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 securities in CCT Telecom Holdings Limited, you should at once hand this circular to the purchaser or 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.

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CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 138)

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTY

23 March 2006

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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 6 March 2006 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 the Directors
"Company"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda 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 directors of the Company from time to time
"Formal Agreement"	the formal sale and purchase agreement entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Latest Practicable Date"	17 March 2006, 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 37 and two car parking spaces, no. 56 Repulse Bay Road, Hong Kong
"Provisional Sale and Purchase Agreement"	the provisional sale and purchase agreement dated 2 March 2006 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Property
"Purchase Price"	the purchase price of HK$93,678,000 for the Property
"Purchaser"	Topcon Investments Limited, an indirect 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 share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	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.

CITIC TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 138)

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:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and principal place of business in Hong Kong:
2208, 22nd Floor
St. George's Building
2 Ice House Street
Central
Hong Kong

23 March 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTY

INTRODUCTION

Reference is made to the Announcement.

It was announced that on 2 March 2006, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into a binding Provisional Sale and Purchase Agreement with the Vendor. Pursuant to the Provisional Sale and Purchase Agreement, the Purchaser will acquire from the Vendor the Property for a purchase price of HK$93,678,000. 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 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.

PROVISIONAL SALE AND PURCHASE AGREEMENT

Date: 2 March 2006

Parties: (a) Purchaser: Topcon Investments Limited, an indirect 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

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 already entered into the Formal Agreement on 16 March 2006. The Formal Agreement has superseded the Provisional Sale and Purchase Agreement. The terms of the Formal Agreement were not materially different from the Provisional Sale and Purchase Agreement.

The Property will be sold with vacant possession.

Property:

The Property is House 37 and two car parking spaces, no. 56 Repulse Bay Road, Hong Kong. The Property enjoys an unobstructed full sea view of the southern side of the Hong Kong Island and is a duplex house, comprising a total gross floor area of approximately 4,053 square feet (excluding the area of the car parking spaces) plus a terrace of approximately 1,522 square feet.

Purchase Price:

The purchase price is HK$93,678,000, payable in cash.

The Purchase Price was determined after arm's length negotiation by reference to the market price. The current market price for a car parking space at the residential development where the Property is located is approximately HK$1,000,000 each. The current market price of the Property excluding the two car parking spaces is approximately HK$22,620 per square foot with reference to the recent sale of another house at the residential development. There was no independent valuation conducted on the Property. It is estimated that the Purchase Price together with such registration fee and legal costs will put the total costs of the Property at approximately HK$93,900,000.

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 Payments:

(a) an initial deposit of HK$3,850,350 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$5,517,450 has been paid by the Purchaser to the Vendor on 16 March 2006;

(c) part payment of the Purchase Price in the sum of HK$4,683,900 will be paid by the Purchaser to the Vendor on or before 20 April 2006; and

(d) the balance of the Purchase Price of HK$79,626,300 will be paid by the Purchaser to the Vendor on or before completion of the Acquisition.

The Company intends to 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. The Company are in the process of arranging the mortgage loan.

Completion:

Completion of the Acquisition will take place on or before 20 May 2006. There is no conditions imposed on the transaction other than the Vendor to show and the Purchaser to be satisfied of good title over the Property.

REASON FOR THE ACQUISITION

Other than its manufacturing business, the Group has also engaged in investment in properties. The Company has confidence in the future of the luxury property market. After completion of the Acquisition, the Company intends to let out the Property to the independent third party. As the Property is located in a prime luxury residential area and the supply of the luxury houses is scarce in Hong Kong, the Directors believe that the Acquisition will produce satisfactory recurrent rental income on one hand and potential good long-term capital gain in the future. The Company intends to hold the Property as long-term investment.

EFFECT OF THE TRANSACTION

Upon completion, the investment property of the Group will be increased by approximately HK$94 million, the cash of the Group will be decreased by approximately HK$28 million and the bank borrowing will be increased by approximately HK$66 million. Save as disclosed herein, the Directors are of the opinion that there is no material adverse effect on the earnings, assets and liabilities of the Group for the Acquisition.

GENERAL

The Group is principally engaged in (i) the manufacture, sale, design and development of telecom products and electronic products; (ii) the manufacture of power supply and plastic components; (iii) the manufacture and sale of baby products; and (iv) investment in properties and securities.

Bridge World Associates Limited, to the best of the Directors' knowledge, is principally engaged in property holding.

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. DISCLOSURE OF INTERESTS

(a) The Directors' interests and short positions in the shares and the underlying shares of the convertible bonds 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:

(1) Interests and short positions in the Shares and the underlying Shares of the convertible bonds of the Company

(i) Long positions in the Shares:

Name of the Director	*Notes*	Number of the Shares beneficially held and nature of interest				Approximate percentage of total issued share capital *(%)*
		Personal	Family	Corporate	Total	
Mak Shiu Tong, Clement	*(a)*	715,652	—	126,280,640	126,996,292	19.37
Cheng Yuk Ching, Flora	*(b)*	14,076,713	120,000	—	14,196,713	2.17
Tam Ngai Hung, Terry		1,868,000	—	—	1,868,000	0.28
William Donald Putt		591,500	—	—	591,500	0.09
Samuel Olenick	*(c)*	—	—	545,000	545,000	0.08

Notes:

(a) Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 126,280,640 Shares were held by corporations controlled by Mr. Mak Shiu Tong, Clement, whose interest in the Shares has also been disclosed under the section headed "Substantial Shareholders' Interests" below.

(b) Included in the shareholdings in which Ms. Cheng Yuk Ching, Flora was interested, 120,000 Shares were held by the spouse of Ms. Cheng Yuk Ching, Flora who was deemed to be interested in such Shares under the provisions of Part XV of the SFO.

(c) Mr. Samuel Olenick was deemed to be interested in 545,000 Shares under the provisions of Part XV of the SFO.

(ii) Long positions in the underlying Shares of the convertible bonds of the Company — The convertible bonds due 2010:

Name of the Director	Number of the total underlying Shares	Approximate percentage of total issued share capital *(%)*
Mak Shiu Tong, Clement *(Note)*	171,357,615	26.13

Note: The convertible bonds were issued by the Company to New Capital Industrial Limited (a company controlled by Mr. Mak Shiu Tong, Clement) on 25 April 2005, with an outstanding principal amount of HK$103,500,000 as at the Latest Practicable Date. The convertible bonds are interest free, convertible into the Shares at a conversion price of HK$0.604 per Share (subject to adjustments according to the terms of the convertible bonds) as at the Latest Practicable Date and due on 25 April 2010. This interest in the underlying Shares has also been disclosed under the section headed "Substantial Shareholders' Interests" below.

(2) Interests and short positions in the shares and the underlying shares of an associated corporation — CCT Tech International Limited ("CCT Tech")

None of the Directors had interests and short positions in respect of the shares, debentures, equity derivatives or interests in the underlying shares of CCT Tech.

(b) Particulars of the 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 by the Company or any member of the Group 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 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;

(ii) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2004, 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.

3. 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 the underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

(i) Long positions in the Shares:

Name of the Shareholder	Number of the Shares held	Approximate percentage of total issued share capital *(%)*
Capital Force International Limited *(Note)*	96,868,792	14.77
Capital Interest Limited *(Note)*	29,411,848	4.49
	126,280,640	19.26

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

(ii) Long positions in the underlying Shares of the convertible bonds of the Company — The convertible bonds due 2010:

Name of the holder of the convertible bonds due 2010	Amount of the convertible bonds due 2010 *HK$*	Number of the total underlying Shares	Approximate percentage of total issued share capital *(%)*
New Capital Industrial Limited *(Note)*	103,500,000	171,357,615	26.13

Note: The convertible bonds were issued by the Company to New Capital Industrial Limited (a company controlled by Mr. Mak Shiu Tong, Clement) on 25 April 2005, with an outstanding principal amount of HK$103,500,000 as at the Latest Practicable Date. The convertible bonds are interest free, convertible

into the Shares at a conversion price of HK$0.604 per Share (subject to adjustments according to the terms of the convertible bonds) as at the Latest Practicable Date and due on 25 April 2010. This interest in the underlying Shares has 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 the underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

4. 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.

5. GENERAL

(a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the head office and the principal place of business of the Company in Hong Kong is located at 2208, 22nd Floor, St. George's Building, 2 Ice House Street, Central, Hong Kong.

(b) The branch share registrar and transfer office of the Company in Hong Kong is Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 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 Chartered Secretaries.

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