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 or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 00138)

MAJOR TRANSACTION
ACQUISITION OF PROPERTIES

21 September 2011

CONTENTS

Page

Definitions 1

Letter from the Board 4

Appendix I – Financial information of the Group 9

Appendix II – Valuation report 10

Appendix III – General information 13

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

"Acquisition"	acquisition of the Properties by the Purchasers from the Vendor pursuant to the terms and conditions of the Provisional S&P Agreement and the Formal Agreement;
"Announcement"	the announcement dated 31 August 2011 made by the Company in respect of the Acquisition which constitutes a major transaction of the Company;
"associate(s)"	has the same meaning ascribed to it under the Listing Rules;
"Board"	board of the Directors;
"Building"	Fortis Bank Tower also known as Fortis Tower, Nos. 77, 78 – 79 Gloucester Road, Hong Kong;
"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Mak, his spouse and his two sons;
"Capital Winner"	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Mak, his spouse and his two sons;
"CCT Tech"	CCT Tech International Limited, an exempted company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange and a non wholly-owned subsidiary of the Company;
"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;
"Completion"	completion of the Acquisition pursuant to the terms and conditions of the Provisional S&P Agreement and the Formal Agreement;
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules;
"Director(s)"	director(s) of the Company from time to time;
"First Property"	all those 31st and 32nd Floor and the car parking spaces no. 5, 6, 7, 8, 9 and 10 on the 1st Floor of the Building;

"First Purchaser"	Charter Base Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
"Formal Agreement"	the formal sale and purchase agreement entered into amongst the Vendor and the Purchasers on 15 September 2011 in relation to the sale and purchase of the Properties, which incorporates the terms and conditions contained in the Provisional S&P Agreement and any other terms mutually agreed amongst the Purchasers and the Vendor;
"Further Deposit"	has the meaning given to it under the sub-section headed "Terms of Payments" under the section headed "The Provisional S&P Agreement" in the "Letter from the Board" of this circular;
"Grant Sherman"	Grant Sherman Appraisal Limited, an independent professional valuer;
"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 PRC;
"Initial Deposit"	has the meaning given to it under the sub-section headed "Terms of Payments" under the section headed "The Provisional S&P Agreement" in the "Letter from the Board" of this circular;
"Latest Practicable Date"	15 September 2011, 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;
"Merdeka Resources"	Merdeka Resources Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, of which the Company is a substantial shareholder as at the Latest Practicable Date;
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, the chairman, the chief executive officer and an executive director of the Company;
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Mak, his spouse and his two sons;

"PRC"	the People's Republic of China;
"Properties"	the First Property and the Second Property;
"Provisional S&P Agreement"	provisional sale and purchase agreement dated 31 August 2011 entered into amongst the Purchasers and the Vendor in relation to the sale and purchase of the Properties;
"Purchase Price"	purchase price in the aggregate amount of HK$161,139,000 for the Properties;
"Purchasers"	the First Purchaser and the Second Purchaser;
"RMB"	Renminbi, the lawful currency of the PRC;
"Second Property"	the car parking space no. 11 on the 1st Floor of the Building, including an assignment of all those machine rooms in the main roof of the Building;
"Second Purchaser"	Huge Partner Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"US"	United States of America;
"US$"	US dollar(s), the lawful currency of the US;
"Vendor"	FBT 27 – 32 Company Limited, a company incorporated in Hong Kong with limited liability; and
"%"	per cent.

CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

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

Independent non-executive Directors:
Tam King Ching, Kenny
Lau Ho Man, Edward
Chen Li

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM 12
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

21 September 2011

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
ACQUISITION OF PROPERTIES

INTRODUCTION

Reference is made to the Announcement in which the Board announced that on 31 August 2011, the Purchasers, indirect wholly-owned subsidiaries of the Company, entered into the Provisional S&P Agreement with the Vendor in relation to the acquisition of the Properties for a purchase price in the aggregate amount of HK$161,139,000.

In respect of the Acquisition, the applicable percentage ratios, where applicable, calculated by reference to Rule 14.07 of the Listing Rules, are 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 303,250,731 Shares, representing approximately 50.03% of the entire issued capital of the Company as at the date of the Announcement and the Latest Practicable Date. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition; and (ii) the written approval of Mr. Mak, Capital Force, New Capital and Capital Winner for the Acquisition as mentioned above, no special general meeting will be convened for the purpose of approving the Acquisition as permitted under Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with further information regarding the Acquisition.

THE PROVISIONAL S&P AGREEMENT

Date: 31 August 2011

Parties: (i) Purchasers:

First Purchaser:	Charter Base Development Limited, an indirect wholly-owned subsidiary of the Company
Second Purchaser:	Huge Partner Limited, an indirect wholly-owned subsidiary of the Company

(ii) Vendor: FBT 27 – 32 Company Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Sale and Purchase:

Pursuant to the Provisional S&P Agreement, the Vendor will sell and the First Purchaser will purchase the First Property and the Second Purchaser will purchase the Second Property upon the terms contained therein. The Vendor and the Purchasers have entered into the Formal Agreement on 15 September 2011. The Formal Agreement incorporates the terms and conditions contained in the Provisional S&P Agreement and any other terms mutually agreed amongst the Purchasers and the Vendor.

The Properties will be sold with vacant possession on Completion.

The Properties:

The First Property comprises all those 31st and 32nd Floor and the car parking spaces no. 5, 6, 7, 8, 9 and 10 on the 1st Floor of the Building, comprising a total gross floor area of approximately 12,540 square feet (excluding the car parking spaces), with 6,270 square feet per floor. They are commercial buildings.

The Second Property comprises the car parking space no. 11 on the 1st Floor of the Building, including an assignment of all those machine rooms in the main roof of the Building.

The Properties are valued at HK$164,000,000 as at 29 August 2011 by Grant Sherman, an independent professional valuer. The valuation report of the Properties performed by Grant Sherman is set out in Appendix II to this circular.

Purchase Price:

The purchase price for the First Property is HK$160,439,000 and the purchase price for the Second Property is HK$700,000. The purchase price for the Properties is in the aggregate amount of HK$161,139,000, payable in cash.

The Purchase Price was determined after arm's length negotiation by reference to: (i) the prevailing market price of office properties of the same building and nearby location in Wanchai; and (ii) the preliminary value of the Properties appraised by Grant Sherman. It is estimated that the Purchase Price together with such stamp duty, property agent commission, registration fee, legal costs and printing costs of the circular will put the total costs of the Properties at approximately HK$168,793,000.

The Purchase Price represents a discount of approximately 1.74% to the valuation of HK$164,000,000 as at 29 August 2011 as valued by Grant Sherman. The slight discount of approximately 1.74% is considered to be reasonable and acceptable.

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

Terms of Payments:

(a) an initial deposit of HK$8,056,950 (the "**Initial Deposit**") has been paid by the Purchasers to the Vendor upon signing of the Provisional S&P Agreement;

(b) a further deposit of HK$8,056,950 (the "**Further Deposit**") has been paid by the Purchasers to the Vendor on 14 September 2011; and

(c) the remaining balance of the Purchase Price of HK$145,025,100 will be satisfied in full by the Purchasers upon Completion.

The Initial Deposit and the Further Deposit have been paid to the Vendor's solicitors as stakeholders who may release the same to the Vendor provided that the balance of the Purchase Price is sufficient to discharge the Properties from the existing legal charge/mortgage.

The Company intends to satisfy the Purchase Price by a combination of internal resources of the Group and bank mortgage financing to the extent where available.

Completion:

Completion will take place on or before 3 January 2012, or, if earlier, following receipt by the Purchasers or their solicitors of not less than fourteen days' notice in writing from the Vendor or its solicitors confirming that the Vendor is able to deliver vacant possession of the Properties to the Purchasers, provided always that the Purchasers shall not be required to complete earlier than 1 November 2011.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is currently renting an office premises in Central as the corporate head office of the Group and the existing tenancy agreement will expire on 30 September 2011. The new rental for renewal of the existing tenancy agreement is expected to increase substantially from the existing rental and the Company has been looking for other office premises to relocate. The Company intends to occupy one of the floors of the Properties for its own use as the new corporate head office of the Group and the other one floor be held for future expansion or investment. As Completion is expected to take place on or before 3 January 2012, the Company has renewed with the landlord the existing tenancy agreement for a short term lease to provide time for the relocation of the corporate head office of the Group.

The Board has confidence in the Hong Kong commercial property market and also believes that price of commercial properties in prime commercial location like Wanchai will continue to go up in the long term. In addition to substantial saving of rent in the future, the Directors also believe that the Acquisition may produce potential capital gain in the future through appreciation in the value of the Properties.

On the above basis, the Directors (including the independent non-executive Directors) consider that the terms of the Provisional S&P Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Provisional S&P Agreement and the Acquisition and therefore, none of them has abstained from voting on the Board resolution(s) which approved the Provisional S&P Agreement and the Acquisition.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the Purchase Price of HK$161,139,000 will be paid by the Purchasers to the Vendor in full, which will be funded by internal resources of the Group and mortgage loan. Following the Acquisition, the total assets of the Group are expected to increase by approximately HK$168,793,000 representing the Purchase Price and the capitalised expenses whereas the net asset value of the Group is expected to remain unchanged as the increase in investment properties will be offset by the decrease in cash balances and increase in liabilities of the Group.

Subject to the audit by the auditors of the Group, the consideration paid and the related expenses for the acquisition of the Properties will be recognised by the Group in the consolidated statement of financial position as non-current assets. The profit of the Group will be reduced by the annual depreciation of the Properties recognised by the Group over the estimated useful lives. On the other hand, the expenses of the Group will be decreased by the annual rental saving of approximately HK$3,508,000 on leasing office premises.

INFORMATION OF THE PURCHASERS, THE COMPANY AND THE GROUP

Each of the Purchasers is an indirect wholly-owned subsidiary of the Company and their principal activity is investment.

The Company is the holding company of the Group, which is principally engaged in (i) the design, development, manufacture and sale of telecom and electronic products; (ii) the manufacture of components; (iii) the manufacture and sale of infant and child products; (iv) the securities business; (v) the property development; and (vi) the property investment and holding.

INFORMATION OF THE VENDOR

The Vendor is a company set up by a real estate investment fund for the purpose of holding the Properties and some other properties and car parking spaces on other floors of the same building.

LISTING RULES IMPLICATIONS

In respect of the Acquisition, the applicable percentage ratios, where applicable, calculated by reference to Rule 14.07 of the Listing Rules, are 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders has any material interest in the Acquisition and no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition.

The Company has obtained written approval for the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 303,250,731 Shares, representing approximately 50.03% of the entire issued capital of the Company as at the Latest Practicable Date. The shareholding in Capital Force, New Capital and Capital Winner are wholly-owned by Mr. Mak, his spouse and his two sons. As at the Latest Practicable Date, Mr. Mak, Capital Force, New Capital and Capital Winner hold 8,475,652 Shares, 96,868,792 Shares, 171,357,615 Shares and 26,548,672 Shares respectively, representing approximately 1.40%, 15.98%, 28.27% and 4.38% respectively of the entire issued capital of the Company. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition; and (ii) the written approval of Mr. Mak, Capital Force, New Capital and Capital Winner for the Acquisition as mentioned above, no special general meeting will be convened for the purpose of approving the Acquisition as permitted under Rule 14.44 of the Listing Rules. The information contained in this circular is for information only.

RECOMMENDATION

The Board is of the view that the Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

OTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for the six months ended 30 June 2011 is disclosed on pages 16 to 32 of the interim report of the Company for the six months ended 30 June 2011 dated 29 August 2011; (ii) for the year ended 31 December 2010 is disclosed on pages 41 to 121 of the annual report of the Company for the year ended 31 December 2010 dated 29 March 2011; (iii) for the year ended 31 December 2009 is disclosed on pages 42 to 121 of the annual report of the Company for the year ended 31 December 2009 dated 20 April 2010; and (iv) for the year ended 31 December 2008 is disclosed on pages 40 to 116 of the annual report of the Company for the year ended 31 December 2008 dated 21 April 2009.

All these financial statements have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.cct.com.hk).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2011 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had total outstanding borrowings of approximately HK$963 million, of which HK$512 million and HK$300 million were guaranteed by CCT Tech and the Company respectively. The borrowings comprised secured bank loans of approximately HK$777 million, unsecured bank loans of approximately HK$182 million and obligations under finance lease contracts of approximately HK$4 million. The Group's borrowings were secured by (i) the fixed charges over certain leasehold land and buildings and investment properties held by the Group with aggregate net book values of approximately HK$875 million as at 31 July 2011; and (ii) pledge of certain fixed deposits of the Group of approximately HK$288 million as at 31 July 2011.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any bank loans, bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 July 2011.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the rates of the exchange prevailing at the close of business on 31 July 2011.

3. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that the Group will, after taking into account the effect of the Acquisition, and the present internal financial resources available to the Group including internally generated cash flows and the existing banking and credit facilities available, have sufficient working capital for its present requirements in next 12 months from the date of this circular in the absence of unforeseen material circumstances.

The following is the text of a letter and valuation certificate received from Grant Sherman, an independent professional valuer, in connection with their valuation as at 29 August 2011 of the Properties for the purpose of inclusion in this circular:



GRANT SHERMAN APPRAISAL LIMITED

Room 1701 on 17/F Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

21 September 2011

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

Dear Sirs,

In accordance with the instructions from to value the property interests to be acquired by CCT Telecom Holdings Limited (the "Company") or its subsidiaries (together referred to as "the Group") located in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such interests as at 29 August 2011 (the "Valuation Date").

Our valuation is our opinion of market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We have valued the property interests by comparison approach assuming sale in their existing state with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

Our valuation has been made on the assumption that the owner sells the properties on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the properties value.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have caused land searches to be made on the title of the properties, however, we have not scrutinized the original title documents. In course of our valuation, we have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by the Company on matters such as statutory notices, easements, tenure, occupancy, floor areas, identification of the properties and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have relied on the Company's confirmation that no material fact has been omitted from the information so supplied. All documents have been used as reference only. All dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interiors of the properties in respect of which we have been provided with such information as we have required for the purpose of our valuations. No structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structures which were covered, unexposed or inaccessible.

We enclose herewith the valuation certificate.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED
Peggy Y.Y. Lai
MRICS MHKIS RPS(GP)
Director
Real Estate Group

Note: Ms. Peggy Y.Y. Lai is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and Registered Professional Surveyors in the General Practice Section, who has over 5 years experience in the valuation of properties in Hong Kong, the PRC and the Asian Region.

VALUATION CERTIFICATE

Property interests to be acquired by the Group in Hong Kong

Properties	Description and Tenure	Particular of occupancy	Market value as at 29 August 2011
31st and 32nd floors and the car parking space nos. 5, 6, 7, 8, 9, 10 and 11 on the 1st floor Fortis Bank Tower Nos. 77, 78, 79 Gloucester Road Hong Kong 207/3100th shares of and in the Remaining Portion of Inland Lot No. 2782	The properties comprise two whole office floors on the 31st and 32nd floors and 7 car parking spaces on 1st floor of a 33-storey commercial building completed in about 1982. The properties have a total gross floor area of about 12,540 sq ft (excluding the car parking spaces). The Remaining Portion of Inland Lot No. 2782 is held under the government lease for a term of 99 years renewable for 99 years commencing from 30 September 1929.	As advised by the Company, the properties are subject to various tenancy agreements: **31st floor** Subject to a tenancy agreement for a term commencing from 1 January 2009 to 31 December 2011 at a monthly rental of HK$169,290 exclusive of air-conditioning & management charge, government rates and all other outgoings. **32nd floor** Subject to a tenancy agreement for a term commencing from 1 September 2009 to 31 December 2011 at a monthly rental of HK$169,290 exclusive of air-conditioning & management charge, government rates and all other outgoings.	HK$164,000,000

Notes:

i) The registered owner of the properties is FBT27-32 Company Limited, registered vide memorial no. 10100702400198 dated 15 September 2010.

ii) The properties are subject to a mortgage in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial no. 10100702400209 dated 15 September 2010.

iii) The properties are subject to a rental assignment in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial no. 10100702400215 dated 15 September 2010.

iv) 31st floor is subject to a tenancy agreement in favour of Fortis (Hong Kong) Limited vide memorial no. 10051700030024 dated 17 July 2009.

v) 32nd floor is subject to a tenancy agreement in favour of Fortis (Hong Kong) Limited vide memorial no. 10051700030038 dated 17 July 2009.

vi) After completion of the acquisition, the Company intends to occupy one of the floors for its own use as the new corporate head office of the Group and the other one floor be held for future expansion or investment.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Board anticipates that the debt crisis in the US and the Euro zone, surge of factory payroll, rise in operating costs, high inflation and the probable further appreciation of RMB will remain key challenges and affect the growth and profitability of the manufacturing businesses of the Group. The worldwide telephony market will be affected by the current unfavourable global economic condition. In order to remain competitive, the Group will continue to take various initiatives including cost control, improvement in productivity and efficiency, and development and launch of innovated and advance products to meet market expectation. Amidst challenging business environment, the Group will strive for top line growth of its telecom product business in the second half of 2011. The prospects of the Group's contract manufacturing service ("**CMS**") look promising and the CMS business is forecast to grow as the Group expands its product range and gains new CMS customers.

The stagnant economy in the US, the debt turmoil in the Euro zone and fears of recession in the major economies have prompted world stock markets to tumble. In response to the volatile and weak market, the Group has switched some of its investment in the lagging shares to the high-growth shares. As the Group's revised stock portfolio comprises shares in Hang Seng Index constituent companies and major Chinese corporations, the Group endeavours to improve performance of its securities business as when the stock market rebounds in the future. Whilst the Group is confident in the economic outlook of Hong Kong and China, the future performance of its securities business is uncertain and will be affected by global economic condition and overseas market performance. The Group will consider to realise some of its securities investment as when suitable opportunities arise in the future.

The Group's property business outperforms other business segments of the Group. The prospects of the property development business in the PRC look promising as economy of the PRC remains strong. The Group's property projects in Anshan, the PRC perform well and have started to contribute revenue and profit. The Group has stepped up progress of its property development in China. The Directors believe that the property development business will become a key driver for the Group's revenue and profitability growth in the future.

The Directors are optimistic about the Group's investment in luxury residential properties in Hong Kong due to scarce supply and growing demand, bolstered by rich investors in the PRC. The Directors believe that prices of luxury houses will continue to rise in the long term.

The financial position of the Group remains solid and healthy. The Group maintains sufficient working capital and the gearing ratio of the Group remains at a low level.

The Directors consider the Acquisition to be a wise investment. The Directors have confidence in the Hong Kong commercial property market and believe that price of commercial properties in prime commercial location like Wanchai will continue to go up in the long term. In addition to substantial saving of rent in the future, the Directors also believe that the Acquisition may produce potential capital gain in the future through appreciation in the value of the Properties.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/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 which 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 as at the Latest Practicable Date

Long positions in the Shares:

Name of the Directors	Number of the Shares interested and nature of interest			Approximate percentage of the total issued share capital of the Company *(%)*
	Personal	Corporate	Total	
Mr. Mak *(Note)*	8,475,652	294,775,079	303,250,731	50.03
Tam Ngai Hung, Terry	500,000	–	500,000	0.08
William Donald Putt	591,500	–	591,500	0.10

Note: Of the shareholding in which Mr. Mak was interested, an aggregate of 294,775,079 Shares were beneficially held by Capital Force, New Capital and Capital Winner, all of which are corporations wholly-owned by him, his spouse and his two sons. Mr. Mak is deemed to be interested in such Shares under the SFO as he controls the exercise of one-third or more of the voting power at general meetings of Capital Force, New Capital and Capital Winner.

(2) Interests and short positions in the shares and the underlying shares of the share options of an associated corporation – CCT Tech as at the Latest Practicable Date

(i) Long positions in the shares of CCT Tech:

Name of the Directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of CCT Tech *(%)*
	Personal	Corporate	Total	
Mr. Mak *(Note)*	120,000,000	33,026,391,124	33,146,391,124	50.67
Tam Ngai Hung, Terry	20,000,000	–	20,000,000	0.03
Cheng Yuk Ching, Flora	18,000,000	–	18,000,000	0.03
Chen Li	10,000,000	–	10,000,000	0.02

Note: Of the shareholding in which Mr. Mak was interested, 33,026,391,124 shares of CCT Tech were held by the Company through its indirect wholly-owned subsidiaries. Mr. Mak is deemed to be interested in such shares of CCT Tech under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of the Company through his interest in the shareholding of 50.03% of the total issued share capital in the Company as at the Latest Practicable Date.

(ii) Long positions in the underlying shares of the share options granted under the share option scheme of CCT Tech:

Name of the Directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share *HK$*	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of CCT Tech *(%)*
Tam Ngai Hung, Terry	23/7/2009	23/7/2009 – 6/11/2012	0.01	223,000,000	223,000,000	0.34
Cheng Yuk Ching, Flora	23/7/2009	23/7/2009 – 6/11/2012	0.01	245,000,000	245,000,000	0.37
William Donald Putt	23/7/2009	23/7/2009 – 6/11/2012	0.01	8,000,000	8,000,000	0.01
Chen Li	23/7/2009	23/7/2009 – 6/11/2012	0.01	8,000,000	8,000,000	0.01

(3) Interests and short positions in the shares and the underlying shares of the share options of an associated corporation – Merdeka Resources as at the Latest Practicable Date

(i) Long positions in the shares of Merdeka Resources:

Name of the Directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of Merdeka Resources *(%)*
	Personal	Corporate	Total	
Mr. Mak *(Note)*	33,484,000	1,331,764,070	1,365,248,070	22.37
Tam Ngai Hung, Terry	25,500,000	–	25,500,000	0.42
Cheng Yuk Ching, Flora	5,000,000	–	5,000,000	0.08
William Donald Putt	5,000,000	–	5,000,000	0.08

Note: Of the shareholding in which Mr. Mak was interested, 1,331,764,070 shares of Merdeka Resources were beneficially held by Manistar Enterprises Limited, an indirect wholly-owned subsidiary of the Company. Mr. Mak is deemed to be interested in such shares of Merdeka Resources under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of the Company through his interest in the shareholding of 50.03% of the total issued share capital in the Company as at the Latest Practicable Date.

(ii) Long positions in the underlying shares of the share options granted under the share option scheme of Merdeka Resources:

Name of the Directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share *HK$*	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of Merdeka Resources *(%)*
Tam Ngai Hung, Terry	7/7/2009	11/8/2009 – 6/3/2012	0.16	40,500,000	40,500,000	0.66
Cheng Yuk Ching, Flora	7/7/2009	11/8/2009 – 6/3/2012	0.16	46,000,000	46,000,000	0.75
William Donald Putt	7/7/2009	11/8/2009 – 6/3/2012	0.16	3,500,000	3,500,000	0.06

(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 any compensation, other than statutory compensation).

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

(i) none of the Directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/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 2010, 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; and

(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.

(d) 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 chief executive of the Company) had interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares as at the Latest Practicable Date:

Name of the Shareholders	**Number of the Shares held**	**Approximate percentage of the total issued share capital of the Company** *(%)*
Capital Force *(Note)*	96,868,792	15.98
New Capital *(Note)*	171,357,615	28.27

Note: Capital Force and New Capital are corporations controlled by Mr. Mak, his spouse and his two sons. Mr. Mak's interest in such Shares has also been disclosed under the sub-section headed "Directors' interests and short positions in the shares and the underlying shares of the share options of the Company and its associated corporations" 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 chief executive of the Company) who had any interests or short positions in the Shares and the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claims 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. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions and advice which are contained in this circular:

Name	Qualification
Grant Sherman	Professional valuer

(i) Grant Sherman did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any member of the Group;

(ii) Grant Sherman has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter dated 21 September 2011 and/or reference to its name in the form and context in which it is included; and

(iii) Grant Sherman did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to the Company or any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

7. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report of the Group for the period ended 30 June 2011, 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 2010, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date.

The Acquisition will not have any adverse effect on the operation, liquidity and financial resources, and capital structure of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date which are, or may be, material:

(i) the Formal Agreement;

(ii) the Provisional S&P Agreement;

(iii) the subscription agreement dated 2 August 2011 entered into amongst (1) Inventive Products Holdings Limited ("**IPHL**", an indirect wholly-owned subsidiary of the Company) as the subscriber; (2) InnoMed Scientific International Limited ("**InnoMed BVI**") as the target company; and (3) InnoMed Scientific Limited (the "**InnoMed Owner**") and Mr. Ty Tiefeng Hu ("**Mr. Hu**") as warrantors, in respect of the subscription of new shares in InnoMed BVI at the consideration in the aggregate amount of US$6,000,000. InnoMed BVI became a non wholly-owned subsidiary of the Company following the completion of the subscription on 3 August 2011;

(iv) the call option agreement dated 2 August 2011 entered into between IPHL and the InnoMed Owner regarding the grant of call option by IPHL to the InnoMed Owner at the consideration of US$1,800,000;

(v) the shareholders' agreement of InnoMed BVI dated 2 August 2011 entered into amongst IPHL, the InnoMed Owner, InnoMed BVI and Mr. Hu;

(vi) the agreement dated 23 June 2011 entered into between Shine Best Developments Limited (an indirect wholly-owned subsidiary of the Company) and an independent third party in relation to the disposal of a piece of industrial land in Huizhou City, the Guangdong Province, the PRC, at the consideration of RMB130,500,000;

(vii) the sale and purchase agreement dated 22 November 2010 entered into between Manistar Enterprises Limited (an indirect wholly-owned subsidiary of the Company) and an independent third party in relation to the disposal of 700,000,000 shares of Merdeka Resources at the consideration in the aggregate amount of HK$67,900,000;

(viii) the sale and purchase contract dated 29 October 2010 entered into between 東莞偉迪電子有限公司 (Dongguan Wiltec Electronics Company Limited) (an indirect wholly-owned subsidiary of the Company) and an independent third party in relation to the acquisition of office premises at the purchase price of RMB19,980,492; and

(ix) the sale and purchase contract dated 29 October 2010 entered into between 惠陽中建電訊制品有限公司 (Huiyang CCT Telecommunications Products Co., Ltd.) (an indirect wholly-owned subsidiary of CCT Tech) and an independent third party in relation to the acquisition of office premises at the purchase price of RMB35,005,324.

9. MISCELLANEOUS

(a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, 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 Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(c) The company secretary of the Company is Ms. Tong Kam Yin, Winnie, who is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

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

10. 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 14 days thereafter:

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

(b) the valuation report on the Properties, the text of which is set out in Appendix II to this circular;

(c) the written consent from Grant Sherman referred to in the section headed "Qualification and Consent of Expert" in this appendix;

(d) the annual reports of the Company for the three financial years ended 31 December 2010;

(e) the interim reports of the Company for the six months ended 30 June 2010 and 2011;

(f) the material contracts referred to in the section headed "Material Contracts" in this appendix;

(g) the Formal Agreement;

(h) the Provisional S&P Agreement; and

(i) this circular.