a day on which the Stock Exchange is open for the business of dealing in securities
''Capital Reduction''	the proposed reduction of the nominal value of each of the issued Existing Shares from HK$5.00 to HK$0.10
''CCASS''	the Central Clearing and Settlement System established and operated by Hongkong Clearing
''Companies Law''	the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
''Company''	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
''Convertible Note''	the convertible note with an outstanding principal amount of HK$100,000,000 issued by the Company
''Court''	the Grand Court of the Cayman Islands
''Director(s)''	the director(s) of the Company
''Existing Share(s)''	the ordinary share(s) of HK$5.00 each in the capital of the Company
''Extraordinary General Meeting''	the extraordinary general meeting of the Company to be held at 32/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 8 April 2002 at 10:00 a.m. or any adjourned meeting thereof, notice of which is set out on pages 12 to 15 of this circular
''General Mandate''	the general mandate proposed to be granted to the Directors, conditional upon the Capital Reduction becoming effective, to allot, issue and deal with New Shares as described on page 7 of this circular
''Group''	the Company and its subsidiaries
''Hong Kong''	the Hong Kong Special Administrative Region of the People's Republic of China

''Hongkong Clearing''	Hong Kong Securities Clearing Company Limited
''Latest Practicable Date''	1 March 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
''Listing Rules''	the Rules Governing the Listing of Securities on the Stock Exchange
''New Share(s)''	the ordinary share(s) of HK$0.10 each in the share capital of the Company upon the Capital Reduction becoming effective
''Registrar''	the branch share registrar of the Company in Hong Kong, Tengis Limited, whose office is situated at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong
''Repurchase Mandate''	the general mandate proposed to be granted to Directors, conditional upon the Capital Reduction becoming effective, to repurchase New Shares as described on page 6 of this circular
''Shareholder(s)''	the holder(s) of Existing Share(s) or New Share(s), as the case may be
''Share Option Scheme''	the share option scheme of the Company adopted on 25 May 2001
''Stock Exchange''	The Stock Exchange of Hong Kong Limited
''HK$''	Hong Kong dollar(s), the lawful currency of Hong Kong
''%''	per cent.

CCT TELECOM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mak Shiu Tong, Clement *(Chairman)*
Cheng Yuk Ching, Flora
Tam Ngai Hung, Terry
Putt, William Donald

Independent Non-executive Directors:

Tam King Ching, Kenny
Lau Ho Man, Edward
Olenick, Samuel

Registered office:

The Office of The Harbour Trust Co. Ltd.
P.O. Box 1787 GT
One Capital Place
Grand Cayman
Cayman Islands, British West Indies

Head office and principal place of business:

32/F., China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

7 March 2002

To the Shareholders and, for information only, the optionholders and bondholders

Dear Sir/Madam,

PROPOSAL FOR
REDUCTION OF SHARE CAPITAL

INTRODUCTION

The Board announced on 6 February 2002 that proposals would be put forward to the Shareholders for the Capital Reduction. As any existing mandates which have been granted at the extraordinary general meetings of the Company held on 24 January 2002 and 29 November 2001 respectively to the Directors to issue and to repurchase Existing Shares will not extend to the New Shares to be created upon the Capital Reduction becoming effective, it is further proposed that, conditional upon the Capital Reduction becoming effective, the Directors be granted the General Mandate and the Repurchase Mandate.

The purpose of this circular is to provide you with further information relating to the Capital Reduction, the proposed granting of the General Mandate and the Repurchase Mandate and the notice convening the Extraordinary General Meeting at which resolutions will be proposed to approve the Capital Reduction and the granting of the General Mandate and the Repurchase Mandate.

CAPITAL REDUCTION

The Proposal

The Board intends to put forward the following proposal:

(i) the nominal value of each of the 422,105,230 issued Existing Shares will be reduced by HK$4.90, from HK$5.00 to HK$0.10, whereby the Company's existing issued share capital of HK$2,110,526,150 will be reduced by HK$2,068,315,627 to HK$42,210,523;

(ii) the credit in the sum of HK$2,068,315,627 arising from the Capital Reduction will first be applied towards the elimination of the accumulated loss of up to HK$934,298,000 (being the accumulated loss of the Company as at 30 June 2001 as shown in the unaudited interim accounts of the Company for the six-month period ended 30 June 2001) of the Company with the balance of such credit be credited to a distributable reserve of the Company; and

(iii) the 377,894,770 unissued Existing Shares will be cancelled and the authorised share capital of the Company will immediately thereafter be increased to HK$200,000,000 by the subsequent creation of 1,577,894,770 unissued New Shares that the authorised share capital shall consist of 2,000,000,000 New Shares.

As at the Latest Practicable Date, the authorised share capital of the Company was HK$4,000,000,000 divided into 800,000,000 Existing Shares of HK$5.00 each, of which 422,105,230 Existing Shares were issued and were fully paid or credited as fully paid.

As at the Latest Practicable Date, the Company had outstanding share options to subscribe for an aggregate of 15,600,000 Existing Shares. The Company also had the Convertible Note with an outstanding principal amount of HK$100,000,000 convertible into 23,623,907 Existing Shares. Assuming that all of these outstanding share options and Convertible Note were to be exercised in full prior to the effective date of the Capital Reduction, an additional 39,223,907 Existing Shares would be in issue and an additional credit of HK$192,197,144.30 would arise from the Capital Reduction. Such credit, if so arise, will also be transferred to a distributable reserve of the Company.

The size of each board lot of the New Shares will remain the same as that of the Existing Shares, namely 1,000 per board lot. The New Shares will rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the Company's articles of association.

Reasons for the Capital Reduction

Since the consolidation of the shares of the Company into the Existing Shares which took effect on 29 November 2001, the Existing Shares have been traded at prices below their par value, ranging from HK$1.88 to HK$3.40. The closing price of the Existing Shares on the date of the Announcement and the Latest Practicable Date was HK$2.375 and HK$2.20 per Existing Share respectively.

Under the Companies Law, a company may not issue shares at a discount to the nominal value of such shares unless, among others, the issue is authorised by a resolution of the shareholders of the company and is sanctioned by the Court.

With a view to providing greater flexibility to the Company in pricing future capital raising exercises when circumstances arise, the Board intends to put forward the proposal for the Capital Reduction.

Although the Company has no current plans to raise capital, the Company may conduct capital raising exercises, including but not limited to the issue of new shares, if and when suitable opportunities arise. Further announcement will be made as and when required in accordance with the Listing Rules.

Conditions of the Capital Reduction

The Capital Reduction is conditional on the following conditions:

(a) Shareholders' approval by special resolution at the Extraordinary General Meeting to be convened to approve, amongst other things, the Capital Reduction;

(b) compliance with any conditions the Court may impose;

(c) confirmation by the Court and the registration by the Registrar of Companies in the Cayman Islands of an office copy of the Court order and the minute containing the particulars required under the Companies Law; and

(d) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares.

The Capital Reduction will become effective when the conditions mentioned above are fulfilled. A further announcement will be made by the Company informing the Shareholders of the effective date of the Capital Reduction.

Effect of the Capital Reduction

Save for the expenses incurred in relation to the Capital Reduction, the Directors consider that the Capital Reduction will have no effect on the underlying assets, business operations, management or financial position of the Company.

Adjustment to subscription/conversion price of share options and Convertible Note

As at the Latest Practicable Date, the Company had outstanding share options to subscribe for an aggregate of 15,600,000 Existing Shares. The Company also had the Convertible Note with an outstanding principal amount of HK$100,000,000 convertible into 23,623,907 Existing Shares.

Pursuant to the rules of the Share Option Scheme, the Board has been advised by the Auditors that the implementation of the Capital Reduction will not result in any adjustment to the subscription price or the number of New Shares to be subscribed for in relation to the outstanding share options granted to the grantees under the Share Option Scheme.

Pursuant to the terms and conditions of the Convertible Note, the Board has been advised by the Auditors that the implementation of the Capital Reduction will not result in any adjustment to the conversion price of the Convertible Note.

Application for listing

An application will be made to the Listing Committee of the Stock Exchange by the Company for the granting of the listing of, and permission to deal in, the New Shares pending confirmation of the Capital Reduction to be issued by the Court.

The Existing Shares are listed and dealt in on the Stock Exchange. No part of the Company's securities are listed or dealt in on any other stock exchange, nor application for the listing of or permission to deal in the Existing Shares and the New Shares on any other stock exchange is being or proposed to be sought.

The New Shares will be listed on the Stock Exchange only and not on any other stock exchange. All necessary arrangements have been made to enable the New Shares to be admitted into CCASS.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange as well as compliance with the stock admission requirements of Hongkong Clearing, the New Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hongkong Clearing. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Share certificates and dealings

Assuming that the Capital Reduction will become effective, new share certificates for the New Shares will be issued in light green colour in order to distinguish them from existing share certificates (in orange colour) for the Existing Shares.

As the Court hearing dates have not yet been confirmed, the effective date of the Capital Reduction is not ascertainable at present. Should the Capital Reduction be effective, Shareholders may exchange their existing share certificate(s) for new share certificate(s) free of charge by delivering their existing share certificate(s) to the Registrar within four weeks after the Capital Reduction has become effective. Thereafter, existing share certificate(s) will be accepted for exchange only on payment of a fee of HK$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new share certificate issued for the New Shares. A Shareholder will be entitled to aggregate his/her New Shares registered in his/her name in order to obtain new share certificates in the board lot size of 1,000 New Shares. The existing share certificates will continue to be good evidence of legal title to the Existing Shares and may be exchanged into new share certificates in accordance with the foregoing. Details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reduction is ascertainable.

It is expected that new share certificates will be available for collection on or after the 10th Business Day from the date of submission of the existing share certificates to the Registrar for exchange. Unless instructed otherwise by the Shareholders at the time of delivering the existing share certificate(s) to the Registrar for exchange, new share certificates will be issued in board lots of 1,000 New Shares.

GENERAL MANDATE TO REPURCHASE NEW SHARES

At the Extraordinary General Meeting, an ordinary resolution will be proposed to grant to the Directors authority, conditional upon the Capital Reduction becoming effective, to repurchase, as for the fully paid New Shares, of up to 10% of the aggregate nominal amount of share capital of the Company in issue immediately following the Capital Reduction becoming effective (the ''Repurchase Mandate'').

The Repurchase Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the law or by the articles of association of the Company; and (iii) the revocation or variation by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement in relation to the Repurchase Mandate as required by the relevant provisions of the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out in the Appendix to this circular.

GENERAL MANDATE TO ISSUE NEW SHARES

At the Extraordinary General Meeting, an ordinary resolution will also be proposed that the Directors be given, conditional upon the Capital Reduction becoming effective, a general mandate to allot, issue and deal with New Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following the Capital Reduction becoming effective (''General Mandate'') in order to increase the flexibility for raising capital to facilitate expansion plan of the Company as the Directors consider appropriate.

The General Mandate will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the law or the articles of association of the Company; and (iii) the revocation or variation by an ordinary resolution of the Shareholders in general meeting.

In addition, if the Repurchase Mandate is granted, an ordinary resolution will be proposed at the Extraordinary General Meeting providing that any New Shares repurchased under the Repurchase Mandate will be added to the total number of the New Shares which may be allotted and issued under the General Mandate.

With respect to the Repurchase Mandate and the General Mandate, the Directors wish to state that they have no present intention of exercising the Repurchase Mandate to repurchase the New Shares and the General Mandate to allot New Shares in the share capital of the Company upon the Capital Reduction becoming effective.

EXTRAORDINARY GENERAL MEETING

A notice convening the Extraordinary General Meeting to be held at 32/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 8 April 2002 at 10:00 a.m. is set out on pages 12 to 15 of this circular for the purpose of considering and, if thought fit, passing the resolutions in respect of, among others, the Capital Reduction and the granting of the General Mandate and the Repurchase Mandate.

A form of proxy for use by the Shareholders at the Extraordinary General Meeting is enclosed. Whether or not you intend to attend and vote at the Extraordinary General Meeting in person, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, as soon as possible but in any event, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof (as the case may be) should you so wish.

RECOMMENDATION

Having regard to the information described above, the Board is of the opinion that the Capital Reduction and the proposed granting of the Repurchase Mandate and the General Mandate to the Directors, upon the Capital Reduction becoming effective, is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to approve the same at the Extraordinary General Meeting. The Repurchase

Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its net assets and/or earnings per New Share and will only be made when the Directors believe that a repurchase of New Shares will benefit the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to approve the same at the Extraordinary General Meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the Appendix of this Circular which sets out the explanatory statement in relation to the granting of the proposed Repurchase Mandate.

Yours faithfully
For and on behalf of
CCT Telecom Holdings Limited
Mak Shiu Tong, Clement
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.

I. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions. The Company is empowered by its memorandum and articles of association to repurchase its own securities.

II. REASON FOR REPURCHASE

Upon the Capital Reduction becoming effective, any existing mandates which have been granted at the extraordinary general meetings of the Company held on 24 January 2002 and 29 November 2001 to the Directors will not extend to the issue and repurchase of the New Shares. The Directors believe that it is in the best interest of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase the New Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per New Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital or gearing position of the Company as compared with that disclosed in its most recent published audited accounts as at 31 December 2000.

III. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 422,105,230 Existing Shares. As at the Latest Practicable Date, there were outstanding share options granted under the Share Option Scheme entitling holders thereof to subscribe for an aggregate of 15,600,000 Existing Shares. The Company also had the Convertible Note with an outstanding principal amount of HK$100,000,000 convertible into 23,623,907 Existing Shares.

On the basis that none of the outstanding share options and Convertible Note is exercised prior to the Capital Reduction becoming effective and subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 42,210,523 New Shares.

IV. FUNDING OF REPURCHASE

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands.

It is envisaged that the funds required for any repurchase of securities would be derived from the capital paid up on the New Shares being repurchased and from the distributable profits of the Company.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

V. SHARE PRICES

The highest and lowest prices at which the Existing Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Existing Share	
2001	**Highest**	**Lowest**
	HK$	*HK$*
February	4.90*	4.10*
March	4.58*	3.70*
April	4.26*	3.42*
May	4.66*	3.78*
June	4.50*	3.86*
July	4.22*	3.54*
August	3.74*	3.06*
September	3.22*	2.06*
October	2.94*	2.10*
November	4.30*	1.82*
December	3.00	1.88
2002		
January	3.05	2.40
February	2.60	2.10
March (up to the Latest Practicable Date)	2.25	2.20

* *Adjusted figure following the share consolidation of the Company which took effect on 29 November 2001*

VI. SHARES REPURCHASES MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any Existing Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

VII. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Hong Kong Code on Takeovers and Mergers (the ''Takeovers Code'').

As at the Latest Practicable Date, the substantial Shareholders together with their respective associates were beneficially interested in 86,261,941 Existing Shares, representing approximately 20.44% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase New Shares in accordance with the terms of the Repurchase Mandate and

assuming no further Shares are issued by the Company, the interests of the substantial Shareholders together with their respective associates in the Company would be increased to approximately 22.71% of the issued share capital of the Company. Such an increase will not trigger any mandatory general offer obligations under the Takeovers Code.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any New Shares or other securities to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any New Shares to the Company nor has any such connected person undertaken not to sell any of the New Shares held by him/her to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

CCT TELECOM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of CCT Telecom Holdings Limited (the ''Company'') will be held at 32/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 8 April 2002 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as special and ordinary resolutions of the Company:

SPECIAL RESOLUTION

1. ''**THAT**, subject to and conditional upon:

   (i) confirmation of the Capital Reduction (as defined in a Circular (''Circular'') dated 7 March 2002 despatched to the shareholders of the Company (the ''Shareholders'') of which the notice convening this Meeting forms part, a copy of which is produced to the Meeting marked ''A'' and initialled by the chairman of the Meeting for the purpose of identification) by the Grand Court of the Cayman Islands (''Court''), the filing with the Registrar of Companies in the Cayman Islands of a copy of the order of the Court and a copy of the minute approved by the Court, both confirming the Capital Reduction (as defined below) and the compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and

   (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited (the ''Stock Exchange'') granting the listing of, and permission to deal in, the new ordinary shares of HK$0.10 each (''New Shares'') in the share capital of the Company arising upon the Capital Reduction becoming unconditional and effective, then in issue:

      (a) the share capital of the Company be reduced (the ''Capital Reduction'') by cancelling the issued and paid-up capital to the extent of HK$4.90 on each existing share of HK$5.00 each of the Company (''Shares'') in issue as at the effective date of the Capital Reduction (the ''Effective Date'') and by reducing the nominal value of all the issued Shares as at the Effective Date from HK$5.00 each to HK$0.10 each;

      (b) that the Directors be and are hereby authorized to apply such amount from the credit arising from the Capital Reduction towards the elimination of an amount of not more than HK$934,298,000 from the accumulated losses of the Company as at 31 December, 2001 and the remainder to a distributable reserve of the Company to be applied in such manner as the Directors consider appropriate; and

      (c) the Directors be and are hereby authorized generally to do all acts and things, and to approve, sign and execute any other documents which in their opinion may be necessary, desirable or expedient to carry into effect or to give effect to the Capital Reduction.''

ORDINARY RESOLUTIONS

2. ''**THAT** conditional upon the Capital Reduction as referred to in paragraph (ii)(a) of Resolution No.1 of this notice becoming unconditional and effective, the authorised share capital of the Company be diminished by the cancellation of all unissued Shares of HK$5.00 each and

immediately thereafter increased by the creation of such number of new shares of HK$0.10 each such that the authorised share capital of the Company shall be HK$200,000,000 consisting of 2,000,000,000 shares of HK$0.10 each ranking pari passu in all respects with all the New Shares in issue (the ''Change in Authorised Share Capital'').''

3. ''**THAT**: –

(a) conditional upon the Capital Reduction becoming effective and subject to sub-paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to allot additional New Shares of HK0.10 each created upon the Capital Reduction becoming effective and to make or grant offers, agreements and options which might require the exercise of such power, be and is hereby generally and unconditionally approved;

(b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period (as defined below);

(c) the aggregate nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraphs (a) and (b) above, otherwise than pursuant to (i) Rights Issue (as defined below), (ii) the exercise of options granted under any share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue of New Shares or rights to acquire New Shares in the share capital of the Company to officers and/or employees of the Company and/or any of its subsidiaries and (iii) any scrip dividend or similar arrangement providing for the allotment of New Shares in the share capital of the Company implemented in accordance with the articles of association of the Company, shall not in aggregate exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue immediately after the Capital Reduction becoming effective and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution: –

''Relevant Period'' means the period from immediately after the Capital Reduction becoming effective until whichever is the earliest of: –

(aa) the conclusion of the next annual general meeting of the Company;

(bb) the expiration of the period within the next annual general meeting of the Company is required by the law or the articles of association of the Company to be held; and

(cc) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

''Rights Issue'' means the allotment, issue or grant of shares pursuant to an offer made to the shareholders of the Company, excluding for that purpose any shareholder who is resident in a place where such offer is not permitted or is impracticable under the law of that place, and, where appropriate, to holders of other equity securities for the time being in issue (if any) entitled to be offered them pro rata (apart from fractional entitlements) to their then holdings of New Shares (or such other equity securities).''

4. ''**THAT:** –

(a) conditional upon the Capital Reduction becoming effective, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase New Shares be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the New Shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue immediately after the Capital Reduction becoming effective and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution, ''Relevant Period'' means the period from immediately after the Capital Reduction becoming effective until whichever is the earliest of:

(aa) the conclusion of the next annual general meeting of the Company;

(bb) the expiration of the period within which the next annual general meeting of the Company is required by the law or the articles of association of the Company to be held; and

(cc) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.''

5. ''**THAT**:

conditional upon the Capital Reduction becoming effective, the general mandate granted to the directors of the Company to allot, issue and deal with additional New Shares pursuant to and in accordance with Resolution No. 3 of this notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with pursuant to such general mandate the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to and in accordance with Resolution No. 4 of this notice, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company immediately after the Capital Reduction becoming effective.''

SPECIAL RESOLUTIONS

6. ''**THAT**

conditional upon the Capital Reduction and the Change in Authorised Share Capital becoming effective, the memorandum of association of the Company be amended by replacement of the following words in clause 8:

''As further altered by Ordinary Resolution passed on 26 September 1997, the capital of the Company is HK$600,000,000 shares of a nominal or par value of HK$0.10 each''

with

''The share capital of the Company is HK$200,000,000 divided into 2,000,000,000 shares of a nominal or par value of HK$0.10 each.''

7. ''**THAT**

conditional upon the Capital Reduction and the Change in Authorised Share Capital becoming effective, Article 4(A) of the articles of association of the Company be deleted in its entirety and replaced by the following:

''Subject to any resolution of the shareholders, the authorised share capital of the Company is HK$200,000,000 divided into 2,000,000,000 shares of HK$0.10 each.''

By Order of the Board
CCT Telecom Holdings Limited
Mak Shiu Tong, Clement
Chairman

Hong Kong, 7 March 2002

Head office and principal place of business:
32/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.

2. The form of proxy shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney authorised to sign the same.

3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.

4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the branch share registrar of the Company in Hong Kong, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).

5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

6. Where there are joint registered holders of any Share(s), any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such Share(s) as if he/she solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding of the Share(s).