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 and the accompanying form of proxy 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.

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.

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CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 138)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE PROPERTY AND ISSUE OF THE 2009 CONVERTIBLE BOND

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

第一上海
FIRST SHANGHAI GROUP

FIRST SHANGHAI CAPITAL LIMITED

A letter from the Board is set out on pages 3 to 11 of this circular. A letter from the Independent Board Committee is set out on pages 12 to 13 of this circular.

A letter from First Shanghai containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 23 of this circular.

A notice convening the SGM to be held at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong at 10:00 a.m. on Monday, 5 June 2006 is set out on pages 37 to 38 of this circular. A form of proxy for use by the Independent Shareholders at the SGM is enclosed herein. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the SGM. Such form of proxy for use at the SGM is also published on the website of the Stock Exchange (www.hkex.com.hk). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person should you so wish.

19 May 2006

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

"2009 Convertible Bond"	the zero coupon convertible bond in the principal amount of HK$30 million, due on the third anniversary of the date of the issue of the 2009 Convertible Bond, to be issued by the Company on completion date of the Acquisition at the request and direction of the Vendor to Capital Winner Investments Limited, a company controlled by Mr. Mak and his associates, or such other person or company nominated by the Vendor, to satisfy part of the Consideration in the amount of HK$30 million
"Acquisition"	the acquisition of the Property by the Purchaser from the Vendor subject to the terms of the Agreement
"Agreement"	the conditional sale and purchase agreement dated 27 April 2006 entered into between the Purchaser and the Vendor relating to the sale and purchase of the Property
"Announcement"	the announcement of the Company dated 28 April 2006 detailing the Agreement and the Acquisition
"associates"	has the same meaning ascribed to it under the Listing Rules
"Board"	the board of the Directors
"Business Day(s)"	a day (excluding Saturdays) on which banks are generally open in Hong Kong for general banking transactions for more than four hours
"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
"Conditions"	the conditions precedent set out under the heading of "Conditions of the Agreement" in the "Letter from the Board" of this circular
"connected person"	has the same meaning ascribed to it under the Listing Rules
"Consideration"	HK$80 million for the sale and purchase of the Property and to be satisfied in the manner as set out in the Agreement
"Director(s)"	the director(s) of the Company
"First Shanghai"	First Shanghai Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and a licensed corporation under the SFO permitted to engage in type 6 (advising on corporate finance) of the regulated activity as defined under the SFO
"Group"	the Company and its subsidiaries from time to time
"HK$"	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

"Independent Board Committee"	the independent board committee of the Company, comprising Mr. Tam King Ching, Kenny, Mr. Lau Ho Man, Edward and Mr. Samuel Olenick, being the independent non-executive Directors appointed by the Board, has been established for the purpose of advising the Independent Shareholders in relation to the Acquisition
"Independent Shareholder(s)"	the Shareholder(s) other than Mr. Mak and his associates
"Jones Lang"	Jones Lang LaSalle Limited, an independent valuer for properties
"Latest Practicable Date"	15 May 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, a substantial Shareholder, the Chairman of the Board and an executive Director
"Property"	House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong
"Purchaser"	Rich Full International Industries Limited, an indirect wholly-owned subsidiary of the Company, which is the Purchaser under the Agreement to acquire the Property from the Vendor
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held at 10:00 a.m. on Monday, 5 June 2006 at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong for the purpose of approving, inter alia, the Agreement and the Acquisition or any adjournment thereof (as the case may be)
"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"	has the same meaning ascribed to it under the Listing Rules
"Vendor"	Fine Bonus Enterprises Limited, a company incorporated in Hong Kong with limited liability and controlled by Mr. Mak and his associates, which is the Vendor under the Agreement
"%"	per cent.

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, 22/F.
St. George's Building
2 Ice House Street
Central
Hong Kong

19 May 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE PROPERTY AND ISSUE OF THE 2009 CONVERTIBLE BOND

INTRODUCTION

Reference is made to the Announcement. The Board announced that on 27 April 2006, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into a conditional Agreement with the Vendor, a company controlled by Mr. Mak and his associates, pursuant to which the Purchaser will acquire from the Vendor the Property for a consideration of HK$80 million.

The Consideration was determined after arm's length negotiation and with reference to the independent valuation conducted by Jones Lang on the Property in the amount of HK$80.5 million as at 27 April 2006.

As the Vendor is controlled by Mr. Mak and his associates and Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under the Listing Rules.

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

The Independent Board Committee has been formed to advise the Independent Shareholders in relation to the Agreement and the Acquisition.

An independent financial adviser, First Shanghai, has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Agreement and the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned.

The purpose of this circular is to provide the Shareholders with (i) further information regarding, among other things, the Agreement and the Acquisition; (ii) a letter of advice in respect of the terms of the Agreement and the Acquisition from First Shanghai to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the terms of the Agreement and the Acquisition; and (iv) the notice of the SGM.

THE AGREEMENT

Date: 27 April 2006

Parties:

The Vendor: Fine Bonus Enterprises Limited, a company controlled by Mr. Mak and his associates. Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director. Mr. Mak and his associates are interested in approximately 19.37% of the issued share capital of the Company as at the Latest Practicable Date

The Purchaser: Rich Full International Industries Limited, an indirect wholly-owned subsidiary of the Company

Sale and Purchase:

Pursuant to the Agreement entered into between the Vendor and the Purchaser on 27 April 2006, the Vendor will sell and the Purchaser will purchase the Property in accordance with the terms of the Agreement. The Property will be sold with vacant possession.

The Property:

The property is House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong. The Property is a semi-detached duplex house, comprising a total gross floor area of approximately 3,980 square feet. The Property enjoys an unobstructed full sea view of the southern side of Hong Kong Island.

The Consideration:

The Consideration is HK$80 million, which shall be satisfied on completion of the Acquisition in the following manner:

(a) HK$50 million shall be paid by the Purchaser to the Vendor in cash which will be used by the Vendor to repay the existing mortgage loan on the Property; and

(b) at the request and by the direction of the Vendor, HK$30 million shall be satisfied by the 2009 Convertible Bond to be issued by the Company to Capital Winner Investments Limited (a company controlled by Mr. Mak and his associates) or any other person or company nominated by the Vendor.

The Property was acquired by the Vendor in May 1997 at approximately HK$85 million. The Consideration was determined after arm's length negotiation with reference to the independent valuation on the Property of HK$80.5 million as at 27 April 2006 which was carried out by Jones Lang, a property valuer independent of the Purchaser and the Vendor. The Consideration of HK$80 million represents a discount of approximately 0.6% to the valuation of the Property. The Directors consider that the Consideration to be fair and reasonable so far as the Company and the Shareholders as a whole are concerned. The stamp duty and registration fees relating to the acquisition of the Property will be borne by the Purchaser. It is estimated that the total acquisition costs of the Property including the Consideration, stamp duty, registration fees and legal costs will amount to approximately HK$84 million.

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

The Purchaser intends to borrow a mortgage loan from a bank in order to finance the cash portion of the Consideration. The balance of the Consideration will be satisfied by the 2009 Convertible Bond. Therefore, the Group will not need to use any substantial amount of its existing cash resources to fund the Acquisition.

Terms of the 2009 Convertible Bond:

Issuer:	The Company
Bondholder:	Capital Winner Investments Limited or such other person or company nominated by the Vendor
Principal amount:	HK$30 million
Interest:	The 2009 Convertible Bond does not bear any interest
Conversion price:	HK$1.13 per Share, subject to adjustments in accordance with the terms and conditions of the 2009 Convertible Bond
Conversion right:	Subject to the exercise of the right of redemption by the Company, the 2009 Convertible Bond may be converted in whole or in part (in an amount not less than HK$100,000 or its multiple at any one time), at any time from the date of issue of the 2009 Convertible Bond to the fifth Business Day immediately prior to the maturity thereof. In the event that at any time the outstanding principal amount of the 2009 Convertible Bond is less than HK$100,000, the whole (but not part only) of the principal amount of the 2009 Convertible Bond may be converted

Maturity/ Redemption:	The Company shall, unless the 2009 Convertible Bond has previously been converted, repay the outstanding principal amount of the 2009 Convertible Bond on the third anniversary of the date of issue of the 2009 Convertible Bond. The Company shall have the right, at any time by written notice to the holder(s) of the 2009 Convertible Bond, to redeem at par of the whole or part of the outstanding principal amount of the 2009 Convertible Bond
Transferability:	The 2009 Convertible Bond may be assigned to a third party subject to compliance with the terms and conditions of the 2009 Convertible Bond and further subject to the conditions, approvals, requirements and any other provisions of or under all applicable laws and regulations and the Listing Rules. If the 2009 Convertible Bond is transferred to a connected person(s) of the Company or its associates (other than a subsidiary or holding company or the subsidiary of such holding company of the bondholder), the Company shall immediately notify the Stock Exchange and all such transfers will be made subject to full compliance with the Listing Rules
Listing:	No application will be made for the listing of the 2009 Convertible Bond on the Stock Exchange or any other recognised stock exchanges. Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon exercise of the conversion rights attaching to the 2009 Convertible Bond. Such Shares, when issued, will rank *pari passu* in all respects with all Shares in issue or to be issued
Voting:	The holder of the 2009 Convertible Bond shall not be entitled to receive notices of, attend or vote at any general meetings of the Company by reason only of it being the holder of the 2009 Convertible Bond

The 2009 Convertible Bond is interest free and will be repaid/redeemed at par value if it is not converted into the Shares. The holder of the 2009 Convertible Bond will not earn any yield or return by holding the 2009 Convertible Bond to maturity.

Upon full conversion of the 2009 Convertible Bond, a total of 26,548,672 Shares will be issued at the initial conversion price of HK$1.13 per Share, which represent approximately 4.05% of the entire existing issued share capital of the Company and approximately 3.89% of the entire issued share capital of the Company as enlarged by the Shares to be issued upon full conversion of the 2009 Convertible Bond.

The initial conversion price of HK$1.13 per Share represents

(i) the average closing price as quoted on the Stock Exchange for the last 3 trading days up to and including 26 April 2006, being the last trading day immediately before the entering into the Agreement;

(ii) a discount of approximately 2.6% to the closing price of HK$1.16 per Share as quoted on the Stock Exchange on 26 April 2006;

(iii) a discount of approximately 8.7% to the average closing price of approximately HK$1.238 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 26 April 2006;

(iv) a discount of approximately 7.2% to the average closing price of approximately HK$1.218 per Share as quoted on the Stock Exchange for the last 20 trading days up to and including 26 April 2006;

(v) a discount of approximately 6.3% to the average closing price of approximately HK$1.206 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including 26 April 2006;

(vi) a discount of approximately 1.7% to the closing price of HK$1.15 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

(vii) a discount of approximately 3.6% to the average closing price of approximately HK$1.172 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Latest Practicable Date;

(viii) a discount of approximately 6.5% to the average closing price of approximately HK$1.209 per Share as quoted on the Stock Exchange for the last 20 trading days up to and including the Latest Practicable Date;

(ix) a discount of approximately 6.2% to the average closing price of approximately HK$1.205 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Latest Practicable Date; and

(x) a discount of approximately 72.6% to the audited consolidated net asset value of the Company per Share of approximately HK$4.13 per Share as at 31 December 2005.

Conditions of the Agreement:

Completion is conditional on:

(a) all requisite resolution(s) being passed by the Independent Shareholders by way of a poll at the SGM approving the terms of and the transactions contemplated in the Agreement and the implementation thereof;

(b) the Stock Exchange having granted the listing of, and permission to deal in, the Shares falling to be issued upon exercise of the conversion rights attaching to the 2009 Convertible Bond; and

(c) the granting of the requisite approval(s)/consent(s) by the Bermuda Monetary Authority for the issue of the Shares falling to be issued upon exercise of the conversion rights attaching to the 2009 Convertible Bond.

All the above Conditions cannot be waived and there is no current intention to waive any of the Conditions. In the event that any of the Conditions shall not have been fulfilled on or before 31 August 2006 or such later date as the parties may mutually agree, the Agreement shall be cancelled. In such event, the parties hereto shall enter into an agreement terminating the Agreement.

As at the Latest Practicable Date, none of the above Conditions have been fulfilled.

Completion:

Subject to the fulfillment of the Conditions, completion of the Acquisition shall take place on or before 21 September 2006.

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 in Hong Kong. After completion of the Acquisition, the Company intends to let out the Property to an 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 and potential good long-term capital gain in the future. The Acquisition provides a good opportunity to the Group to acquire a prestigious property that will expand the Group's property portfolio and will also enhance the Group's recurrent rental income.

EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding of the Company (a) as at the Latest Practicable Date; and (b) immediately after full conversion of the 2009 Convertible Bond, assuming all the Conditions will be fulfilled and completion of the Acquisition and full conversion of the 2009 Convertible Bond will be taken place, is as follows:

	Existing shareholding as at the Latest Practicable Date		**The shareholding immediately after full conversion of the 2009 Convertible Bond**	
Name of the Shareholders	**No. of the Shares**	**(%)**	**No. of the Shares**	**(%)**
Mr. Mak and his associates	126,996,292	19.37	153,544,964	22.51
Directors (other than Mr. Mak):				
Cheng Yuk Ching, Flora	14,196,713	2.17	14,196,713	2.08
Tam Ngai Hung, Terry	1,868,000	0.28	1,868,000	0.27
William Donald Putt	591,500	0.09	591,500	0.09
Samuel Olenick	545,000	0.08	545,000	0.08
Public Shareholders	511,495,803	78.01	511,495,803	74.97
TOTAL	**655,693,308**	**100.00**	**682,241,980**	**100.00**

Upon full conversion of the 2009 Convertible Bond, the shareholding of Mr. Mak and his associates will increase to approximately 22.51%. The full conversion of the 2009 Convertible Bond will not result in a change in control of the Company.

EFFECT OF THE TRANSACTION

Upon completion, (i) the investment property account of the Group will be increased by approximately HK$84 million; (ii) the cash of the Group will be decreased by approximately HK$4 million for the payment of the stamp duty, registration fees and legal costs; (iii) the bank borrowing of the Group will be increased by approximately HK$50 million in respect of the mortgage loan to

be borrowed to finance the cash portion of the Consideration; and (iv) the principal amount of convertible bonds payable will be increased by approximately HK$30 million as a result of the issue of the 2009 Convertible Bond.

Save as disclosed above, the Directors are of the opinion that the Acquisition would have no material adverse effect on the earnings and assets and liabilities of the Group.

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.

The Vendor is principally engaged in property holding.

DISCLOSEABLE AND CONNECTED TRANSACTION

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

As the Vendor is a company controlled by Mr. Mak and his associates and Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under the Listing Rules. The Agreement and the Acquisition is therefore subject to the approval by the Independent Shareholders by way of a poll at the SGM. Mr. Mak and his associates will abstain from voting in respect of the resolution(s) to approve the Agreement and the Acquisition at the SGM. As at the Latest Practicable Date, Mr. Mak and his associates are interested in approximately 19.37% of the total issued share capital of the Company.

An independent board committee of the Company has been formed to advise the Independent Shareholders in relation to the Agreement and the Acquisition. First Shanghai has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Agreement and the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned.

THE SGM

As set out on pages 37 to 38 of this circular, the SGM has been convened to be held at 10:00 a.m. on Monday, 5 June 2006 at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong.

The SGM will be convened for the purpose of considering and, if thought fit, passing an ordinary resolution to approve, inter alia, the Agreement and the Acquisition.

A form of proxy for use by the Independent Shareholders at the SGM is enclosed herein. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the SGM. Such form of proxy for use at the SGM is also

published on the website of the Stock Exchange (www.hkex.com.hk). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

DEMAND FOR A POLL AT THE SGM

In accordance with bye-law 66 of the bye-laws of the Company, every resolution submitted to a general meeting shall be determined on a show of hands in the first instance by the Shareholders present in person or by duly authorised corporate representative or by proxy, but a poll may be demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by the chairman of the general meeting or by:

(a) at least three Shareholders present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the general meeting; or

(b) any Shareholder or the Shareholders present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the general meeting; or

(c) any Shareholder or the Shareholders present in person or by duly authorised corporate representative or by proxy and holding the Shares conferring a right to vote at the general meeting being the Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

As the Acquisition contemplated under the Agreement constitutes a connected transaction for the Company under the Listing Rules, the votes of the Independent Shareholders at the SGM will be taken by way of a poll pursuant to the Listing Rules and Mr. Mak and his associates will abstain from voting at the SGM.

RECOMMENDATION

Having considered the factors mentioned above, the Board considers that it would be in the interests of the Shareholders and the Company as a whole to seek approval from the Independent Shareholders for the Acquisition pursuant to the terms of the Agreement. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 12 to 13 of this circular which contains its recommendation to the Independent Shareholders on the terms of the Agreement and the Acquisition. Your attention is also drawn to the letter of advice from First Shanghai, the independent financial adviser, as set out on pages 14 to 23 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Agreement and the Acquisition and the principal factors and reasons considered by it in concluding its advice.

ADDITIONAL INFORMATION

Your attention is also drawn to further information contained in the appendices, which form part of this circular.

Yours faithfully,
For and on behalf of the Board of
CCT TELECOM HOLDINGS LIMITED
Tam Ngai Hung, Terry
Director

TELECOM HOLDINGS LIMITED

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

(Stock Code: 138)

Independent Board Committee:
Tam King Ching, Kenny
Lau Ho Man, Edward
Samuel Olenick

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

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

19 May 2006

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE PROPERTY AND ISSUE OF THE 2009 CONVERTIBLE BOND

We refer to the circular of the Company to the Shareholders dated 19 May 2006 (the "**Circular**"), in which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter will have the same meanings as given to them in the section headed "Definitions" of the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Agreement and the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from the independent financial adviser, First Shanghai, as set out on pages 14 to 23 of the Circular and the letter from the Board as set out on pages 3 to 11 of the Circular.

Having considered, amongst other matters, the factors and reasons considered by, and the opinion of First Shanghai as stated in its letter of advice, we consider that the terms of the Agreement and the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend that the Independent Shareholders vote in favour of the ordinary resolution in relation to the Agreement and the Acquisition to be proposed at the SGM.

Yours faithfully,
The Independent Board Committee of
CCT TELECOM HOLDINGS LIMITED

Tam King Ching, Kenny	**Lau Ho Man, Edward**	**Samuel Olenick**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from First Shanghai in respect of the Acquisition for the purpose of incorporation in this circular.



FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

19 May 2006

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE PROPERTY AND ISSUE OF THE 2009 CONVERTIBLE BOND

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Acquisition and the issuance of the 2009 Convertible Bond. Details of the Acquisition and the 2009 Convertible Bond are set out in the letter from the Board contained in the circular of the Company dated 19 May 2006 (the "Circular"), of which this letter forms part. Unless otherwise requires, capitalized terms used in this letter have the same meanings as defined in the Circular.

On 28 April 2006, the Company announced that on 27 April 2006, the Purchaser, an indirect wholly owned subsidiary of the Company, has entered into the Agreement with the Vendor, a company controlled by Mr. Mak and his associates, pursuant to which the Purchaser will acquire from the Vendor the Property for a consideration of HK$80 million.

As the Vendor is controlled by Mr. Mak and his associates and Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director, the Vendor is a connected person (as defined in the Listing Rules) of the Company and the Acquisition constitutes a connected transaction for the Company under the Listing Rules. The Acquisition is subject to the Independent Shareholders' approval and Mr. Mak and his associates will abstain from voting on the resolution approving the Agreement and the Acquisition to be proposed at the SGM, which will be conducted by way of a poll.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on the information and representations contained in the Circular and information provided, and opinions expressed, by the Company and the Directors. We have assumed such information and representation were true, accurate and complete at

the time they were made and continue to be true as at the date hereof. We have also assumed that all statements of belief, opinion and intention made by the Company and the Directors in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company and the Directors and the information contained in this Circular. We have also been advised by the Company and the Directors that no material facts have been omitted from the information provided and referred to in the Circular. We have also relied on the information and representations provided by Jones Lang LaSalle Limited (the "Valuer") regarding valuation of the Property and assumed that the bases and assumptions made in determining the valuation of the Property by the Valuer are fair and reasonable. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted an independent investigation into the business, operations or financial condition of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation on the Acquisition and the 2009 Convertible Bond, we have considered, among other things, the following principal factors and reasons:

1. Background of and reasons for the Acquisition

On 27 April 2006, the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Agreement with the Vendor, a company controlled by Mr. Mak and his associates, pursuant to which the Purchaser will acquire the Property from the Vendor at a consideration of HK$80 million. Of the consideration, HK$50 million will be satisfied by cash while the remainder will be satisfied by the issuance of the 2009 Convertible Bond by the Company to Capital Winner Investments Limited (a company controlled by Mr. Mak and his associates) or any other person or company nominated by the Vendor. The Company expects to borrow a new mortgage loan to finance the cash portion of the Consideration. The Property is a 3-storey semi-detached duplex house, comprising a total gross floor area of approximately 3,980 square feet and has an unobstructed full sea view of the southern side of Hong Kong Island. It is located at House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong and is currently vacant.

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. According to the Company's annual report for the year ended 31 December 2005, the Group has a significant amount of investment properties of HK$257 million as at 31 December 2005, representing an increase of HK$156 million from 31 December 2004. The increase is mainly attributable to the reclassification of office premises from properties held for own use to a property held for investment due to a change of use during 2005. Investment properties represented approximately 13% of non-current assets and approximately 6% of total assets. These investment properties include (i) a house on Repulse Bay Road, Hong Kong, (ii) an office in Central, Hong Kong, and (iii) parking spaces in Whampoa Garden, Hunghom. Furthermore, the Company announced on 6 March 2006 that it entered into an agreement to purchase another house on Repulse Bay Road at a consideration of approximately HK$94 million. As stated in the 2005 annual report, the Company will continue to look for investment opportunities to maximize returns to the Shareholders.

Since 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 and potential good long term capital gain in the future. As stated in the valuation report by the Valuer in appendix I of the Circular (the "Valuation Report"), the Property is a 3-storey luxury residential unit in southern Hong Kong Island. Based on our discussions with the Valuer as well as information in the Valuation Report, there is a limited supply of luxury units in southern Hong Kong Island. The Valuer believes that the luxury residential market in southern Hong Kong Island will continue to be well received by the market in the longer run due to the relative lack of sites suitable for luxury residential projects. Furthermore, the Valuer considers that the luxury residential market in this area will out-perform the overall residential market.

Based on reports from various property valuation agencies in Hong Kong, the growth in number of expatriates has been driving the demand for luxury residential homes as the economy remains robust. At the same time, developers have been holding back on launching new projects amidst rising interest rates. In light of the scarcity of luxury housing in Hong Kong, both prices and rents of luxury homes have risen over the past years and the upward trend is expected to continue.

Based on the factors above, we are of the view that the Acquisition would complement the Group's investment business and consider it reasonable for the Directors to believe that the Property would produce recurrent rental income and potential long term capital gain in the future.

2. Basis of the Consideration

As stated in the letter from the Board, the consideration for the Property is HK$80 million. Including the Consideration, stamp duty, legal and other related fees, the total acquisition cost for the Acquisition amounts to about HK$84 million. The consideration was determined after arm's length negotiation with reference to the Valuation Report dated 27 April 2006 and represents a slight discount of approximately 0.6% to the Property's valuation of HK$80.5 million.

We have reviewed the Valuation Report and discussed with the Valuer the methodology and assumptions in arriving at the value of the Property as at 27 April 2006. The Valuer carried out an inspection of the Property and adopted an open market approach in determining its value. Valuation of the Property was arrived at after making reference to sales transactions of comparable properties of similar size, characteristics and location. Based on the valuation methodology, the qualifications of the Valuer and the Consideration representing a slight discount to the Property's valuation, we consider that the basis of determination of the Consideration is fair and reasonable.

3. Settlement of the Consideration

As stated in the letter from the Board, the Consideration will be satisfied upon completion of the Acquisition as to HK$50 million by cash with the remaining HK$30 million by the issuance of the 2009 Convertible Bond. The cash portion of the Consideration will be used by the Vendor to repay the existing mortgage loan on the Property. The Company intends to borrow a mortgage loan from a bank to finance this HK$50 million. Therefore, the Group will

not need to use any substantial amount of its existing cash resources, save for the payment of stamp duty, legal and other related fees of approximately HK$4 million, to fund the Acquisition.

The Company will settle the remaining HK$30 million of the Consideration by issuing the 2009 Convertible Bond to Capital Winner Investments Limited (a company controlled by Mr. Mak and his associates) or any other person or company nominated by the Vendor. Please refer to the letter from the Board for its detailed terms. The principal terms of the 2009 Convertible Bond are as follows:

Principal amount:	HK$30,000,000
Maturity:	3 years from date of issue
Interest:	nil
Conversion price:	HK$1.13 per Share, subject to adjustments in accordance with the terms and conditions of the 2009 Convertible Bond
Conversion right:	convert in whole or in part at any time from the date of issue to the fifth Business Day immediately prior to the maturity date
Redemption:	the Company (i) shall repay the outstanding principal amount of the 2009 Convertible Bond on the third anniversary of its issue date, and (ii) may redeem in whole or in part the outstanding principal amount of the 2009 Convertible Bond at par at any time by written notice

In order to assess its fairness and reasonableness, we have compared the terms of the 2009 Convertible Bond with the last 10 issues of convertible bonds or convertible notes announced by listed companies in Hong Kong prior to the Announcement as follows:

Announcement date	Company	Principal *HK$ million*	Interest	Maturity *Years*	Redemption price at maturity	Premium/Discount of conversion price over/ to trading price prior to the relevant announcement/ agreement date	
						Last trading price	5-day average
4/27/06	SEE Corporation Limited (491)	250	2.00%	3	106.00%	150%	153%
4/21/06	Hengan International Group Company Limited (1044)	1,500	5.00%	5	126.15%	45%	51%
4/7/06	Yue Da Holdings Limited (629)	75	3.50%	3	100.00%	-11%	-8%
4/6/06	Heritage International Holdings Limited (412)	100	0.00%	3	120.00%	-11%	-2%
3/17/06	Honesty Treasure International Holdings Limited (600)	94	2.50%	5	100.00%	-16%	-19%
2/17/06	Xin Corporation Limited (1141)	37	1.00%	3	100.00%	0%	0%
2/16/06	VST Holdings Limited (856)	66	0.00%	2	115.87%	16%	18%
2/7/06	Cheung Tai Hong Holdings Limited (199)	60	0.00%	4	109.00%	13%	13%
2/2/06	GOME Electrical Appliances Holding Limited (493)	975	1.50%	5	109.48%	13%	40%
1/25/06	China Green (Holdings) Limited (904)	325	2.13%	5	123.80%	0%	13%
	High		5.00%	5	126.15%	150%	153%
	Low		0.00%	2	100.00%	-16%	-19%
	Median		1.75%	3.5	109.24%	7%	13%
	The Company	30	0.00%	3	100.00%	-3%	-3%

Source: The Stock Exchange of Hong Kong Limited

Conversion price

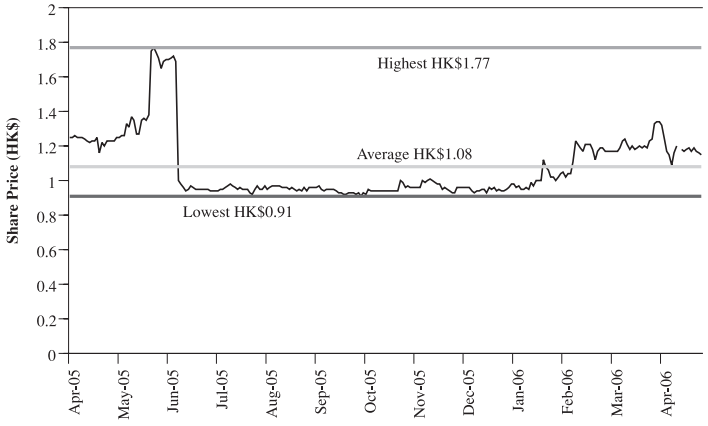
The 2009 Convertible Bond may be converted into Shares at any time from its date of issue up to the fifth Business Day immediately prior to its maturity date. The 2009 Convertible Bond's initial conversion price is HK$1.13, subject to normal adjustments of share consolidation, subdivision, capitalization issue, capital distribution, rights issue and

issue of securities by the Company at a discount of more than 10% of the then market price. The initial conversion price of the 2009 Convertible Bond represents a discount of approximately 3% to the closing price of HK$1.16 per Share on 26 April 2006, being the last trading day before the entering into of the Agreement (the "Last Trading Day"), as well as the average closing price of HK$1.16 per Share for the last five trading days including the Last Trading Day, and a discount of approximately 1.7% to the closing price of HK$1.15 per Share on the Latest Practicable Date.

We note that the conversion prices of the last 10 issues of similar instruments ranged from a maximum discount of approximately 16% to a premium of approximately 150% to the respective trading prices of the shares on the last trading day prior to the issue of their announcements. The median of the conversion prices of these issues represents a premium of approximately 7% over the closing price on the last trading day.

We have also analyzed the Company's share trading performance from one year prior to the date of the announcement of the Acquisition to the Latest Practicable Date (the "Review Period") as follows:

Closing price of the Shares during the Review Period



Source: Bloomberg

As shown in the above chart, the Company's average closing price during the Review Period was approximately HK$1.08 per Share. Compared to the initial conversion price of HK$1.13, the conversion price represents a premium of approximately HK$0.05, or 4.6% over the average closing price during the Review Period. During this period, the Company declared a special interim dividend of HK$0.68 per Share on 16 June 2005 in the form of a scrip dividend. As a result, the Company's share price dropped by HK$0.69 on 5 July 2005, which was the price determination date for the scrip dividend. Since then, the Shares have been trading below the average for the period for most of the time.

Based on the fact that (i) the conversion price represents a premium to the average closing price of the Shares during the Review Period, (ii) the conversion price represents a slight discount to the closing price of the Shares on the Last Trading Day, and (iii) the discount falls within the range set by similar transactions, we consider the conversion price to be fair and reasonable.

Interest

As shown in the table above, convertible bonds and similar instruments issued recently carried interest rates ranging from zero to 5% per annum, with a median of 1.75%. Furthermore, three of these 10 issues were interest free. Since the 2009 Convertible Bond is non-interest bearing, we consider it to be fair and reasonable.

Redemption

Save for amounts converted into its shares, the Company shall repay 100% of the outstanding principal amount on the third anniversary of the date of issue of the 2009 Convertible Bond. As shown in the table above, the redemption prices of recent issues of similar instruments range from 100.00% to 126.15%. Since the Company is only required to repay the 2009 Convertible Bond at par without any premium, we consider the redemption price to be fair and reasonable.

In light of the above, we consider that the principal terms of the 2009 Convertible Bond are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

4. Financial effects on the Group

Net tangible assets

Based on the Company's 2005 annual report, the Group had audited net tangible assets of HK$2,555 million as at 31 December 2005. Based on 655,693,308 Shares in issue as at the Latest Practicable Date, the Group's net tangible asset value per Share was approximately HK$3.9.

Immediately upon completion of the Acquisition and assuming no conversion of the 2009 Convertible Bond, the net tangible assets of the Group would be the same as before the Acquisition as the entire acquisition cost of HK$84 million including capitalized stamp duty, legal and other related fees would be accounted for as investment property. To finance the Acquisition, there would be a corresponding HK$4 million decrease in cash, a HK$50 million increase in bank borrowings and a HK$30 million increase in convertible bonds. Since no additional Shares would be issued at completion of the Acquisition, there is no change in net tangible asset value per Share.

Immediately upon completion of the Acquisition and assuming full conversion of the 2009 Convertible Bond at the conversion price of HK$1.13, a total of 26,548,672 Shares will fall to be issued and the principal amount of HK$30 million of the 2009 Convertible Note would be added to equity of the Group immediately upon its full conversion. The principal represents about 1.2% of the Group's audited net tangible assets as at 31 December 2005. As stated in the letter from the Board, these Shares represent approximately 4.05% and 3.89% of the total share capital of the Company as at the Latest Practicable Date and as enlarged by the Shares to be issued upon full conversion of the 2009 Convertible Bond respectively.

Considering that there is little effect on the net tangible assets and shareholding of the Group due to the conversion of the 2009 Convertible Bond, we consider the effects of the 2009 Convertible Bond on net tangible assets of the Group to be reasonable.

Financial leverage

According to the Company's 2005 annual report, the Group had total borrowings of HK$451 million and equity of HK$2,642 million as at 31 December 2005. The Group's gearing ratio, calculated as debt to total capital employed (shareholders' equity plus borrowings), was approximately 15%. Since the Company intends to borrow a mortgage loan to finance the HK$50 million cash portion of the Consideration, interest bearing borrowings would increase by HK$50 million upon completion of the Acquisition. Assuming the entire principal amount of the 2009 Convertible Bond is recognized as debt prior to its conversion, the total amount of borrowings of the Group will increase by a further HK$30 million immediately after the Acquisition and before any conversion of the 2009 Convertible Bond. The total amount of HK$80 million represents only about 2.6% of the Group's total capital employed of approximately HK$3,093 million as at 31 December 2005. Therefore, the effect of the new mortgage loan and the 2009 Convertible Bond on the Group's financial leverage is minimal.

Working capital

Based on its 2005 annual report, the Group had current assets of HK$2,357 million and current liabilities of HK$1,312 million, or net current assets of HK$1,045 million as at 31 December 2005. This represents a current ratio of approximately 1.8. The Acquisition of the Property would result in a decrease in net current assets of approximately HK$4 million due to the payment of stamp duty, legal and other fees relating to the Acquisition and issuance of the 2009 Convertible Bond. The decrease represents only about 0.4% of the Group's net current assets as at 31 December 2005.

The 2009 Convertible Bond is non-interest bearing and therefore, would not pose recurring pressure on the Group's working capital. Nevertheless, the 2009 Convertible Bond falls due on the third anniversary day from its issue. At that time, unless the 2009 Convertible Bond is fully converted into Shares, the Company must repay at par the outstanding principal amount of the 2009 Convertible Bond. Furthermore, the Company would need to pay interest on the new mortgage loan borrowed by the Company to finance the cash portion of the Consideration. However, the Group has approximately HK$1,045 million of net current assets as at 31 December 2005. Assuming that the Group is able to maintain such a level of net current assets, the payment of interest on and repayment of principal of the mortgage loan as well as the possible repayment of principal of the 2009 Convertible Bond would not pose any significant impact on the liquidity of the Group.

Considering that (i) there is little impact on the Group's current ratio, (ii) no significant additional pressure on liquidity from interest on the new mortgage loan and (iii) the Group has ample assets for payment of interest and repayment on principal of the mortgage loan and the possible repayment of the 2009 Convertible Bond, we consider the effects of the Acquisition and the 2009 Convertible Bond on the Group's working capital and financial position to be reasonable.

5. Dilution of shareholding

The following table depicts the Company's shareholding structure immediately before and after the full conversion of the 2009 Convertible Bond, assuming that no additional Shares will be issued other than those attached to the conversion rights of the 2009 Convertible Bond:

	As at the Latest Practicable Date		**Immediately after full conversion of the 2009 Convertible Bond**	
	No. of Shares	*%*	*No. of Shares*	*%*
Mr. Mak and his associates	126,996,292	19.37%	153,544,964	22.51%
Independent Shareholders	528,697,016	80.63%	528,697,016	77.49%
Total	655,693,308	100.00%	682,241,980	100.00%

Upon full conversion of the 2009 Convertible Bond, 26,548,672 Shares would be issued to its holder, representing approximately 4.05% and 3.89% of the issued share capital of the Company as at the Latest Practicable Date and as enlarged by the issue of Conversion Shares respectively. The shareholding of the Independent Shareholders would therefore decrease from approximately 80.63% to 77.49%, or a dilution of approximately 3.14%. Given that the Acquisition and the 2009 Convertible Bond would not have material adverse impact on the Group's financial position while potentially providing it with recurring rental income as well as a potential for capital gains in the future, we consider the small dilution in the shareholding of the Independent Shareholders to be reasonable.

RECOMMENDATION

Having considered the above factors, including:

(i) the Property may provide recurrent rental income and potential long term capital gain;

(ii) the Consideration represent a discount to the independent valuation on the Property;

(iii) terms of the 2009 Convertible Bond are fair and reasonable;

(iv) there would not be material adverse change in net assets, gearing, financial position and working capital of the Group; and

(v) the possible dilution of Independent Shareholders' shareholding in the Company from conversion of the 2009 Convertible Bond is small and acceptable relative to the enlargement of the Company's capital base and other benefits of the Acquisition,

we are of the view that the terms of the Agreement and the 2009 Convertible Bond are fair and reasonable so far as Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution to approve the Acquisition at the SGM.

Yours faithfully,
For and on behalf of
First Shanghai Capital Limited

Helen Zee	**Fanny Lee**
Managing Director	*Director*

The following is the text of a letter received from Jones Lang, an independent property valuer, in connection with their valuation as at 27 April 2006 of the Property for the purpose of inclusion in this circular:



Jones Lang LaSalle Limited
Valuation Advisory Services
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tel +852 2846 5000 fax +852 2968 0078
Company Licence No.: C-003464

仲量聯行有限公司
物業估價部
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牌照號碼C-003464



27 April 2006

CCT Telecom Holdings Limited
Suite 2208, 22nd Floor
St George's Building
2 Ice House Street
Central
Hong Kong

1. FULL ADDRESS OF PROPERTY: House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong.

This report is for the exclusive use of the addressee for internal reference purpose only. The contents of this report either in whole or in part shall not be disclosed to any other parties whatsoever without prior written consent of Jones Lang as to the form and context in which it may appear and we accept no responsibility if it is used or relied upon by any others.

You have not commissioned a survey of the property, structural or otherwise. You must not assume that, if defects are not mentioned in the report, all parts of the structure are free from defect. Where your attention is drawn to some defects it does not mean that other defects may not exist. Moreover, services have not been tested.

If the addressee is proposing to purchase the property and wants to satisfy himself as to the condition of it, then he should obtain a surveyor's detailed inspection and report of his own before deciding whether to enter into an agreement for sale and purchase.

N.B. You are reminded that this report has been prepared in accordance with the Valuation Standard 8 of the HKIS Valuation Standards on Properties and the Guidance Notes on Valuation of Properties for Mortgage Purpose published by the Hong Kong Institute of Surveyors which has been effective since July 2005 and entitles the Valuer to make assumptions as stated in this report which may upon further investigations, for instance by your legal representative, prove to be inaccurate or untrue. This report has also been prepared in accordance with the Chapter 5 of the Listing Rules. Any exception is clearly stated below.

2. SITUATION: The subject property is situated on the east side of Tai Tam Road close to its junction with Stanley Beach Road and next to American Club in the Tai Tam District of Hong Kong Island.

3. ENVIRONMENT AND NEIGHBOURHOOD DATA:

3.1	Immediate Neighbourhood	:	This is a good class residential locality with developments mainly in the form of detached or semi-detached houses and low-rise apartment buildings.
3.2	Public Transport Facilities	:	Taxi/Mini-bus/Bus
3.3	Accessibility	:	Vehicular Access : Reasonable Traffic Condition : Reasonable Pedestrian Flow : Not relevant

4. THE BUILDING: (Rosecliff — 玫瑰園)

4.1	Building Type	:	3-storey semi-detached garden house over carport.
4.2	Construction	:	Reinforced concrete construction with texture-painted external walls.
4.3	Number of Storeys	:	3
4.4	Year of Completion	:	1989
4.5	External Condition	:	Good
4.6	Management Condition	:	Good, managed by Residential Management Services Limited
4.7	Number of Stairs & Lifts	:	1 internal staircase
4.8	Parking Facility	:	Available within the development.
4.9	Other Facilities	:	Swimming pool, children's wading pool and landscaped garden.
4.10	Present zoning of the locality	:	Residential (C) 3 purposes
4.11	Remarks	:	There is a total 11 semi-detached garden houses within the development and is situated in a good class residential area in which most of local high-income families and expatriates would choose to reside.

5. THE SUBJECT PROPERTY:

5.1	Number of Units on the same floor	:	N/A
5.2	Gross Floor Area	:	3,980 ft^2 (369.75 m^2) or thereabout as per sales brochure
5.3	Saleable Area	:	(As scaled from the registered floor plan)
	G/F–2/F (total)	:	3,146 ft^2 (292.35 m^2) or thereabout
	Terrace	:	542 ft^2 (50.35 m^2) or thereabout
	Carport	:	472 ft^2 (43.85 m^2) or thereabout plus
	Balcony (total)	:	59 ft^2 (5.48 m^2) or thereabout plus
	Roof	:	924 ft^2 (85.84 m^2) or thereabout
5.4	Current Usage	:	Domestic
5.5	Frontage (for shop)	:	N/A
5.6	Accessible Via	:	1 internal staircase

5.7	Accommodation	:	(As shown on the brochure floor plan)
	G/F	:	Entrance foyer, staircase to 1st floor
	1/F	:	Living room, dining room, guest toilet and kitchen and spiral staircase to 2nd floor.
	2/F	:	Family room, Bedroom with balcony off, and also ensuite with cloakroom and bathroom, 1 other toilet and 2 servant's rooms.
	3/F	:	Master bedroom with balcony off and ensuite with cloakroom and bathroom, 2 other bedrooms and 1 other bathroom.
5.8	Finishes	:	Not inspected
5.9	Existing Condition	:	Not inspected
5.10	Aspect and View	:	The subject property has a south-easterly facing aspect
5.11	Services	:	Gas/Electricity/Water/Sewage/Air-conditioning
5.12	Occupancy	:	Vacant (As informed by the Company)
5.13	Tenancy Details (if any)	:	N/A
5.14	Remarks	:	As we were instructed by your company to carry out an external inspection only, no comment on the internal condition of the property can be made. In the course of our valuation, we have assumed that its interior is finished to a reasonable standard.

6. LAND REGISTRY DATA:

6.1	Lot No.	:	Rural Building Lot No. 147 and extension thereto
6.2	Shareholding	:	2310/26070 equal and undivided shares.
6.3	Lease User and Restrictions	:	Private residential purposes.
6.4	Lease Term	:	75 years from 2/1/1981 and is renewable for a further term of 75 years held under Conditions of Sale No. 11461 (remaining lease term: 125 years)
6.5	Ground Rent	:	HK$34,200 per annum
6.6	Deed of Mutual Covenant	:	Memorial No. 6676485 Registered on 16/4/1996
6.7	Occupation Permit	:	Not registered
6.8	Registered Owner	:	Fine Bonus Enterprises Limited
6.9	Last Transaction	:	Memorial No. 7240133 Dated 28/7/1997 For a consideration of HK$85,250,000.
6.10	Registered Encumbrances	:	Memorial No. 7240134 Dated 28/7/1997 Mortgage In favour of HSBC Investment Bank Asia Limited To an extent of all moneys

7. COMPARABLE TRANSACTIONS

Transaction date	Address	Consideration HK$	Saleable area ft^2	Unit selling price HK$/$ft^2$	Comments
27/3/2006	Upper House 13, 56 Repulse Bay Road	56,000,000	2,601	21,530	Age 1989 Duplex 1 parking space
16/3/2006	Lower House 37, 56 Repulse Bay Road	93,678,000	3,242	28,895	Duplex 2 car parking spaces
9/3/2006	House 11, Repulse Bay Belleview Garden, 5 Belleview Drive	69,250,000	3,129	22,132	Age 1982 1 parking space
2/11/2005	Lower House 59, 56 Repulse Bay Road	79,332,000	2,885	27,498	Duplex 1 parking space
8/9/2005	House 1, Rosecliff	73,800,000	3,146	23,459	Subject Development

8. VALUATION AND COMMENTS

The property comprises a 3-storey semi-detached garden house within the development, namely Rosecliff.

According to Jones Lang LaSalle Research Department, only 6 large and luxury residential units are expected to complete in 2006 in Island South. It can be seen that the supply of residential flats in these traditional areas of luxury residence is rather limited. We envisage that the luxury market in Island South will continue to be well received by the market in the longer run due to the relative lack of suitable development sites arising from the statutory density control. Given its historic status and irreplaceable prestige image, we consider that the luxury residential properties in Island South and the Peak alike will out-perform the overall residential market.

Market value of the unencumbered leasehold interest of the property in its existing state, as at 27 April 2006, assuming sale with vacant possession, is in the sum of HK$80,500,000 (HONG KONG DOLLARS EIGHTY MILLION AND FIVE HUNDRED THOUSAND).

9. REMARKS

This report is subject to our Standard Conditions as contained in our "General Principles of Hong Kong Valuations and Reports".

For and on behalf of
Jones Lang LaSalle Limited
Cliff Tse *B.Sc. (Hons), MRICS, MHKIS, RPS (GP)*
National Director
Licence No. E-145551

Note: Mr. Cliff W H Tse, chartered surveyor, B.Sc. (Hons), MRICS, MHKIS, RPS(GP), has been a qualified valuer since 1994 and has about 16 years experience in the valuation of properties in Hong Kong.

GENERAL PRINCIPLES ADOPTED IN THE PREPARATION AND CONDITIONS THAT APPLY TO AND FORM PART OF HONG KONG VALUATIONS AND REPORTS

This document sets out the general principles upon which our Valuations and Reports are normally prepared, and the conditions that apply to and form part of our Valuations and Reports. They apply unless we have specifically mentioned otherwise in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries. Any variations to these general principles and/or conditions must be confirmed in writing.

Our Valuations and Reports are confidential to, and for the use only of, the party to whom they are addressed and for the stated specific purpose. No responsibility whatsoever is accepted to any third parties who may use or rely on the whole or any part of the contents of any such Valuation or Report. The whole or any part of the Valuation or Report, or reference thereto, must not be published or referred to in any document, statement, circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

1. Valuation Methodology:

All work is carried out in accordance with the "HKIS Valuation Standards on Properties" published by The Hong Kong Institute of Surveyors ("HKIS"). If the HKIS Valuation Standards on Properties are silent on subjects requiring guidance, we refer to "The RICS Appraisal and Valuation Standards" published by the Royal Institution of Chartered Surveyors ("RICS") and the "International Valuation Standards" published by the International Valuation Standards Committee ("IVSC"), as appropriate, subject to variation to meet local established law, custom, practice and market conditions with the RICS Appraisal and Valuation Standards prevailing over IVSC's International Valuation Standards to the extent of any inconsistency. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the HKIS Valuation Standards on Properties.

2. Valuation Basis:

Our valuations are made on the basis of Market Value adopted by the HKIS, set out as follows:

"Market Value is the estimated amount for which a Property should exchange on the date of Valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Our valuations are made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Each valuation is current as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the date of valuation.

3. Costs:

No allowances are made in our valuations for dealing with any encumbrances such as charges, mortgages, nor for amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale or disposal.

4. Source of Information:

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarized in our report.

5. Assumptions

Unless we state otherwise in the valuation, our valuation assumes (without investigation on our part), where applicable,

(a) good and marketable title, and no encumbrance on the property's title which could materially affect its value,

(b) no encroachment by or on the property and no unauthorized additions or structural alterations (our valuation is made according to the original layout as shown in the Registered Floor Plans or developer's brochure and assumes no outstanding reinstatement costs to be charged on the property),

(c) no major environmental factor (including contamination) affects the property,

(d) no deficiencies in the structural integrity of the property and other improvements,

(e) the property is not affected or required for any public purposes or is to be acquired for a public purpose,

(f) there are no outstanding statutory orders on the property or the likely possibility of future orders being made by a regulatory authority,

(g) body corporate records and finances are in a satisfactory order and there are no major financial commitments, orders or levies in respect of any major rectifications, remedial or other works to be undertaken by the body corporate above normal maintenance,

(h) no material litigation pending relating to the property,

(i) that the property (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations,

(j) no deleterious materials (including by way of example asbestos and calcium chloride),

(k) ground conditions and services are suitable (including, particularly with respect to agricultural land, no possibility of latent infestation in the soil or of disease which might affect crops or stock at any time in the future) and no extraordinary expenses or delays will be incurred due to archaeological, ecological or environmental matters.

Without affecting the generality of the above, where leases or documents of title or site and building surveys or building report or pest certificate or engineer's certificate or body corporate records are provided to us for the purpose of the valuation, reliance must not be placed on our interpretation thereof of any of these documents.

6. Tenants:

Enquiries as to the financial standing of actual or prospective tenants are not made unless we specifically agree to in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise in writing, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

7. Measurements:

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the Registered Floor Plans if available.

8. Jurisdiction:

Unless the parties otherwise agree in writing, all disputes arising out and relating to our valuation shall be finally settled under Hong Kong Law and the parties irrevocably submit to the jurisdiction of the Hong Kong Courts.

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 as at the Latest Practicable Date

(i) Long positions in the Shares:

Name of the Director	*Notes*	Number of the Shares beneficially held and nature of interest				Approximate percentage of the 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) 545,000 Shares were held by corporations controlled by Mr. Samuel Olenick, who was deemed to be interested in such Shares under the provisions of Part XV of the SFO.

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

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

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

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.

(3) Interests and short positions in the shares and the underlying shares of an associated corporation — Tradeeasy Holdings Limited ("Tradeeasy") as at the Latest Practicable Date

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

(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 2005, 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 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 as at the Latest Practicable Date:

Name of the Shareholder	Number of the Shares held	Approximate percentage of the 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 2010 convertible bonds of the Company as at the Latest Practicable Date:

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

Note: The convertible bonds with an outstanding principal amount of HK$103,500,000 as at the Latest Practicable Date, were issued by the Company to New Capital Industrial Limited (a company controlled by Mr. Mak Shiu Tong, Clement) on 25 April 2005. The convertible bonds, due on 25 April 2010, are interest free, convertible into the Shares at the conversion price of HK$0.604 per Share (subject to adjustments according to the terms of the convertible bonds). The interest of Mr. Mak Shiu Tong, Clement in these 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 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. MATERIAL ADVERSE CHANGE

Save as disclosed herein, the Directors have confirmed that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2005, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date.

6. QUALIFICATIONS AND CONSENTS OF EXPERTS

First Shanghai and Jones Lang have given and have not withdrawn their written consents to the issue of this circular with copies of their letters and the reference to their names included herein in the form and context in which they respectively appear.

The following are the qualifications of the experts who have given opinions which are contained in this circular:

Names	Qualifications
First Shanghai	A corporation licensed under the SFO permitted to engage in type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Jones Lang	An independent valuer for properties and chartered surveyors

As at the Latest Practicable Date, none of First Shanghai and Jones Lang were interested in any Share or share in any member of the Group, nor did it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group.

7. MISCELLANEOUS

(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, 22/F., 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 26/F., 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.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and the principal place of business of the Company in Hong Kong at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the SGM:

(a) the memorandum of association and the bye-laws of the Company;

(b) the letter from the Board to the Shareholders, the text of which is set out on pages 3 to 11 of this circular;

(c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 12 to 13 of this circular;

(d) the letter from First Shanghai, the text of which is set out on pages 14 to 23 of this circular;

(e) the property valuation report provided by Jones Lang, the text of which is set out on pages 24 to 30 of this circular;

(f) the written consents from the experts referred to in the section headed "Qualifications and Consents of Experts" in this appendix;

(g) the Agreement; and

(h) this circular.

CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 138)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of the shareholders of CCT Telecom Holdings Limited (the "**Company**") will be held at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong on Monday, 5 June 2006 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendment, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement (the "**Agreement**") dated 27 April 2006 (a copy of which is tabled at the meeting and marked "A" and initialled by the chairman of the meeting for identification purposes) entered into between Rich Full International Industries Limited ("**Rich Full**"), an indirect wholly-owned subsidiary of the Company, and Fine Bonus Enterprises Limited ("**Fine Bonus**"), a company controlled by Mr. Mak Shiu Tong, Clement, the chairman of the board of directors of the Company, and his associates, pursuant to which Rich Full agreed to acquire, and Fine Bonus agreed to sell, the property situated at House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong (the "**Property**") at the price of HK$80 million subject to the terms and conditions of the Agreement and the transactions contemplated thereunder be and are hereby approved;

(b) the issue of the convertible bonds in the amount of HK$30 million by the Company to Capital Winner Investments Limited or any other person or company nominated by Fine Bonus upon completion and the allotment and issue of the shares according to the conversion thereof pursuant to the terms of the Agreement (details of which are set out in the circular of the Company dated 19 May 2006 (a copy of which is tabled at the meeting and marked "B" and initialled by the chairman of the meeting for identification purposes)) be and are hereby approved; and

(c) any director, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Agreement, the completion thereof and to effect the transactions contemplated in the Agreement as he/she may consider necessary, desirable or expedient."

By Order of the Board of
CCT TELECOM HOLDINGS LIMITED
Tam Ngai Hung, Terry
Director

Hong Kong, 19 May 2006

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

Notes:

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

2. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorised to sign the same.*

3. *Any shareholder entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint not more than two proxies (who must be an individual or individuals) to attend and vote instead of him/her on the same occasion. A proxy need not be a shareholder of the Company but must attend the SGM in person to represent him/her.*

4. *In order to be valid, a form of proxy in the prescribed form 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 with the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the SGM is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.*

5. *Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the SGM 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 attend and vote at the SGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the SGM or at any adjourned meeting thereof (as the case may be), 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.*

CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 138)

FORM OF PROXY FOR THE SPECIAL GENERAL MEETING TO BE HELD ON MONDAY, 5 JUNE 2006 AND ANY ADJOURNMENT THEREOF

I/We[1] _____

of _____

_____

being the registered holder(s) of[2] _____ shares (the "**Share(s)**") of HK$0.10 each in the share capital of CCT Telecom Holdings Limited (the "**Company**"), HEREBY APPOINT THE CHAIRMAN OF THE MEETING[3], or _____

of _____

_____

as my/our proxy to attend and act for me/us and on my/our behalf at the special general meeting of the Company to be held at 2208, 22/F., St. George's Building, 2 Ice House Street, Central, Hong Kong on Monday, 5 June 2006 at 10:00 a.m. (and at any adjournment thereof, as the case may be) (the "**Meeting**") for the purpose of considering and, if thought fit, passing the ordinary resolution as set out in the notice convening the Meeting and at the Meeting to vote for me/us and in my/our name(s) in respect of such resolution as hereunder indicated, and, if no such indication is given, as my/our proxy thinks fit. My/Our proxy will also be entitled to vote on any matter properly put to the Meeting in such manner as he/she thinks fit.

	FOR[4]	**AGAINST[4]**
Ordinary Resolution		

Signature[5] _____ Date _____

Notes:

1. *Full name(s) and address(es) must be inserted in BLOCK CAPITALS. The names of all joint registered holders should be stated.*
2. *Please insert the number of the Shares registered in your name(s) to which this proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all Shares registered in your name(s).*
3. *If any proxy other than the chairman of the Meeting is preferred, please strike out the words "THE CHAIRMAN OF THE MEETING" and insert the name and address of the proxy desired in the space provided. ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.*
4. ***IMPORTANT: If you wish to vote for the resolution, please put a tick in the box marked "FOR". If you wish to vote against the resolution, please put a tick in the box marked "AGAINST". If no direction is given, your proxy may vote or abstain as he/she thinks fit. Your proxy will also be entitled to vote at his/her discretion on any resolution properly put to the Meeting other than the resolution referred to in the notice convening the Meeting.***
5. *This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either executed under its common seal or under the hand of an officer or attorney duly authorised on that corporation's behalf.*
6. *In the case of joint registered holders of any Share(s), any one of such persons may vote at the Meeting, either in person or by proxy, in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting in person or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.*
7. *In order to be valid, this form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the Meeting.*
8. *A proxy need not be a shareholder of the Company but must attend the Meeting in person to represent you.*
9. *Completion and deposit of this form of proxy will not preclude you from attending and voting in person at the Meeting if you so wish. If you attend and vote at the Meeting in person, the authority of your proxy will be revoked.*