CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

HIGHLIGHTS

Summary Highlights

- Turnover for the year amounted to HK$3,130 million, up 1% from last year
- Loss attributable to shareholder amounted to HK$257 million, reduced 62% from the loss of HK$685 million last year
- Dividend HK3 cents (final dividend HK2 cents, interim dividend 1HK cent) per share
- Cash on hand amounted to HK$866 million at the end of 2002. Financial position remains strong

CHAIRMAN'S LETTER

2002 continued to be a year of consolidation for CCT Telecom Holdings Limited (''CCT Telecom'' or the ''Company'') and its subsidiaries (together the ''Group''), with the revenue was HK$3,130 million.

Gross profit increased by 11% to HK$434 million. The telecom products business continued to perform well and contributed HK$167 million in operating profit, up 19% from last year.

During the year, the Group continued to dispose of non-core investments or businesses, or to write down their value to recoverable amounts against under-performed investments in respect of high-tech related business. Having thoroughly reviewed the Group's remaining investments at the year end, it is considered that sufficient provision has been proporly made. As a result, the Group recorded a loss attributable to shareholders of HK$257 million. This loss was reduced by 62% from the loss of HK$685 million last year.

Cordless phone operation

This success was largely attributable to the outstanding performance of our telecom manufacturing business. This business continues to grow and expand despite the general economic recession. The market response to the 2.4 GHz cordless phones in particular is encouraging. During the year, the Group entered into additional new ODM (original design manufacturing) contracts with other famous branded cordless phones distributors, further validating our successful operating strategy. With a strong research and development team, we are now, and will continue to be, one of the leading cordless phone manufacturers in the world.

Plastic product operation

Another stable revenue stream came from our plastic products business. The plastic business grows steadily in line with growth of the telecom business as most of the plastic products are supplied internally for production of telecom products. As I last reported, the Group acquired back the baby care products business from our listed associate, Haier-CCT, in early 2002 with a view to adding synergy to the existing plastic products business. The decision has proved to be a desirable one. With the consolidation of the baby care products business, our plastic products group has now developed its own solid customer base for horizontal integration and expansion.

Electric component operation

During the year, we successfully acquired CCT Tech International Limited (''CCT Tech International'', SEHK code: 261, then known as Wireless InterNetworks Limited, ''WIN''). During the acquisition process, we injected our power supply business into CCT Tech International. Since the completion of the acquisition, we can not only enjoy the expansion and profitable growth of the power supply business through our interest in this company, but can also broaden our customer base and business connections through the ownership of another listed company.

Mobile phone operation

The Group's mobile phone business, conducted in cooperation with Haier Group Company (''Haier''), is operated through its listed associate, Haier-CCT.

I am pleased to report that pursuant to an acceleration agreement, which was completed in October 2002, CCT Telecom and Haier have accelerated the transfer of their interest in Pegasus Telecom (Qingdao) Co., Ltd. (''Pegasus Qingdao'', formerly known as Haier CCT (Qingdao) Telecom Co., Ltd.), a joint venture in the PRC engaged in the manufacture and distribution of mobile phones into Haier-CCT. Currently, Haier-CCT effectively holds 64.5% of Pegasus Qingdao.

According to Euromonitor, a leading market research institute in Europe, Haier is the largest white goods manufacturer in China and the fifth largest globally. It is also the largest global manufacturer in terms of refrigerators and is well known and recognised internationally. The ''Haier'' brand name is ranked the first in China and had a brand value of RMB48.9 billion in 2002, as assessed by Beijing Famous-Brand Evaluation Co. Ltd.

The acceleration has streamlined the mobile phone operation as a whole and further improved the efficiencies and management controls of Haier-CCT group. With the strength of both CCT Telecom and Haier, the future of Haier-CCT is promising.

In February 2003, Haier-CCT announced Haier's intention to further inject assets into Haier-CCT, which may include part or all of the white goods domestic appliances business of the Haier group. Among other things, the possible asset injection will depend on regulatory matters and approvals in the Mainland and Hong Kong. As a major shareholder of Haier-CCT, we are very pleased and excited about the possible injection which, if it proceeds, will enlarge the asset and revenue bases of Haier-CCT.

Outlook

We are an integrated telecom product enterprise. It is our business strategy to continue to focus on the core ODM business which has already proved to be a great success. We are now the supplier for a range of famous brands including GE, Alcatel and others, and will work with more recognised brands in the future in order to increase our market share in the manufacturing business.

Our manufacturing plant in Huiyang has the largest and most advanced facilities of its kind in the PRC. To satisfy increasing sales demand, the Group has also started to expand its production facilities in Dongguan, Guangdong Province. Due to the expanding size of the Group, demand for production materials is increasing. We have very strong sourcing and procurement power in the market through long-standing relationships with our suppliers, and thus are able consistently to maintain or improve the operating profit margin of the Group.

The Group has a very strong cash position throughout the year and with a cash balance of over HK$860 million as at 31 December 2002. This, together with the continued growth of our core business and prudent investment strategies, makes us highly competitive in the current depressed economy.

Acknowledgements

I wish to take this opportunity to thank the management team for its sound leadership, our staff for their hard work and excellent team spirit, and our shareholders, business partners and associates for their continued support. We are committed to maximising your returns in the years ahead.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 22 April 2003

AUDITED RESULTS

The board of directors of the Company (the ''Board'') are pleased to announce the audited results of the Group for the year ended 31 December 2002 together with comparative figures for the previous year as follows: –

HK$'million	*Notes*	**2002**	**2001**
TURNOVER	2	3,130	3,106
Cost of sales		(2,696)	(2,714)
Gross profit		434	392
Other revenue		41	50
Selling expenses		(49)	(27)
Administrative expenses		(314)	(326)
Other operating expenses		(72)	(114)
Profit from operating activities before net gains/(losses) on investments and impairment of fixed assets		40	(25)
Net gains on disposal/deemed disposal of subsidiaries		599	60
Net unrealised holding losses on short term investments		(383)	(452)
Net realised losses on disposal of short term investments		(12)	(43)
Impairment of long term investments		(313)	(30)
Impairment of fixed assets		(3)	(127)
Net losses on disposal/deemed disposal of associates		(129)	(13)
LOSS FROM OPERATING ACTIVITIES		(201)	(630)
Finance costs	4	(27)	(36)
Share of profits and losses of:			
Jointly-controlled entities		5	9
Associates		(33)	(9)
LOSS BEFORE TAX		(256)	(666)
Tax	5	(7)	(6)
LOSS BEFORE MINORITY INTERESTS		(263)	(672)
Minority interests		6	(13)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		(257)	(685)
DIVIDEND	6		
Interim		4	–
Proposed final		8	–
		12	–
LOSS PER SHARE	7		
Basic		HK$0.61	HK$1.67
Diluted		N/A	N/A

NOTES:

1. Impacts of New and Revised Statements of Standard Accounting Practice (''SSAPs'')

The following recently issued and revised SSAPs are effective for the current year's financial statements:

SSAP 1 (Revised):	''Presentation of financial statements''
SSAP 11 (Revised):	''Foreign currency translation''
SSAP 15 (Revised):	''Cash flow statements''
SSAP 33:	''Discontinuing operations''
SSAP 34:	''Employee benefits''

The adoption of the above SSAPs does not have a material effect on the consolidated financial statements, except that certain comparative previously reported have been reclassified to conform with the new disclosure requirements. Details effect on the adoption of these new SSAPs are set out in the annual report.

2. Business Segment Information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the telecom products segment engages in the manufacture and sale of telecom products and components;

(b) the baby care products segment manufactures and sells baby care products;

(c) the corporate and other segment comprises the Group's investments, network equipment business and multimedia including magazines publishing together with corporate income and expense items.

The following tables present revenue and profit information regarding the Group's business segments for the year ended 31 December 2002 and 2001.

Group
2002

HK$'million	Telecom products	Baby care products	Corporate and others	Inter-segment eliminations	Consolidated
Segment revenue:					
Sales to external customers	2,864	166	85	–	3,115
Intersegment sales	–	–	–	–	–
Other revenue from external sources	–	–	41	–	41
Total revenue	2,864	166	126	–	3,156
Segment results	167	6	(847)	–	(674)
Interest income					15
Unallocated revenue					599
Unallocated expenses					(141)
Loss from operating activities					(201)
Finance costs					(27)
Share of profits and losses of:					
Jointly-controlled entities					5
Associates					(33)
Loss before tax					(256)
Tax					(7)
Loss before minority interests					(263)
Minority interests					6
Net loss from ordinary activities attributable to shareholders					(257)

2001

HK$' million	Telecom products	Baby care products	Corporate and others	Inter-segment eliminations	Consolidated
Segment revenue:					
Sales to external customers	2,851	156	88	–	3,095
Intersegment sales	–	–	9	(9)	–
Other revenue from external sources	–	–	48	–	48
Total revenue	2,851	156	145	(9)	3,143
Segment results	140	7	(794)	–	(647)
Interest income					11
Unallocated revenue					62
Unallocated expenses					(56)
Loss from operating activities					(630)
Finance costs					(36)
Share of profits and losses of:					
Jointly-controlled entities					9
Associates					(9)
Loss before tax					(666)
Tax					(6)
Loss before minority interests					(672)
Minority interests					(13)
Net loss from ordinary activities attributable to shareholders					(685)

3. Depreciation and Amortisation

HK$'million	**2002**	**2001**
Depreciation	122	120
Amortisation		
– Deferred development expenditure	31	45
– Goodwill	16	1
	169	166

4. Finance Costs

HK$'million	**2002**	**2001**
Interest on bank loans and overdrafts wholly repayable within five years	15	11
Interest on bank loans repayable after five years	3	8
Interest on convertible debt	8	13
Interest on finance leases	1	4
	27	36

5. Tax

The Company is exempted from tax in the Cayman Islands until 2010. Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Certain PRC subsidiaries of the Group, which are categorised as wholly foreign-owned enterprises, are entitled to preferential tax treatments including full exemption from the PRC income tax for two years starting from their first profit-making year following by a 50% reduction for the next consecutive three years.

	Group	
HK$'million	**2002**	**2001**
Group:		
Hong Kong:		
Provision for the year	8	9
Overprovision in prior years	(1)	(4)
	7	5
Share of tax attributable to associates	–	1
Tax charge for the year	7	6

6. Dividend

HK$'million	**2002**	**2001**
Interim – HK$0.01 (2001:Nil) per ordinary share	4	–
Proposed final – HK$0.02 (2001:Nil) per ordinary share	8	–
	12	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

7. Loss Per Share

The calculation of basic loss per share is based on the net loss attributable to shareholders for the year of approximately HK$257 million (2001: loss of HK$685 million), and the weighted average number of 422,105,230 (2001: 409,734,112) ordinary shares in issue during the year.

The diluted loss per share for the years ended 31 December 2002 and 31 December 2001 are not shown as the potential ordinary shares outstanding as at 31 December 2002 had no dilution effect on the basic loss per share and the impact of the potential ordinary shares is anti-dilutive for the year ended 31 December 2001.

FINANCIAL REVIEW

Turnover of the Group increased slightly by 1% due to the growth of the telecom business. The turnover of cordless phone products in fact increased 16% from last year. Gross profit increased 11% from last year.

A net gain of HK$599 million arose in the year, mainly due to the deemed disposal of Haier-CCT arising from the dilution of the Company's shareholding in Haier-CCT, as Haier-CCT changed from a subsidiary to an associate in October 2002. As a result of the downturn of the Internet and high-tech sector, the Group has either terminated or divested its non-core investments. Provisions were made against those investments which under-performed. Net losses on investments amounting to HK$708 million, mainly comprised of the loss on realisation of investments and impairment of investments against those under-performed investments in respect of high-tech related businesses.

The Company reported a net loss of HK$398 million in the first half of the year. The Group achieved improved results in the second half of the year. The full year's loss has been reduced to HK$257 million. The reduction in loss was mainly attributable to the growth of the core business and the gain on deemed disposal of Haier-CCT which happened in the second half of the year.

Dividends

The Board proposed a final dividend of HK2 cents per share for the year to the shareholders whose names appear on the register of members of the Company on 19 May 2003, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. Total dividend for the year, including the interim dividend of HK1 cent per share, was amounted to HK3 cents per share, representing a dividend yield of 3.75% at the date of this announcement (2001: Nil). The proposed dividend will be paid on or about 16 June 2003 following the shareholders' approval at the forthcoming annual general meeting of the Company.

Analysis by Business Segment

HK$'million	Turnover 2002	2001	% Change
Telecom products	2,864	2,851	–
Baby care products	166	156	6%
Corporate and unallocated items	100	99	1%
Total	3,130	3,106	1%

HK$'million	Profit and loss 2002	2001	% Change
Telecom products	167	140	19%
Baby care products	7	7	–
Corporate and unallocated items	(375)	(777)	(52%)
Total loss from operating activities	(201)	(630)	(68%)

The telecom products segment continued to be the key driver for growth of the Group and contributed 92% (2001: 92%) of the Group's turnover in the current year. The remaining turnover was contributed from the baby care products and corporate items, representing 5% (2001: 5%) and 3% (2001: 3%) of the total turnover, respectively.

The telecom products business achieved outstanding results in 2002 and contributed an operating profit of HK$167 million to the Group, an increase of 19% as compared with last year. The outstanding performance of the segment is due to strong market demand for cordless products, especially 2.4 GHz cordless phones, and the improvement in efficiency produced by our strong research and development capability together with effective cost control.

Corporate and unallocated items comprised of net losses on investments and unallocated head office overheads were partially offset by the gain arising from the deemed disposal of Haier-CCT during the year. Corporate items recorded decrease from a loss of HK$777 million in 2001 to a loss of HK$375 million in 2002, representing a significant 52% reduction.

Analysis of Turnover by Geographical Segment

HK$'million	2002	2001	% Change
USA	2,198	1,783	23%
PRC, including Hong Kong	462	778	(41%)
Europe	155	365	(58%)
Others and unallocated	315	180	75%
Total	3,130	3,106	1%

Most of the Group's turnover was derived from export of telecom products. The USA, continued to be the major market of the Group, accounting for 70% (2001: 57%) of the Group's total turnover for the year. The increase in turnover from the USA was mainly attributable to the increase in sales of our cordless phone products to the USA.

The PRC (including Hong Kong) and Europe ranked second and third, accounting for 15% (2001: 25%) and 5% (2001: 12%), respectively, of the Group's total turnover.

FINANCIAL POSITION

Capital Structure and Gearing Ratio

HK$'million	As at 31 Dec 2002 Amount	As at 31 Dec 2002 Relative %	As at 31 Dec 2001 Amount	As at 31 Dec 2001 Relative %
Bank loans	363	13%	363	12%
Convertible debt	20	1%	120	4%
Finance lease payables	5	–	9	–
Total borrowings	388	14%	492	16%
Equity	2,428	86%	2,520	84%
Total capital employed	2,816	100%	3,012	100%

On 8 April 2002, the Company passed a special resolution to reduce the share capital of the Company. Pursuant to the special resolution: (i) the nominal value of each of the 422,105,230 then issued shares of HK$5.00 was reduced by HK$4.90 to HK$0.10, thereby reducing the then issued share capital of HK$2,110 million by HK$2,068 million to HK$42 million; (ii) the credit of HK$2,068 million arising therefrom, HK$934 was used to eliminate the accumulated losses of the Company and the balance of HK$1,134 million was credited to a distributable reserve for the Company; and (iii) the then unissued shares of the Company were cancelled, immediately followed by the creation of 1,577,894,770 unissued new shares of HK$0.10 each and, as a result, the authorised share capital of the Company has increased to HK$200 million, comprised of 2,000 million shares of HK$0.10 each. Further details of the share reduction are set out in the Company's circular dated 7 March 2002.

The financial position of the Group remains strong, with a low gearing ratio (total borrowings over total capital employed) of only 14% at 31 December 2002 (2001: 16%), reflecting a healthy financial position and the prudent financial policy of the Group.

The outstanding convertible notes amounting to HK$20 million as at 31 December 2002 were raised in July 2002, through the Company's listed subsidiary, CCT Technology Holdings Limited (''CCT Technology''). The convertible notes were cancelled upon completion of the group reorganisation of CCT Technology and, at the same time, new convertible notes in the same amount of HK$20 million were issued to the original convertible noteholder with substantially the same terms by its new listed holding company, CCT Tech International. The outstanding convertible notes, with a conversion price at HK$0.01 per share of CCT Tech International, bear interest at the rate of 5% per annum and fall due in July 2004.

During the year, the Company fully redeemed HK$120 million worth of convertible bonds issued by the Company in 2001. The redeemed convertible bonds bore interest at the rate of 8% per annum. The repayment of convertible bonds reduced the financial cost of the Company.

At 31 December 2002, total borrowings of the Group amounted to HK$388 million (2001: HK$492 million), of which the maturity profile falling due within one year, in the second to the fifth year and in the sixth to the tenth year amounted to HK$205 million, HK$106 and HK$77 million respectively (2001: HK$285 million, HK$175 million and HK$32 million, respectively). There is no material effect of seasonality on the Group's borrowing requirements.

Liquidity and Financial Resources

Current ratio	At 31 Dec 2002 *HK$'million*	At 31 Dec 2001 *HK$'million*
Current assets	1,647	2,202
Current liabilities	991	1,086
	166%	203%

The Group had strong financial position as at 31 December 2002. Current ratio (a ratio of current assets over current liabilities) as at 31 December 2002 was 166% (2001: 203%). The strong liquid position was attributable to strong cashflow from the operations and the prudent investment strategy of management.

At 31 December 2002, the Group had a cash balance of HK$866 million (2001: HK$1,137 million), decreased by HK$271 million as compared with last year. The decrease was because of the exclusion of Haier-CCT's cash balance from the Group's total cash balance upon consolidation at the year end, due to the fact that Haier-CCT had become an associate of the Company upon completion of the acceleration agreement (Haier-CCT was a subsidiary of the Company at 31 December 2001). Cash balance of CCT Telecom Group (excluding Haier-CCT) in fact increased by HK$102 million as compared with last year.

Among the total cash balance of HK$866 million, approximately HK$83 million (2001: HK$180 million) was pledged for general banking facilities. Almost all of the Group's cash was placed on deposits with licensed banks in Hong Kong.

The Group had outstanding bank loans amounting to HK$363 million at 31 December 2002 (2001: HK$363 million). Approximately 56% of these bank loans were arranged on a short-term basis for the ordinary business of the Group and are repayable within one year. The remaining 44% were of long-term nature, principally comprised of mortgage loans on properties used by the Group.

Certain of the Group's assets were financed by finance leases and the total outstanding for finance leases payable at 31 December 2002 amounted to HK$5 million (2001: HK$9 million).

At 31 December 2002, the Group had banking facilities of HK$646 million (2001: HK$775 million), of which HK$360 million had been utilised.

Capital Commitments

The Group had authorised and contracted capital commitments of approximately HK$60 million (2001: HK$18 million) at 31 December 2002. These capital commitments mainly relate to capital expenditure for the manufacturing business of the Group and will be funded by internal resources.

Treasury Management

The Group employs a conservative approach to cash management and risk controls. To achieve better risk controls and efficient fund management, the Group's treasury activities have been centralised. Most of the Group's receipts and payments are made in Hong Kong dollars and United States dollars. Cash is generally placed in short-term deposits denominated in Hong Kong dollars and United States dollars. At 31 December 2002, all of the Group's outstanding borrowings were denominated in Hong Kong dollars only. Other than the HK$20 million in fixed rate convertible notes, the Group's borrowings were principally made on a floating rate basis. The Group does not have any significant foreign currency or interest rate risk.

OTHER INFORMATION

Employees and Remuneration Policy

The total number of employees of the Group as at 31 December 2002 was 13,245 (2001: 15,443). Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, there are other staff benefits including provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees and persons of the Group. At 31 December 2002, there were outstanding share options of approximately 14 million.

Significant Investment

There was no significant investment unrelated to the core manufacturing business during the year.

The Group continues to focus on the original design manufacturing of telecom products. During the year, HK$190 million was used for capital expenditure, mainly relating to the Group's core manufacturing business.

Acquisition and Disposal of Material Subsidiaries and Associates

(1) Pursuant to an agreement signed in January 2002 with Haier-CCT, the Company acquired in March 2002 from Haier-CCT (the Company's then listed subsidiary and now a listed associate) a 100% interest in Current Profits Limited, which is engaged in the baby care products business. Further details of the acquisition have been set out in the Company's announcement dated 14 January 2002.

(2) Pursuant to the restructuring agreements dated 10 August 2001 entered into between the Company, Wireless InterNetworks Limited (''WIN'', a listed company in Hong Kong), WIN's then receivers, Standard Chartered Bank and Dongguan Defa Investment Limited, the Company acquired a controlling interest in WIN and HK$45 million in WIN's convertible notes. Further details of the acquisition have been set out in the Company's circular dated 31 March 2002.

To reflect the Company's ownership in WIN, WIN was then renamed as CCT Technology. CCT Technology was further reorganised in November 2002, with its listing status replaced by CCT Tech International.

On a fully diluted basis, the Company will own a 52% equity interest in CCT Tech International.

(3) Pursuant to an acceleration agreement dated 8 August 2002, the Company disposed of its 100% interest in Coreland Limited, which in turn owned a 49% interest in Pegasus Qingdao. Pegasus Qingdao is engaged in the manufacture and distribution of mobile phones. The disposal was completed in September 2002. Further details of the disposal are set out in the Company's circular dated 5 September 2002.

Pledge of Assets

At 31 December 2002, certain of the Group's assets with a net book value of HK$277 million (2001: HK$383 million) and time deposits of HK$83 million (2001: 180 million) were pledged to secure the general banking facilities granted to the Group.

Contingent Liabilities

Apart from the corporate guarantees of HK$360 million (31 December 2001: HK$360 million) given to banks for general facilities utilised by subsidiaries of the Company and guarantee given to an independent third party in respect of a rental arrangement in the amount of HK$40 million, the Group did not have any other significant contingent liabilities at 31 December 2002.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14 May 2003 to Monday, 19 May 2003 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and to determine the entitlement to attend and vote at the forthcoming annual general meeting, all transfer of shares, accompanied by the relevant share certificate(s), must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 13 May 2003.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice (the ''Code'') as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ''Stock Exchange'') (the ''Listing Rules'') throughout the accounting period covered by the annual report of the Company, except that the independent non-executive directors of the Company are not appointed for specific term as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company.

AUDIT COMMITTEE

Pursuant to the requirements of the Listing Rules, the Company has established an audit committee comprising three independent non-executive directors of the Company. A set of written terms of reference, which described the authority and duties of the audit committee, was adopted by the Board.

The audit committee is answerable to the Board and the principal duties of the committee include the review and supervision of the Company's financial reporting process and internal control. The audit committee had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2002.

PUBLICATION OF DETAILED FINAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The detailed final results of the Group for the year ended 31 December 2002 containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be subsequently published on the website of the Stock Exchange in due course.

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 22 April 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of CCT TELECOM HOLDINGS LIMITED (the ''Company'') will be held at 32/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 19 May 2003 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2002.

2. To declare a final dividend.

3. To re-elect the retiring directors of the Company for the year and to authorise the board of directors of the Company to fix their remuneration.

4. To re-appoint Messrs. Ernst & Young as auditors of the Company for the year and to authorise the board of directors of the Company to fix their remuneration.

As special business and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

5. ''**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK$0.10 each (the ''Shares'') in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the New Scheme Limit (as hereinafter defined), the refreshment of the scheme limit of the Company's share option scheme adopted on 28 February 2002, up to 10 per cent. of the total number of Shares in issue as at the date of passing of this resolution (the ''New Scheme Limit'') be and is hereby approved and any director of the Company be and is hereby authorised to do such act and execute such document to effect the New Scheme Limit.''

6. ''**THAT**

   (a) subject to paragraph 6(b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase the securities of the Company on The Stock Exchange of Hong Kong Limited (the ''Stock Exchange'') or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time and the manner of any such repurchase, be and is hereby generally and unconditionally approved;

   (b) the aggregate nominal amount of share capital purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 6(a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraph 6(a) of this resolution shall be limited accordingly; and

   (c) for the purposes of this resolution,

   ''Relevant Period'' means the period from the date of passing of this resolution until, whichever is the earliest of:

   (i) the conclusion of the next annual general meeting of the Company;

   (ii) the expiration of the period within which the next annual general meeting of the Company is required by the law or the articles of association of the Company to be held; and

   (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in a general meeting.''

7. ‘‘**THAT**

(a) subject to paragraph 7(c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph 7(a) of this resolution shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period (as hereinafter defined) which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph 7(a) of this resolution, otherwise than pursuant to:

(i) a Rights Issue (as hereinafter defined);

(ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;

(iii) the exercise of options granted under any option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the share capital of the Company to the officers and/or employees of the Company and/or any of its subsidiaries; and

(iv) any scrip dividend or similar arrangement providing for the allotment of shares in the share capital of the Company implemented in accordance with the articles of association of the Company,

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraphs 7(a) and 7(b) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution,

‘‘Relevant Period’’ means the period from the date of passing of this resolution until, whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the law or the articles of association of the Company to be held; and

(iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in a general meeting.

‘‘Rights Issue’’ means the allotment, issue or grant of shares pursuant to an offer open for a period fixed by the directors of the Company to the holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).’’

8. ''**THAT** the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to and in accordance with resolution 7 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the aggregate nominal amount of the issued share capital of the Company repurchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.''

By Order of the Board
Mak Shiu Tong, Clement
Chairman

Hong Kong, 22 April 2003

Notes:

1. *The register of members of the Company will be closed from Wednesday, 14 May 2003 to Monday, 19 May 2003 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and to determine the entitlement to attend and vote at the annual general meeting, all transfer of shares, accompanied by the relevant share certificate(s), must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 13 May 2003.*

2. *A member of the Company who is the holder of two or more shares and who is entitled to attend and vote at the annual general meeting is entitled to appoint more than one proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.*

3. *The instrument appointing a proxy and 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 G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting.*

4. *A form of proxy for use at the annual general meeting and a circular setting out further information regarding the resolutions 5 to 8 of this notice will be despatched to the shareholders of the Company with the 2002 annual report of the Company.*

Please also refer to the published version of this announcement in The Standard.