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 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)

PROPOSAL TO
REFRESH THE 10% GENERAL LIMIT ON GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
GENERAL MANDATES TO REPURCHASE SECURITIES
AND TO ISSUE NEW SECURITIES

A notice of the Annual General Meeting to be held at 32/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 19 May 2003 at 11:00 a.m. is set out in the 2002 annual report of the Company. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with the 2002 annual report of the Company which has been despatched to the Shareholders together with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, please complete the form of proxy enclosed with the 2002 annual report of the Company in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

30 April 2003

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

''Annual General Meeting''	the annual 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, 19 May 2003 at 11:00 a.m., to consider, amongst other things, and, if thought fit, (1) to refresh the 10% general limit on grant of options under the Share Option Scheme; and (2) to grant the Repurchase Mandate and the General Mandate to the Directors, or any adjournment thereof (or as the case may be)
''associate(s)''	has the same meaning ascribed to it under the Listing Rules
''Board''	the board of Directors
''Company''	CCT Telecom Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the securities of which are listed on the main board of the Stock Exchange
''connected person(s)''	has the same meaning ascribed to it under the Listing Rules
''Directors''	the directors of the Company
''General Mandate''	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 as at the date of passing of the ordinary resolution in relation thereof
''Group''	the Company and its subsidiaries
''HK$''	Hong Kong dollars, the lawful currency of Hong Kong
''Hong Kong''	the Hong Kong Special Administrative Region of the People's Republic of China
''Latest Practicable Date''	25 April 2003, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
''Listing Rules''	the Rules Governing the Listing of Securities on the Stock Exchange

''Repurchase Mandate''	authority to repurchase the fully paid up Shares 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 in relation thereof
''Share Option Scheme''	the share option scheme adopted by the Company on 28 February 2002
''Shareholder(s)''	the holder(s) of the Share(s)
''Share(s)''	the ordinary share(s) of HK$0.10 each in the share capital of the Company
''Stock Exchange''	The Stock Exchange of Hong Kong Limited
''substantial shareholder(s)''	has the same meaning ascribed to it under the Listing Rules
''Takeovers Code''	the Hong Kong Code on Takeovers and Mergers
''2001 Share Option Scheme''	the share option scheme adopted by the Company on 25 May 2001 and terminated on 28 February 2002
''%''	per cent.

CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mak Shiu Tong, Clement
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

30 April 2003

To the Shareholders and, for information only, the holders of options of the Company

Dear Sir/Madam,

PROPOSAL TO
REFRESH THE 10% GENERAL LIMIT ON GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
GENERAL MANDATES TO REPURCHASE SECURITIES
AND TO ISSUE NEW SECURITIES

INTRODUCTION

At the Annual General Meeting, an ordinary resolution, amongst others, will be proposed for the Company to approve the refreshment of the 10% general limit on grant of options under the Share Option Scheme. Ordinary resolutions will also be proposed that the Directors be given the general mandates to exercise all the powers to repurchase fully paid up securities and to issue new securities of the Company. The purpose of this circular is to provide you with further details in respect of the proposed refreshment of the 10% general limit of the Share Option Scheme and the proposed grant of the General Mandate and the Repurchase Mandate.

REFRESHMENT OF THE 10% GENERAL LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme and terminated the 2001 Share Option Scheme pursuant to an ordinary resolution of the Shareholders on 28 February 2002 in compliance with the amendments to the Listing Rules in respect of the share option schemes of a listed company.

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants, being employees, executives or officers of the Group (including executive and non-executive directors of the Group) and any supplier, consultant, agent, adviser, shareholder, customer, partner, business associate who, in the sole discretion of the Board, will contribute or has contributed to the Group. Except that no further options may be granted under the 2001 Share Option Scheme, all options granted pursuant to the 2001 Share Option Scheme remain valid and exercisable in accordance with the provisions of the 2001 Share Option Scheme.

As at 28 February 2002, being the adoption date of the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all the other share option scheme(s) of the Company is 42,210,523 Shares, being 10% of the Shares in issue on the adoption date of the Share Option Scheme.

As at the Latest Practicable Date, particulars of the options granted under the Share Option Scheme and the 2001 Share Option Scheme are set forth below:

	2001 Share Option Scheme	**Share Option Scheme**
Options outstanding	12,225,000	42,200,000
Options cancelled	–	–
Options lapsed	4,550,000	–
Options exercised	–	–
Options granted (including exercised, outstanding, cancelled or lapsed)	16,775,000	42,200,000

As at the Latest Practicable Date, options carrying the rights to subscribe for up to a total of 42,200,000 Shares have been granted under the Share Option Scheme.

As at the Latest Practicable Date, 10,500,000 options under the Share Option Scheme have been granted to the Directors and substantial Shareholder of the Company and 31,700,000 options under the Share Option Scheme have been granted to the employees of the Company. Each grant of options to a Director or a substantial Shareholder of the Company under the Share Option Scheme has been complied with the requirements as set out in Rule 17.04 of the Listing Rules. No relationship exists between the grantees in respect of the 10,500,000 options.

Set out below is the options granted to the Directors and substantial Shareholder of the Company under the Share Option Scheme:

Name of Director/ substantial shareholders of the Company	Number of share options granted	Relationship between the grantee and the Company	Percentage of Shares to be issued upon the exercise of the options granted as at the date of grant (approximate %)
Mak Shiu Tong, Clement	420,000	Executive Director and substantial Shareholder	0.1
Cheng Yuk Ching, Flora	4,200,000	Executive Director	1.0
Tam Ngai Hung, Terry	4,200,000	Executive Director	1.0
William Donald Putt	420,000	Executive Director	0.1
Samuel Olenick	420,000	Independent non-executive Director	0.1
Lau Ho Man, Edward	420,000	Independent non-executive Director	0.1
Tam King Ching, Kenny	420,000	Independent non-executive Director	0.1

Unless the 10% general limit on grant of options under the Share Option Scheme is ''refreshed'', only up to 10,523 Shares may be issued pursuant to the grant of further options under the Share Option Scheme.

It is therefore proposed that subject to the approval of the Shareholders at the Annual General Meeting and such other requirements prescribed under the Listing Rules, the general limit on grant of options under the Share Option Scheme and all other share option scheme(s) of the Company will be refreshed to 10% of the Shares in issue as at the date of the approval by the Shareholders at the Annual General Meeting and options previously granted under any share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with such scheme(s) or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the

Company or any of its subsidiaries if this will result in the 30% limit being exceeded. The Shares which may fall to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and the 2001 Share Option Scheme represent approximately 12.89% of the total number of Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, there were 422,105,230 Shares in issue. Assuming that no further Shares will be issued prior to the date of approving the refreshed limit by the Shareholders, the maximum number of options that can be granted by the Company under the refreshed limit would be 42,210,523 Shares.

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting to approve the ''refreshed'' limit of the Share Option Scheme and all other share option scheme(s) of the Company such that the total number of securities which may be issued upon exercise of all options to be granted under the refreshed limit must not exceed 10% of the total number of Shares in issue as at the date of approving of the refreshed limit.

The adoption of the refreshed limit of the Share Option Scheme and other share option scheme(s) of the Company is conditional upon:

(a) the Shareholders passing an ordinary resolution to approve the refreshment of the 10% general limit on grant of options under the Share Option Scheme and all other share option scheme(s) of the Company at the Annual General Meeting; and

(b) the Stock Exchange granting the approval of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit of the Share Option Scheme and all other share option scheme(s) of the Company.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued upon exercise of any options that may be granted under the refreshed limit of the Share Option Scheme and all other share option scheme(s) of the Company.

GENERAL MANDATES TO REPURCHASE SECURITIES AND TO ISSUE NEW SECURITIES

General mandate to repurchase securities

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Repurchase Mandate. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the issued and fully paid up share capital of the Company as at the date of passing of the resolution. The Company's authority is restricted to repurchase securities of the Company on the market in

accordance with the Listing Rules. The mandate allows the Company to make purchases only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by the Company's articles of association or any applicable law of the Cayman Islands or the date upon which such authority is revoked or varied by an ordinary resolutions of the Shareholders in a general meeting of the Company.

In accordance with the Listing Rules, this circular also serves as an 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 the proposed ordinary resolution for the grant of the Repurchase Mandate at the Annual General Meeting.

General mandate to issue new securities

At the Annual General Meeting, a resolution will also be proposed that the Directors be given a general mandate to issue new securities representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution in order to ensure flexibility and discretion to the Directors to issue new securities. In addition, a resolution will also be proposed to extend the General Mandate by adding to it the number of such securities repurchased under the Repurchase Mandate.

Reasons 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 level of the Company as compared with the position disclosed in its most recent published audited accounts as at 31 December 2002.

Share capital

As at the Latest Practicable Date, the Company had 422,105,230 Shares in issue or an issued share capital of HK$42,210,523. As at the Latest Practicable Date, there were outstanding share options granted under the 2001 Share Option Scheme and the Share Option Scheme entitling holders thereof to subscribe for an aggregate of 12,225,000 and 42,200,000 Shares respectively.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that none of the outstanding share options is exercised and no further Shares is issued, allotted 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 the share capital of HK$4,221,052.30, 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 to 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 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$*
2002		
April	2.375	1.980
May	2.325	2.000
June	2.050	1.400
July	1.500	0.760
August	1.280	0.800
September	1.100	0.750
October	0.890	0.680
November	0.840	0.710
December	0.850	0.660
2003		
January	0.790	0.660
February	0.980	0.680
March	0.910	0.700

Securities repurchased by the Company

The Company did not repurchase any of its securities (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Disclosure of interests

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 securities repurchase by a company, a shareholder's proportionate interest in the voting rights of the company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the substantial shareholders, together with their respective associates, were beneficially interested in an aggregate of 86,261,941 Shares, representing approximately 20.44% 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 repurchase to be made under the Repurchase Mandate. However, the Company may not repurchase the 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 securities in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting and assuming no further Shares is 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, 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 securities to the Company or its subsidiaries (as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)).

No connected person has notified the Company that he/she has a present intention to sell any securities to the Company or has 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.

PROXY ARRANGEMENT

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with the 2002 annual report of the Company which has been despatched to the Shareholders together with this circular. Whether or not you intend to attend and vote at the Annual

General Meeting in person, you are requested to complete the form of proxy enclosed with the 2002 annual report of the Company in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible but in any event, not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

RECOMMENDATION

The Directors consider that (1) the proposed refreshment of the 10% general limit on grant of options under the Share Option Scheme; and (2) the proposed granting of the Repurchase Mandate and the General Mandate to the Directors are in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the ordinary resolutions 5 to 8 to be proposed at the Annual General Meeting in respect thereof.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the head office and principle place of business of the Company during the normal business hours from the date of this circular up to and including the date of the Annual General Meeting:

(i) the memorandum and articles of association of the Company;

(ii) the Share Option Scheme; and

(iii) this circular.

Yours faithfully,
For and on behalf of
CCT TELECOM HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman