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CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 138)

EFFECT OF THE PROPOSED ASSET ACQUISITION BY HAIER-CCT HOLDINGS LIMITED

On 5 March 2004, Haier-CCT, an associated company of the Company, has conditionally agreed with Haier Group for the transfer by Haier Group of the Washing Machine Business to Haier-CCT and the exercise of the Call Option in exchange of cash, shares in Haier-CCT and the Convertible Notes at an aggregate consideration of HK$1,503,407,200. The consideration for the acquisition of the Washing Machine Business and the proportion between the number of the WM Consideration Shares and the principal amount of the Convertible Notes are subject to adjustment as stated in the Joint Announcement. The Board wishes to draw the attention of the shareholders and investors that, upon completion of the Asset Injection (subject to certain conditions as stated in the Joint Announcement) but before conversion of the Convertible Notes to be issued by Haier-CCT, the Company's shareholding in Haier-CCT will be diluted from approximately 43.62% to approximately 26.61%.

Shareholders of the Company and investors are urged to refer to the Joint Announcement and should exercise caution when dealing in the shares of the Company.

The board of directors (the "**Board**") of CCT Telecom Holdings Limited (the "**Company**") refers to the joint announcement of Haier-CCT Holdings Limited ("**Haier-CCT**"), Haier Group Corporation ("**Haier Corp**") and Qingdao Haier Investment & Development Co., Ltd. ("**Haier Investment**") (Haier Corp and Haier Investment together referred to as "**Haier Group**") of 2 April 2004 (the "**Joint Announcement**"). Terms used herein shall have the same meanings as defined in the Joint Announcement.

As set out in the Joint Announcement, Haier-CCT, an associated company of the Company, has agreed conditionally with Haier Group for the transfer by Haier Group of the Washing Machine Business to Haier-CCT and the exercise of the Call Option in exchange of cash, shares in Haier-CCT and the Convertible Notes at an aggregate consideration of HK$1,503,407,200. The consideration for the acquisition of the Washing Machine Business and the proportion between the number of the WM Consideration Shares and the principal amount of the Convertible Notes are subject to adjustment as stated in the Joint Announcement.

Upon completion of the Asset Injection (subject to certain conditions as stated in the Joint Announcement) but before conversion of the Convertible Notes, the interests of Haier Parties in Haier-CCT will increase from approximately 29.94% to approximately 57.26% and the Company's shareholding in Haier-CCT will be diluted from approximately 43.62% to approximately 26.61%. The Asset Injection will broaden the product range and enhance the profitability of Haier-CCT. Haier Group intends to inject the Remaining White Goods Business (including its interest in the A Share Company currently listed on the Shanghai Stock Exchange) into Haier-CCT with a view to position Haier-CCT as its listed flagship for its white goods business.

Shareholders of the Company and investors are urged to refer to the Joint Announcement and should exercise caution when dealing in the shares of the Company.

As at the date of this announcement, Mr Clement Mak Shiu Tong, Mr Terry Tam Ngai Hung, Ms Flora Cheng Yuk Ching and Mr William Donald Putt are the executive directors of the Company and Mr Samuel Olenick, Mr Kenny Tam King Ching and Mr Edward Lau Ho Man are the independent non-executive directors of the Company.

By Order of the Board of
CCT TELECOM HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 2 April 2004