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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in CCT Telecom Holdings Limited, you should at once hand this circular to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward 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)

(Stock Code: 138)

DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY

25 October 2004

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

"Acquisition"	the acquisition of the Property by the Purchaser
"Announcement"	the announcement of the Company dated 30 September 2004 detailing the Provisional Sale and Purchase Agreement and the Acquisition
"associate"	has the same meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the main board of the Stock Exchange
"connected person"	has the same meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Formal Agreement"	the formal sale and purchase agreement which has been entered into between the Vendor and the Purchaser on 12 October 2004 in relation to the sale and purchase of the Property
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	19 October 2004, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	House 36 and car parking spaces no. 3 and no. 4, no. 56 Repulse Bay Road, Hong Kong
"Provisional Sale and Purchase Agreement"	the provisional sale and purchase agreement dated 28 September 2004 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
"Purchase Price"	the purchase price of HK$91,146,000 for the Property
"Purchaser"	Canford Holdings Limited, a wholly-owned subsidiary of the Company
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of HK$0.10 each in the capital of the Company

"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the same meaning ascribed to it under the Listing Rules
"Vendor"	Bridge World Associates Limited, an independent third party and not a connected person of the Company
"%"	per cent.

CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:
Mak Shiu Tong, Clement
Tam Ngai Hung, Terry
Cheng Yuk Ching, Flora
William Donald Putt

Independent non-executive Directors:
Samuel Olenick
Tam King Ching, Kenny
Lau Ho Man, Edward

Registered office:
The offices 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 in Hong Kong:
32/F., China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

25 October 2004

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

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

Reference is made to the Announcement.

It was announced on 30 September 2004 that the Purchaser, a wholly-owned subsidiary of the Company, has entered into a binding provisional sale and purchase agreement with the Vendor, pursuant to which the Purchaser will acquire from the Vendor the Property for a purchase price of HK$91,146,000. The Purchase Price was determined after arm's length negotiation and was based on normal commercial terms.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide the Shareholders with details of the Provisional Sale and Purchase Agreement and the Acquisition.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date: 28 September 2004

Parties:

(a) Purchaser: Canford Holdings Limited, a wholly-owned subsidiary of the Company

(b) Vendor: Bridge World Associates Limited. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are independent third parties and not connected persons of the Company. Bridge World Associates Limited is principally engaged in property investment holding

Sale and purchase:

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor will sell and the Purchaser will purchase the Property upon the terms contained therein. The Vendor and the Purchaser have entered into the Formal Agreement on 12 October 2004, which set out the terms of the Acquisition in more detail and superseded the Provisional Sale and Purchase Agreement.

The Property will be sold with the underlying lease (except that the car parking spaces will be sold with vacant possession).

Property:

The property is House 36 and car parking spaces no. 3 and no. 4, no. 56 Repulse Bay Road, Hong Kong, comprising a total gross floor area of approximately 4,143 square feet plus a terrace of approximately 2,244 square feet.

Purchase Price:

The purchase price is HK$91,146,000.

The Purchase Price was determined after arm's length negotiation by reference to the market price. There was no independent valuation conducted on the Property. All stamp duty and registration fees relating to the Property will be borne by the Purchaser. It is estimated that the Purchase Price together with the necessary stamp duty, registration fees and legal costs will put the total costs of the Property at approximately HK$95,000,000.

The Directors (including the independent non-executive Directors) believe that the Purchase Price is fair and reasonable and in the interests of the Shareholders as a whole.

Terms of payment:

(a) an initial deposit of HK$4,557,300 has been paid by the Purchaser to the Vendor upon the signing of the Provisional Sale and Purchase Agreement;

(b) a further deposit of HK$4,557,300 has been paid by the Purchaser to the Vendor upon the signing of the Formal Agreement on 12 October 2004;

(c) part payment of the Purchase Price in the sum of HK$4,557,300 will be paid by the Purchaser to the Vendor on or before 30 October 2004;

(d) a further part payment of the Purchase Price in the sum of HK$4,557,300 will be paid by the Purchaser to the Vendor on or before 30 November 2004; and

(e) the balance of the Purchase Price of HK$72,916,800 will be paid by the Purchaser to the Vendor on or before completion of the Acquisition.

The Company will satisfy the Purchase Price as to approximately 30% by internal resources of the Company and as to approximately 70% by a mortgage loan to be taken out on the Property.

Completion:

Completion of the sale and purchase of the Property will take place on or before 31 December 2004.

REASON FOR THE ACQUISITION

The Company has confidence in the future of the luxurious property market and the transaction contemplated under the Acquisition is likely to provide the Group with good return for the investment. The Property is currently being leased to an independent third party for a monthly rent of approximately HK$160,000. The current lease of the Property will remain valid until 31 December 2004. The Company intends to hold the Property as long-term investment.

The Board does not expect any significant impact on the earnings and net asset value of the Group upon completion of the Acquisition.

GENERAL

The principal activities of the Group are the manufacture and sale of telecom products and accessories and the manufacture and sale of baby and health care products.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement contained herein misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised share capital:		*HK$*
2,000,000,000	Shares	200,000,000
Issued and fully paid or credited as fully paid Shares:		
422,105,230	Shares	42,210,523

3. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the Directors and the chief executive of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

(*I*) *Interests and short positions in the Shares, underlying Shares and debentures of the Company*

(i) Long positions in the Shares:

Name of Director	*Notes*	**Number of Shares beneficially held and nature of interest**				**Approximate percentage of total shareholding** *(%)*
		Personal	**Family**	**Corporate**	**Total**	
Mak Shiu Tong, Clement	*(a)*	—	—	86,261,941	86,261,941	20.44
Cheng Yuk Ching, Flora	*(b)*	9,876,713	100,000	—	9,976,713	2.36
William Donald Putt		171,500	—	—	171,500	0.04
Samuel Olenick	*(c)*	—	—	125,000	125,000	0.03

Notes:

(a) The Shares were held by Capital Force International Limited and Capital Interest Limited, which are corporations controlled by Mr. Mak Shiu Tong, Clement. These interests in the Shares have also been disclosed under the section headed "Substantial Shareholders' Interests" below.

(b) The family interest of Ms. Cheng Yuk Ching, Flora in 100,000 Shares was held by her husband, Mr. Po Pui Lam, and she was deemed to be interested in the same under the provisions of Part XV of the SFO.

(c) Mr. Samuel Olenick was deemed to be interested in 125,000 Shares under the provisions of Part XV of the SFO.

(ii) Long positions in the underlying Shares of equity derivatives of the Company — Share options:

Name of Director	Date of grant of share options	Exercise period of share options	Exercise price per Share *HK$*	Number of share options outstanding	Number of total underlying Shares	Approximate percentage of total shareholding *(%)*
Mak Shiu Tong, Clement	17/3/2003	17/3/2003 – 16/3/2008	0.750	420,000	420,000	0.10
Cheng Yuk Ching, Flora	17/3/2003	17/3/2003 – 16/3/2008	0.750	4,200,000	4,200,000	1.00
Tam Ngai Hung, Terry	17/3/2003	17/3/2003 – 16/3/2008	0.750	4,200,000	4,200,000	1.00
William Donald Putt	17/3/2003	17/3/2003 – 16/3/2008	0.750	420,000	420,000	0.10
Samuel Olenick	17/3/2003	17/3/2003 – 16/3/2008	0.750	420,000	420,000	0.10
Tam King Ching, Kenny	17/3/2003	17/3/2003 – 16/3/2008	0.750	420,000	420,000	0.10
Lau Ho Man, Edward	17/3/2003	17/3/2003 – 16/3/2008	0.750	420,000	420,000	0.10

(II) Interests and short positions in the shares, underlying shares and debentures of associated corporations

(i) Long positions in the shares of Haier-CCT Holdings Limited ("**Haier-CCT**"):

Name of Director	*Notes*	Number of shares beneficially held and nature of interest		Approximate percentage of total shareholding *(%)*
		Personal	Corporate	
Mak Shiu Tong, Clement	*(a)*	—	107,219,667	1.076
Cheng Yuk Ching, Flora		19,312,498	—	0.194
Tam Ngai Hung, Terry		10,000,000	—	0.100
William Donald Putt		179,112	—	0.002
Samuel Olenick	*(b)*	—	130,548	0.001

Notes:

(a) The shares were held by Capital Winner Investments Limited and Capital Interest Limited, which are corporations controlled by Mr. Mak Shiu Tong, Clement.

(b) Mr. Samuel Olenick was deemed to be interested in 130,548 shares under the provisions of Part XV of the SFO.

(ii) Long positions in the underlying shares of equity derivatives of Haier-CCT — Share options:

Name of Director	Date of grant of share options	Exercise period of share options	Exercise price per share *HK$*	Number of share options outstanding	Number of total underlying shares	Approximate percentage of total shareholding *(%)*
Mak Shiu Tong, Clement	16/8/2002	16/8/2003 – 15/8/2007	0.156	89,000,000	89,000,000	0.89
Cheng Yuk Ching, Flora	16/8/2002	16/8/2003 – 15/8/2007	0.156	89,000,000	89,000,000	0.89
Tam Ngai Hung, Terry	16/8/2002	16/8/2003 – 15/8/2007	0.156	89,000,000	89,000,000	0.89
William Donald Putt	16/8/2002	16/8/2003 – 15/8/2007	0.156	5,000,000	5,000,000	0.05

(iii) Long positions in the underlying shares of equity derivatives of CCT Tech International Limited:

(1) Share options:

Name of Director	Date of grant of share options	Exercise period of share options	Exercise price per share *HK$*	Number of share options outstanding	Number of total underlying shares	Approximate percentage of total shareholding *(%)*
Mak Shiu Tong, Clement	30/4/2003	30/4/2003 – 29/4/2008	0.014	100,000,000	100,000,000	0.64
Cheng Yuk Ching, Flora	30/4/2003	30/4/2003 – 29/4/2008	0.014	100,000,000	100,000,000	0.64
Tam Ngai Hung, Terry	30/4/2003	30/4/2003 – 29/4/2008	0.014	100,000,000	100,000,000	0.64

(2) Convertible note:

Name of Director	Description of equity derivatives	Number of total underlying shares	Approximate percentage of total shareholding *(%)*
Mak Shiu Tong, Clement *(Note)*	HK$45 million zero coupon convertible note due 2005	4,500,000,000	28.96

Note: The HK$45 million zero coupon convertible note due 2005 was held by New Capital Industrial Limited, which is a corporation controlled by Mr. Mak Shiu Tong, Clement.

(b) Particulars of Directors' other interests

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with the Company or any other member of the Group (excluding contracts expiring or determinable within one year without payment of compensation other than statutory compensation).

(c) Save as disclosed above, as at the Latest Practicable Date:

(i) none of the Directors and the chief executive of the Company and their respective associates held any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange;

(ii) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2003, being the date of the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group;

(iii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement was subsisting and which was significant in relation to the business of the Group taken as a whole; and

(iv) none of the Directors was interested in any business that was in competition with the Group.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as was known to, or could be ascertained after reasonable enquiries by, the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Shares:

Name of Shareholder	Number of Shares held	Approximate percentage of total shareholding *(%)*
Capital Force International Limited *(Note)*	56,850,093	13.47
Capital Interest Limited *(Note)*	29,411,848	6.97
	86,261,941	20.44

Note: Capital Force International Limited and Capital Interest Limited are corporations controlled by Mr. Mak Shiu Tong, Clement. These interests in the Shares have also been disclosed under the section headed "Disclosure of Interests" above.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, there was no other person (other than the Directors or the chief executive of the Company) who had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

6. MATERIAL ADVERSE CHANGE

Save as disclosed herein, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2003, being the date of the latest published audited accounts of the Company were made up.

7. GENERAL

(a) The registered office of the Company is located at the offices of The Harbour Trust Co. Ltd., P. O. Box 1787 GT, One Capital Place, Grand Cayman, Cayman Islands, British West Indies and the head office and the principal place of business of the Company in Hong Kong is located at 32/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

(b) The branch share registrar and transfer office of the Company in Hong Kong is Tengis Limited located at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

(c) The qualified accountant of the Company is Mr. Cheung Chi Wah, Patrick, who is an associate of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) and a fellow of the Association of Chartered Certified Accountants.

(d) The company secretary of the Company is Ms. Low Pui Man, Jaime, who is a fellow of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.

(e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.