IMPORTANT

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

If you have sold or transferred all your securities in CCT Telecom Holdings Limited (the ''Company''), 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 takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims 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)

Executive Directors:

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

Independent Non-executive Directors:

Samuel Olenick
Tam King Ching Kenny
Lau Ho Man Edward

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

29 April 2002

To all shareholders and, for information only, the optionholders and bondholders

Dear Sir/Madam,

GENERAL MANDATES TO REPURCHASE AND ISSUE SECURITIES

INTRODUCTION

The Rules (the ''Listing Rules'') Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ''Stock Exchange'') contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange (the ''Share Buyback Rules'').

The purpose of this circular is to provide you with information relating to the ordinary resolutions to be proposed at the forthcoming annual general meeting of the Company (the ''Annual General Meeting'') to be held on 24 May 2002: (i) to grant the directors of the Company (the ''Directors'') authority to repurchase the fully paid-up shares of the Company of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution (the ''Repurchase Mandate''); (ii) to grant a general mandate to the Directors to allot, issue and deal with new shares of the Company not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution (the ''General Mandate'') in order to increase the flexibility for raising capital to facilitate expansion plan of the Company as the Directors consider appropriate; and (iii) if the Repurchase Mandate is granted, any shares repurchased under the Repurchase Mandate will be added to the total number of the shares which may be allotted and issued under the General Mandate.

In accordance with the Listing Rules, this circular also serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against resolutions 4(A) to 4(C) to be proposed at the Annual General Meeting.

REASON FOR SECURITIES REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company 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 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 the position disclosed in its most recent published audited accounts as at 31 December 2001.

SHARE CAPITAL

As at 22 April 2002 (the ''Latest Practicable Date''), the Company had 422,105,230 shares of HK$5.00 each (the ''Share(s)'') in issue or an issued share capital of HK$2,110,526,150.

Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the exercise of the Repurchase Mandate in full would result in up to 42,210,523 Shares representing share capital of HK$211,052,615, being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution referred to herein or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

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 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 impact on the working capital or the gearing level of the Company (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.

SHARE PRICES

The highest and lowest prices at which the 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 Share	
	Highest	**Lowest**
	HK$	*HK$*
2001		
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	2.60	2.20

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

SHARES REPURCHASES MADE BY THE COMPANY

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

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 and the Directors, together with their respective associates, were beneficially interested in 96,435,154 Shares, representing approximately 22.85% of the issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%. In the event that the Directors exercise the Repurchase Mandate in full to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting and assuming no further Shares are issued by the Company, the interests of the substantial Shareholders and the Directors, together with their respective associates, in the Company would be increased to approximately 25.38% of the issued share capital of the Company, which will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

None of the Directors or, 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 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 securities to the Company nor has any such connected person undertaken not to sell any of the securities held by him/her to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

The Ordinary Resolution 4(A) to be proposed at the Annual General Meeting relates to the granting to the Directors authority to repurchase of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the ordinary resolution.

The Ordinary Resolution 4(B) to be proposed at the Annual General Meeting relates to the granting to the Directors of a general mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the ordinary resolution.

The Ordinary Resolution 4(C) to be proposed at the Annual General Meeting relates to the extension of the General Mandate to be granted to the Directors, if the Repurchase Mandate is granted, that any Shares repurchased under the Repurchase Mandate will be added to the total number of the Shares which may be allotted and issued under the General Mandate.

PROXY ARRANGEMENT

A form of proxy for use at the Annual General Meeting is enclosed with the annual report of the Company for the year ended 31 December 2001 which has been despatched together with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the branch share registrar of the Company in Hong Kong, Tengis Limited, at 4/F, 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). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting thereof (as the case may be).

RECOMMENDATION

The Directors consider that the Repurchase Mandate and the granting of the general mandate to issue new securities of the Company are in the best interests of the Company and its Shareholders and accordingly recommend that all Shareholders should vote in favour of resolutions 4(A) to 4(C) to be proposed at the Annual General Meeting as they intend to do so themselves in respect of their own holdings.

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