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 and the accompanying form of proxy 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).

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CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 00138)

VERY SUBSTANTIAL DISPOSAL

DISPOSAL OF SHOPPING UNITS

A letter from the Board is set out on pages 5 to 15 of this circular.

A notice convening the SGM to be held at 31/F., Fortis Tower, 77–79 Gloucester Road, Hong Kong on Monday, 9 September 2013 at 10:30 a.m. is set out on pages 53 to 54 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the SGM. Such form of proxy for use at the SGM is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.cct.com.hk/eng/investor/announcements.php). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

21 August 2013

CONTENT

Page

Definitions 1

Letter from the Board 5

Appendix I — Financial information of the Group 16

Appendix II — Unaudited financial information of the Accumulated Shopping Units 29

Appendix III — Unaudited pro forma financial information of the Remaining Group 31

Appendix IV — Valuation report on the Accumulated Shopping Units 39

Appendix V — General information 45

Notice of the SGM 53

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

"Accumulated Disposal"	the accumulated disposal of the Shopping Units by the Vendor to the Purchasers in consideration of the Accumulated Selling Price, under the Provisional SPAs entered into by the parties during the period from 17 July 2013 to the Latest Practicable Date (both days inclusive), which is composed of the VSD Disposal and the Additional Disposal;
"Accumulated Selling Price"	the accumulated Selling Price of the Accumulated Shopping Units sold by the Vendor to the Purchasers under the Provisional SPAs entered into by the parties during the period from 17 July 2013 to the Latest Practicable Date (both days inclusive);
"Accumulated Shopping Units"	the accumulated Shopping Units sold by the Vendor to the Purchasers under the Provisional SPAs entered into by the parties during the period from 17 July 2013 to the Latest Practicable Date;
"Additional Disposal"	the aggregate additional disposal of the Shopping Units by the Vendor to the Purchasers in consideration of the aggregate Selling Price of approximately HK$182,000,000, under the Provisional SPAs entered into by the parties during the period from 25 July 2013 to the Latest Practicable Date (both days inclusive);
"associate(s)"	has the same meaning as ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Business Day(s)"	a day (other than Saturdays, Sundays, and public holidays) on which licensed banks in Hong Kong are open for business;
"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, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange and a non-wholly owned subsidiary of the Company;
"CCT Tech Directors"	the director(s) (including the independent non-executive directors) of CCT Tech, from time to time;
"CCT Tech Group"	CCT Tech and its subsidiaries, from time to time;
"Company"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
"Completion"	completion of the each Disposal pursuant to the terms and conditions of the relevant Provisional SPA and the relevant Formal Agreement;
"Completion Date"	the date of completion of each Disposal pursuant to the terms and conditions of the relevant Provisional SPA and the relevant Formal Agreement, which will take place within three months from the date of the Provisional SPA;
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company from time to time;
"Disposal"	the disposal of the Shopping Units by the Vendor to the Purchasers pursuant to the terms and conditions of the Provisional SPAs and the relevant Formal Agreements;
"Formal Agreement(s)"	the formal sale and purchase agreement(s) entered or to be entered into between the Vendor and the Purchaser(s) in relation to the sale and purchase of the relevant Shopping Unit(s);
"Group"	the Company and its subsidiaries from time to time;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Latest Practicable Date"	16 August 2013, 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;
"Mainland China"	the Mainland of China;
"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;
"percentage ratios"	has the meaning ascribed to it under the Listing Rules;
"PRC" or "China"	the People's Republic of China and for the purpose of this circular excluding Hong Kong, Macau and Taiwan;
"Previous Relevant Corporate Communications"	the Company's announcements dated 9 July 2013, 17 July 2013 and 18 July 2013, 24 July 2013, 26 July 2013, 29 July 2013, 30 July 2013, 8 August 2013 and 13 August 2013 in relation to the disposal of the Shopping Units;
"Property"	Units No. 1–33, 34A, 34B, 36A, 36B and 38–45 on the Portion of the Basement at the Podium of Blocks 1, 2 and 3, City Garden, No. 233 Electric Road, North Point, Hong Kong before sub-division into the Shopping Units, the acquisition of which by the Vendor was completed on 30 November 2012;
"Provisional SPA(s)"	the provisional sale and purchase agreement(s) entered into between the Vendor and the Purchaser(s) from time to time in relation to the sale and purchase of the Shopping Unit(s);
"Purchaser(s)"	the individual(s) or the company/(companies), as the case may be, which entered into the Provisional SPA(s) from time to time with the Vendor to purchase the Shopping Unit(s);
"Remaining Group"	the Group excluding the Accumulated Shopping Units sold up to and including the Latest Practicable Date;
"Rental Guarantee"	has the meaning defined in the sub-section headed "Incentives to be offered to the Purchasers" under the section headed "The Provisional SPAs and the Formal Agreements" in the "Letter from the Board" of this circular;
"RMB"	Renminbi, the lawful currency of the PRC;

"Selling Price"	the selling price of the Shopping Units;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"SGM"	the special general meeting of the Shareholders to be convened to consider and, if thought fit, approve the Accumulated Disposal of the Shopping Units, which comprises the VSD Disposal and the Additional Disposal;
"Shareholders"	the holders of the issued Shares;
"Shares"	the shares of HK$0.10 each in the share capital of the Company;
"Shopping Units"	sub-divided retail property units of the Property which are being offered for sale by the Vendor;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"US$"	United States dollar, the lawful currency of the United States of America;
"Vendor"	Goldbay Property (China) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
"Vigers"	Vigers Appraisal and Consulting Limited, an independent professional valuer;
"VSD Disposal"	the aggregate disposal of the Shopping Units by the Vendor to the Purchasers in consideration of the aggregate Selling Price of approximately HK$500,000,000, under the Provisional SPAs entered into by the parties during the period from 17 July 2013 to 24 July 2013 (both days inclusive), which constitutes a very substantial disposal for the Company under the Listing Rules; and
"%"	per cent.

CITIC 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
Chen Li
Chow Siu Ngor

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

Head office and principal place of business in Hong Kong:
31/F., Fortis Tower,
77–79 Gloucester Road,
Hong Kong

21 August 2013

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL

DISPOSAL OF SHOPPING UNITS

INTRODUCTION

Reference is made to the Company's announcement dated 30 July 2012, the circular dated 14 September 2012, the announcement dated 18 January 2013, and the Previous Relevant Corporate Communications, in relation to the Property.

The Board announced through the Previous Relevant Corporate Communications that the Vendor decided to sub-divide the Property into approximately over 300 Shopping Units and offer the sub-divided Shopping Units for sale to the public and that the Vendor has entered into an aggregate 315 sets of Provisional SPAs for the sale of Shopping Units during the period from 17 July 2013 to the Latest Practicable Date.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules, in respect of the aggregate Disposal of the Shopping Units during the period from 17 July 2013 to 24 July 2013 exceeds 75%, the VSD Disposal therefore constitutes a very substantial disposal for the Company under the Listing Rules. As disclosed in the Previous Relevant Corporate Communications, the Company will seek approval from the Shareholders for the VSD Disposal and the Additional Disposal by way of a poll at the SGM.

The purpose of this circular is to provide you with, among other things, (i) further details of the Provisional SPAs and the Accumulated Disposal; (ii) financial information of the Property and the Accumulated Shopping Units, which is set out in Appendix II; (iii) the valuation report of the Accumulated Shopping Units, which is set out in Appendix IV; and (iv) the notice of the SGM.

THE PROVISIONAL SPAS AND THE FORMAL AGREEMENTS

Period of entering into the Provisional SPAs	:	during the period from 17 July 2013 to the Latest Practicable Date
Parties	:	(i) Goldbay Property (China) Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor; and (ii) the Purchasers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and in the case of corporate Purchasers, their ultimate beneficial owner(s), are third parties independent of the Company and its connected persons.

Sale and Purchase

Pursuant to the each Provisional SPA, the Vendor will sell and the relevant Purchaser will purchase the relevant Shopping Unit(s) upon the terms contained therein. It is provided in the Provisional SPA that the Vendor and the Purchaser will enter into a Formal Agreement within fourteen days after the date of the Provisional SPA. Formal Agreements, which have the same terms and conditions as those of the Provisional SPAs, have been entered into by the Vendor and the Purchasers in accordance with the terms of the Provisional SPAs.

The accumulated gross floor area and accumulated saleable floor area of the Shopping Units sold under the Provisional SPAs entered into during the period from 17 July 2013 to the Latest Practicable Date are approximately 27,550 square feet and approximately 13,775 square feet, respectively. The Accumulated Shopping Units will be sold with vacant possession on Completion. Renovation, upgrading and subdivision of the Property into the Shopping Units will be carried out after Completion.

The Vendor will incur at least HK$3,000,000 on the promotion and marketing of the Property as a whole. The Vendor will incur at least HK$40,000,000 in the sub-division and/or partitioning works of the Property and the sum of HK$40,000,000 will be withheld by the Vendor's solicitors from the Accumulated Selling Prices as escrow to pay for such costs.

If a Purchaser defaults on the transaction, including not signing the Formal Agreement and/or not making any further deposit or any payments in accordance with the Provisional SPA, the Vendor can forfeit the deposit paid up to 10% of the selling price of the relevant Shopping Unit(s) and claim losses and expenses arising from the defaults of the Purchaser in accordance with the terms of the Provisional SPA and the relevant Formal Agreements.

The Accumulated Selling Price

The aggregate Selling Price of the VSD Disposal and the Additional Disposal is approximately HK$500,000,000 and HK$182,000,000, respectively. The Accumulated Selling Price of the Accumulated Disposal is approximately HK$682,000,000, payable in cash.

The selling prices of the Shopping Units were determined after arm's length negotiation, based on a professional valuation of the Shopping Units conducted by Vigers, on behalf of the Vendor, and with reference to the prevailing market prices of the retail properties within close proximity of the Property.

The Accumulated Selling Price represents a slight discount of approximately 0.2% to the valuation of the Accumulated Shopping Units sold of approximately HK$683,300,000 as at 9 July 2013 as appraised by Vigers. The valuation report of the Accumulated Shopping Units sold is set out in Appendix IV of this circular. The Board consider that the factors that lead to the increase of the valuation of the Accumulated Shopping Units from approximately HK$228,000,000 as at 31 December 2012 (set out in Appendix II of this circular, which was computed based on the valuation of the Property of HK$260,000,000 as at 31 December 2012 as appraised by Grants Sherman Appraisal Limited) to the valuation of the Accumulated Shopping Units of approximately HK$683,300,000 as at 9 July 2013 as appraised by Vigers are as follows:

(a) The valuation of the Property as at 31 December 2012 was made on the assumption that the Property would continue to be leased out at existing states and conditions without any sub-division, renovation and upgrading.

(b) The retail property prices of the North Point district where the Property is located have increased since the last year end.

(c) The proposed plan of sub-division, renovation and upgrading of the Property will increase the affordability of the Shopping Units to public investors and will increase the value of the Property.

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

Terms of Payments

In respect of each signed Provisional SPA,

(a) a preliminary deposit of relevant amount was paid by the Purchaser to the Vendor's solicitors, holding in escrow on behalf of the Vendor, upon the signing of the Provisional SPA;

(b) the first installment of further deposit equals to the excess (if any) of 10% of the selling price set out in the Provisional SPA over the preliminary deposit paid will be payable by the Purchaser to the Vendor's solicitors, holding in escrow on behalf of the Vendor, within 14 days from the date of the Provisional SPA;

(c) the second installment of further deposit equals to the excess of 20% of the selling price set out in the Provisional SPA over the total sum of the preliminary deposit and the first installment of the further deposit will be payable by the Purchaser to the Vendor's solicitors, holding in escrow on behalf of the Vendor, within one month from the date of the Provisional SPA; and

(d) the remaining balance of 80% of the selling price set out in the Provisional SPA will be paid by the Purchaser to the Vendor upon completion of the sale which will take place within three months from the date of Provisional SPA.

Incentives to be offered to the Purchasers

The following incentives will be offered by the Vendor to each of the Purchasers:

(1) If the Purchaser elects, the Vendor will guarantee the Purchaser that within the first 2 years commencing from the Completion Date, the Shopping Unit concerned will maintain an annual rental return of not less than 5% of the selling price of the Shopping Unit sold (the "**Rental Guarantee**") on condition that the Purchaser will on Completion issue a revocable power of attorney appointing the Vendor or its nominee as its attorney to let or lease the relevant Shopping Unit to any person and on such terms and conditions as the Vendor may see fit during the Rental Guarantee period. Any shortfall between the guaranteed rental of 5% per annum and the actual rent received from the relevant Shopping Unit during the Rental Guarantee period will be borne and be payable by the Vendor to the Purchaser which has elected the Rental Guarantee. Assuming all the Purchasers of the Accumulated Shopping Units elect the Rental Guarantee, the maximum amount of the Rental Guarantee for the two-year rental period is approximately HK$68,000,000.

(2) The Purchaser may elect to obtain long-term financing from the Vendor to finance part of the selling price for the relevant Shopping Unit(s) sold. If the Purchaser so elects, the Vendor will procure a finance company (which can be a wholly-owned subsidiary of the Company or an independent third party) to provide such financing by way of a mortgage loan to the Purchaser up to 40% of the selling price of the relevant Shopping Unit(s) sold. The mortgage loan will be secured by mortgage on the relevant Shopping Unit and interest will be charged based on the prime lending rate for HK$.

(3) The Vendor will reimburse the additional portion of the ad valorem stamp duty arising from the new stamp duty rates announced by the Financial Secretary on 22 February 2013 payable on the sale of the relevant Shopping Unit by the Vendor to the Purchaser, in accordance with the terms of the Provisional SPA and the relevant Formal Agreement.

Completion

Completion of the Disposal under the relevant Provisional SPA and the Formal Agreement will take place on the Completion Date, which is within three months from the date of the Provisional SPA.

INFORMATION ON THE PROPERTY AND THE SHOPPING UNITS

The Property comprises Units No. 1–33, 34A, 34B, 36A, 36B and 38–45 on the Portion of the Basement at the Podium of Blocks 1, 2 and 3 City Garden, No. 233 Electric Road, North Point, Hong Kong. The acquisition of the Property by the Vendor was completed on 30 November 2012.

The Vendor will carry out renovation, upgrading and sub-division of the Property after Completion. The Property will be sub-divided into approximately over 300 Shopping Units with total saleable floor area of approximately 15,785 square feet and total gross floor area of approximately 31,570 square feet. Of all the Shopping Units, certain Shopping Units with gross floor area for approximately 4,020 square feet are designated for shops providing food and beverage and will not be offered for sale for the time being, subject to further design.

Since completion of the acquisition of the Property on 30 November 2012, license fee income of approximately HK$600,000 (inclusive of building management fee, air conditioning fee and government rent and rates) was earned for the month of December 2012. The Property has been vacant 1 January 2013. The unaudited profit (before finance costs and revaluation gain of the Property) before and after tax of the Property for the month ended 31 December 2012 is approximately HK$339,000. The proportional unaudited profit (before finance costs and revaluation gain of the Property) for the month ended 31 December 2012 attributable to the Accumulated Shopping Units was approximately HK$298,000. The total book value of the Property as shown in the audited financial statements of the Vendor for the year ended 31 December 2012 was HK$260,000,000. The proportional book value of the Property as at 31 December 2012 attributable to the Accumulated Shopping Units was approximately HK$228,000,000.

The Accumulated Disposal is expected to give rise to an estimated unaudited gain before tax of approximately HK$275,000,000 on the assumption that the Provisional SPAs and the relevant Formal Agreements will be completed. The estimated unaudited gain before tax arising from sale of the Accumulated Shopping Units was calculated based on the difference between the total Accumulated Selling Price of approximately HK$682,000,000 and the sum total of: (i) the proportion of the book value of the Property as at 31 December 2012 attributable to the Accumulated Shopping Units sold; (ii) the estimated total cost of the Rental Guarantee of the Accumulated Shopping Units sold, assuming that all the relevant Purchasers elect the Rental Guarantee and all such units will not be let out during the rental guaranteed period; (iii) the estimated or the estimated share of property agent commission, ad valorem stamp duty, legal and professional fees, selling and other expenses arising from the Accumulated Disposal; and (iv) the estimated proportional share of costs of promotion, renovation, upgrading, and sub-division costs attributable to the Accumulated Shopping Units sold, to be payable or borne by the Vendor. The actual unaudited gain before tax arising from the Accumulated Disposal will

be calculated based on the applicable accounting standards by deducting the carrying amount attributable to the Accumulated Shopping Units sold and the actual and estimated costs of the above items attributable to the Accumulated Disposal from the total Accumulated Selling Price.

REASONS FOR THE ACCUMULATED DISPOSAL

The value of the Property has surged since its acquisition by the Vendor, mainly because of the rise in property prices in Hong Kong, especially for commercial properties. As such, the Board is of the view that the Accumulated Disposal provides a good opportunity for the Group to realise its investment in the Property with potential substantial gains and the proceeds from the Accumulated Disposal will further enhance the financial position of the Group. Furthermore, through the Accumulated Disposal, the Group will enter into a new property development and property trading business and a money lending business (in case financing of part of the Selling Price of the Shopping Units sold is provided by the Group to the Purchasers) in Hong Kong. We believe these new businesses have good potential for growth.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional SPAs and the relevant Formal Agreements are on normal commercial terms, fair and reasonable and the Accumulated Disposal is the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The proceeds from the Accumulated Disposal will be applied as follows:

(a) to repay the outstanding mortgage loan of the Property (which amounted to approximately HK$77,000,000 as at the Latest Practicable Date);

(b) to finance the mortgage loan of approximately HK$41,000,000 to be provided by the Group assuming 15% of the Purchasers of the Accumulated Shopping Units elect for mortgage loan to be provided by the Group to finance part (up to the total extent of 40%) of the selling price of the Shopping Units sold;

(c) to settle property agent commission, ad valorem stamp duty, legal and professional fees, and selling and other expenses in a total estimated amount of HK$64,000,000 to be borne or payable by the Vendor in respect of the Accumulated Disposal;

(d) the renovation, sub-division and promotion expenses of the Shopping Units in the total estimated amount of HK$53,000,000;

(e) to settle the cost of the Rental Guarantee attributable to the Accumulated Shopping Units sold of approximately HK$68,000,000 assuming all the Purchasers have elected the Rental Guarantee and the Accumulated Shopping Units would not be let out during the rental guaranteed period; and

(f) the remaining balance of approximately HK$379,000,000 (computed based on the assumptions set out in the above paragraphs) will be used as general working capital of the Group or other possible investment opportunities.

The Board considers that the Accumulated Disposal will further improve the financial and cash position of the Group.

Financial effects of the Accumulated Disposal

The Accumulated Disposal represents a disposal of asset which will give rise to a gain to the Group. The proportion of the carrying value of the Property attributable to Accumulated Shopping Units sold and actual and estimated costs attributable to the Accumulated Disposal will be charged to the Group's income statement in arriving at the gain arising from the Accumulated Disposal.

(a) Net assets value

Based on the unaudited pro forma consolidated net assets statement of the Remaining Group as set out in Appendix III (1) to this circular which illustrates the effect of the Accumulated Disposal on the financial position of the Remaining Group, on the basis of assumptions as stated in Appendix III, the total assets of the Remaining Group would have been increased by HK$260 million, while the total liabilities of the Remaining Group would have been increased by HK$50 million and the net assets value of the Remaining Group would have been increased by HK$210 million, arising from the Accumulated Disposal.

(b) Results

The audited consolidated net loss of the Group for the year ended 31 December 2012 was approximately HK$67 million as disclosed in the Company's 2012 annual report. Based on the unaudited pro forma consolidated income statement of the Remaining Group as set out in the Appendix III (2) to this circular which illustrates the effect of the Accumulated Disposal on the result of the Remaining Group, on the basis of the assumptions as stated in Appendix III, the unaudited consolidated results of the Remaining Group for the year ended 31 December 2012 would have been changed from a consolidated net loss of HK$67 million to net profit of HK$139 million. The net change in the unaudited pro forma consolidated results of the Remaining Group was mainly due to the estimated gain arising from the Accumulated Disposal, the details of which are set out in Appendix III (2) of this circular.

The financial effects of the Accumulated Disposal on the Group were prepared based on the unaudited pro forma financial information of the Remaining Group for illustration purposes only. As a number of assumptions have been made in the preparation of the unaudited pro forma financial information of the Remaining Group, the financial effects of the Accumulated Disposal as elaborated above may not give the true picture of the actual financial effects of the Accumulated Disposal on the Group.

TRADING AND FINANCIAL PROSPECTS OF THE REMAINING GROUP

The Accumulated Disposal will not have any significant impact on the existing business of the Remaining Group. The Remaining Group will continue to carry out its existing businesses in (i) the manufacture and sale of telecom, electronic and child products; (ii) the manufacture and sale of plastic components; (iii) the securities business; (iv) property development business in China; and (v) the property investment and holding in Hong Kong.

As disclosed in CCT Tech's 2012 annual report, the telecom product business continued to encounter difficult business environment, reported decrease in turnover and recorded a net loss in 2012. The adverse performance was caused mainly by the euro sovereign debt crisis which affected the major market of the telecom product business, slow global economy, keen competition and rising input costs. All of these factors adversely impacted the performance of the telecom product business. The CCT Tech Directors expect that the business environment of the telecom product business will remain uncertain and difficult going forward. It is expected that the US economy should continue its slow recovery, while euro sovereign debt crisis remains the biggest risk to world economy. The CCT Tech Directors consider that weak global economic development (especially in Europe which is the major market of the telecom product business), rising labour and production costs will remain the major challenges to the performance of the telecom product business. To combat the challenges, the CCT Tech Group will continue to capitalize its competitive edges and will continue its track record of strong product innovation and offerings. The management of the CCT Tech Group will continue to streamline production process and control costs. The CCT Tech Group will further reinforce its operation audit function and production costs will be critically reviewed and tightly monitored at each production process in order to achieve cost savings.

The component business of the Remaining Group, which will continue to provide vertical support to the telecom product business and sell most of the components produced to the CCT Tech Group. As disclosed in the Company's 2012 annual report, turnover of the component business decreased by 32.7% to HK$173 million and as a result of decrease in turnover and increase in costs, this division incurred an operating loss of HK$31 million before tax in 2012. The Directors have recognised the problems of the component business and have been taken proactive measures to resolve them. The Remaining Group has addressed most of the issues and the Remaining Group will continue to reinforce restructuring and structural reform of the operations and to further tighten cost controls in order to remain competitive.

As disclosed in the Company's 2012 annual report, in view of the uncertain outlook of the equity market, the Remaining Group has adjusted the investment strategy in 2012 and disposed of all the investment portfolios in listed shares. As such, its securities investments have been scaled down. The remaining portfolio of the securities business represented low-risk investment funds and RMB denominated bonds. The Directors will prudently invest the surplus funds to enhance yield and returns in the future.

The property development business in China has been profitable, and reported audited consolidated profit after tax of approximately HK$8 million in 2012. The Directors are confident in the long-term outlook of the housing market in China due to urbanization and rising incomes of Chinese people. Members of the Land Group (CCT Land (China) Holdings

Limited and its subsidiaries) have become subsidiaries of CCT Tech through the restructuring transactions, which were announced and disclosed in the Company's announcement dated 24 April 2013 and in the Company's circular dated 14 June 2013. The restructuring transactions were approved by the Shareholders and the independent shareholders of CCT Tech in the respective special general meeting of the Company and CCT Tech on 8 July 2013 and were completed on 15 July 2013. The property development business in China is engaged by the CCT Tech Group after completion of the restructuring transactions and as such, the business continues to be a principal business of the Remaining Group, which includes the CCT Tech Group.

As disclosed in the Company's 2012 annual report, the property investment segment of the Remaining Group performed better than the other segment of the Remaining Group, as the division was benefited from the rising property prices in Hong Kong in recent years. Despite the latest measures to widen its curbs to temper the overheated property market, the Directors believe these measures coupled with the government's commitment to increase long-term supply of land and flats will stabilise property prices and help to promote a healthier property market in Hong Kong in long run. The Directors expect that the Remaining Group's acquisitions of the properties in past two years will enhance rental revenue and will give rise potential gains to the Remaining Group as both the rental yield and value of these properties have surged after acquisition.

Through the Accumulated Disposal, the Remaining Group will enter into the property development and property trading business and the money lending business (in case financing of part of the Selling Price is provided by the Group to the Purchasers) in Hong Kong. The Directors believe that these new businesses have good potential to grow and will broaden the revenue base and enhance the profitability of the Remaining Group.

The Accumulated Disposal will further improve the financial and cash position of the Remaining Group.

INFORMATION ON THE VENDOR, THE COMPANY AND THE GROUP

The Vendor is an indirect wholly-owned subsidiary of the Company and its principal activity is property investment.

The Company is the holding company of the Group, which is principally engaged in: (i) the manufacture and sale of telecom, electronic and child products; (ii) the manufacture and sale of plastic components; (iii) the securities business; (iv) property development business in China; and (v) property investment and holdings in Hong Kong.

Through the Accumulated Disposal, the Remaining Group will enter into the property development and property trading business and the money lending business (in case financing of part of the Selling Price is provided by the Group to the Purchasers) in Hong Kong.

INFORMATION ON THE PURCHASERS

Of the Purchasers, 277 sets of the Provisional SPAs were entered into by individual purchasers and the other 38 sets by corporate purchasers and which, to the knowledge of the Directors, are engaged in investment business.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules, in respect of the VSD Disposal exceeds 75%, the VSD Disposal therefore constitutes a very substantial disposal for the Company under the Listing Rules. The VSD Disposal is therefore subject to approval by the Shareholders at the SGM. As disclosed in the Previous Relevant Corporate Communications, the Company will seek approval from the Shareholders for the VSD Disposal and the Additional Disposal by way of a poll at the SGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholder has a material interest in the Accumulated Disposal, which is composed of the VSD Disposal and the Additional Disposal, and as such no Shareholder is required to abstain from voting on the resolution(s) to be proposed to approve, inter alia, the Accumulated Disposal at the SGM.

The Company has received a written confirmation 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, confirming that they will vote in favour of the resolution(s) to be proposed at the SGM to approve the Accumulated Disposal. 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 holds 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.

As at the Latest Practicable Date, the Vendor still has unsold Shopping Units which are designated for shops providing food and beverage and with a total gross floor area and total saleable floor area of approximately 4,020 square feet and approximately 2,010 square feet respectively. The Vendor will not offer those remaining Shopping Units for sale for the time being but intends to sell those remaining Shopping Units in the future, subject to further planning and design. The Company will comply with the relevant applicable requirements of the Listing Rules with regard to notifiable transaction when the Vendor sells the remaining Shopping Units. Any future disposal of the remaining Shopping Units after the Latest Practicable Date will not be aggregated with disposal of the Accumulated Shopping Units up to and including the Latest Practicable Date, for the purpose of determining the types of notifiable transactions under the Listing Rules.

SGM

A notice convening the SGM to be held at 31/F., Fortis Tower, 77–79 Gloucester Road, Hong Kong on Monday, 9 September 2013 at 10:30 a.m. is set out on pages 53 to 54 of this circular. At the SGM, an ordinary resolution will be proposed and, if thought fit, passed to approve, inter alia, the Accumulated Disposal.

A form of proxy for use by the Shareholders at the SGM is enclosed herein. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the SGM. Such form of proxy for use at the SGM is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cct.com.hk/eng/investor/announcements.php). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

An announcement on the poll results of the SGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cct.com.hk/eng/investor/announcements.php) after the SGM.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Accumulated Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution(s) proposed at the SGM to approve the VSD Disposal which constitutes a very substantial disposal for the Company under the Listing Rules and the Additional Disposal, and to approve all the other transactions contemplated under the Provisional SPAs and the relevant Formal Agreements.

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 for each of the years ended 31 December 2012, 31 December 2011 and 31 December 2010 was disclosed in: (i) pages 47 to 130 of the 2012 annual report of the Company, which was published on 27 March 2013; (ii) pages 47 to 132 of the 2011 annual report of the Company, which was published on 29 March 2012; and (iii) pages 41 to 120 of the 2010 annual report of the Company, which was published on 29 March 2011, respectively.

All these financial statements have been published on the website of the Stock Exchange (http:www.hkexnews.hk) and the website of the Company (http//:www.cct.com.hk/eng/investor/annual_reports.php).

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

(a) Management discussion and analysis of the Remaining Group for the year ended 31 December 2010

According to the 2010 annual report of the Company, the principal businesses of the Remaining Group during 2010 were (i) the manufacture and sale of telecom and electronic products through the CCT Tech Group; (ii) the property development business in Mainland China; (iii) the manufacture and sale of plastic components; (iv) the manufacture and sale of infant and child products; (v) the securities business; and (vi) the property investment and holding in Hong Kong.

During 2010, most of the core business segments of the Remaining Group achieved increase in turnover. The telecom products business continued to be the largest business segment of the Remaining Group, in terms of turnover and number of employees. This business segment contributed approximately 81.9% of the Remaining Group's total turnover. The segment's turnover increased 8.4% to HK$1,573 million in 2010, due to the success of strategies and initiatives taken by the CCT Tech Group to reposition its market focus and geographical diversification. The segment's operating results improved further and turned from an operating loss before tax of HK$12 million in 2009 to an operating profit before tax of HK$1 million in 2010, caused largely by turnover growth and initiatives taken by the CCT Tech Group to restructure operations, drive efficiency and control costs. This year's results of the telecom product segment has accounted for certain costs incurred by the CCT Tech Group in the development and set-up of the telecom product business associated with the license agreement with GE Trademark Licensing, Inc. ("**GE License Business**").

The property development business in Mainland China achieved its first year turnover of HK$85 million (31 December 2009: Nil) attributable to the completion of development of the first phase of TieXi project in Anshan. The segment contributed net operating profit of approximately HK$9 million before tax in 2010 (31 December 2009: HK$2 million).

Revenues derived from the components business increased 11.8% to HK$293 million for year ended 31 December 2010, in line with the increase in sales of the telecom and electronic products. The components business sector delivered an operating profit of approximately HK$1 million in year 2010, as compared to an operating loss of approximately HK$35 million in 2009, indicating strong recovery of the operations of this segment in 2010.

Amidst weak business environment, the Remaining Group's infant and child products business continued to perform well in 2010. Turnover of the segment rose 28.9% to HK$214 million for 2010 due to increased orders from customers. Profit before tax contributed by the infant and child product business was HK$11 million, representing a decrease of HK$19 million from 2009, due to additional costs and overhead caused by removal of its factory to Dongguan.

The securities business of the Remaining Group recorded an operating loss of HK$1 million in 2010, attributable to an unrealised mark-to-market loss of HK$10 million on share portfolio after setting off a realised gain of HK$9 million mainly derived from sale of securities, as compared to a net profit of HK$97 million in 2009. The change in result reflected the strong rebound of the stock market in 2009 after the financial tsunami compared with a volatile market in 2010. The Remaining Group held securities portfolio of approximately HK$234 million as at 31 December 2010, which mainly consisted of listed shares in Hong Kong.

The property investment and holding business in Hong Kong posted a net profit of approximately HK$102 million for the year ended 31 December 2010 (31 December 2009: HK$76 million), mainly due to the unrealised fair value gain arising from revaluation of its luxury residential properties in Hong Kong at the year end of 2010.

Unallocated items mainly represent the head office administrative expenses and share of loss of Merdeka Resources Holdings Limited ("Merdeka Resources") until the Remaining Group's disposal of 13.14% interest of its shareholding in Merdeka Resources (the "Investment Disposal"). The Remaining Group's remaining interest in Merdeka Resources has been re-classified as available-for-sale investments under the category of non-current assets since the Investment Disposal. The unallocated items dropped by 44.9% to HK$59 million in 2010, due largely to the decrease in share of loss from Merdeka Resources as a result of the Investment Disposal and the capital gain from the Investment Disposal.

Capital structure and gearing ratio

The Remaining Group's gearing ratio was approximately 24.1% as at 31 December 2010 (31 December 2009: 17.1%). The increase in gearing ratio was largely caused by the net increase of bank borrowings during the year of 2010. Taking into account the pledged time deposits and the free cash on hand, the Remaining Group, however, did not have any net borrowings, indicating the strong financial position of the Remaining Group.

Outstanding bank borrowings amounted to HK$659 million at 31 December 2010 (31 December 2009: HK$426 million). Approximately 62.2% of these bank borrowings were arranged on a short-term basis for the ordinary business activities of the Remaining Group

and were repayable within one year. The remaining 37.8% of the bank borrowings were of long-term nature, principally comprised of mortgage loans on properties held by the Remaining Group.

Acquisition of certain of the Remaining Group's assets was financed by way of finance leases and the total outstanding finance lease payables for the Remaining Group as at 31 December 2010 amounted to approximately HK$2 million (31 December 2009: HK$2 million).

As at 31 December 2010, the maturity profile of the bank and other borrowings of the Remaining Group falling due within one year, in the second to the fifth year and in the sixth to the tenth year amounted to HK$411 million, HK$166 million and HK$84 million, respectively (31 December 2009: HK$427 million, HK$1 million and nil, respectively). There was no material effect of seasonality on the Remaining Group's borrowing requirements.

Liquidity and financial resources

The Remaining Group's current ratio as at 31 December 2010 was 208.7% (31 December 2009: 189.5%). The strong liquid position was attributable to the effective financial management of the Remaining Group.

As at 31 December 2010, the Remaining Group's cash balance amounted to HK$693 million (31 December 2009: HK$631 million), of which HK$83 million (31 December 2009: HK$65 million) was pledged for general banking facilities. Almost all of the Remaining Group's cash was placed on deposits with licensed banks in Hong Kong. In view of the Remaining Group's cash position and the unutilised banking facilities available, the Remaining Group maintained a sound financial position and had sufficient resources to finance its operations and its future expansion plan at the end of 2010.

Capital commitments

As at 31 December 2010, capital commitment of the Remaining Group amounted to approximately HK$24 million (31 December 2009: HK$46 million) mainly on construction cost of a property development project. The capital commitment would be funded partly by internal resources and partly by bank borrowings.

Treasury management

The Remaining Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Remaining Group's treasury activities are centralised.

During the financial year 2010, the Remaining Group's receipts were mainly denominated in US dollar, with some in Hong Kong dollar and the Euro. Payments were mainly made in Hong Kong dollar, US dollar and RMB and some made in Euro. Cash was generally placed in short-term deposits and medium-term deposits denominated in Hong Kong dollar and US dollar. As at 31 December 2010, the Remaining Group's

borrowings were mainly denominated in Hong Kong dollar and US dollar. As at 31 December 2010, the Remaining Group's borrowings were principally made on a floating rate basis.

The objective of the Remaining Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Remaining Group does not have any significant interest rate risk as the interest rates currently remain at extremely low level. In terms of foreign exchange exposures, the Remaining Group is principally exposed to two major currencies, namely the US dollar in terms of receipts and the RMB in terms of the production costs (including workers' wages and overhead) in the PRC. For US dollar exposure, since the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation is not expected to be significant. In addition, as large portion of the Remaining Group's purchases are also made in US dollar, which are to be paid out of our sales receipts in US dollars, the management considers that the foreign exchange exposure risk for the US dollar is not material.

For RMB exposure, as wages and overhead in our factories in the PRC are paid in RMB, our production costs will rise due to the possible further appreciation of RMB. Despite call from the US for faster appreciation of RMB against the US dollar, the Remaining Group believed that the PRC government would only allow RMB to appreciate against the US dollar modestly in 2011 in order not to cause too much damage to the Chinese economy.

Acquisition and disposal of material subsidiaries and associates

Save for the Investment Disposal, the Remaining Group did not acquire or dispose of any material subsidiaries and associates during 2010.

Significant investment

Save as disclosed in the other paragraphs of this section, the Remaining Group did not hold any other significant investment as at 31 December 2010.

Pledge of assets

As at 31 December 2010, certain of the Remaining Group's assets with a net book value of HK$886 million (31 December 2009: HK$775 million) and time deposits of approximately HK$83 million (31 December 2009: HK$65 million) were pledged to secure the general banking facilities granted to the Remaining Group.

Contingent liabilities

As at 31 December 2010, the Remaining Group did not have any significant contingent liabilities.

Employees and remuneration policy

The total number of employees of the Remaining Group as at 31 December 2010 was 8,059 (31 December 2009: 8,212). The Remaining Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Remaining Group. At 31 December 2010, there were no outstanding share options issued by the Company.

(b) Management discussion and analysis of the Remaining Group for the year ended 31 December 2011

According to the 2011 annual report of the Company, the principal businesses of the Remaining Group in 2011 were (i) the manufacture and sale of telecom and electronic products through the CCT Tech Group; (ii) the property development business in Mainland China; (iii) the manufacture and sale of plastic components; (iv) the manufacture and sale of infant and child products; (v) the securities business; and (vi) the property investment and holding in Hong Kong.

The telecom and electronic product business continued to be the largest business segment of the Remaining Group, in terms of turnover and number of employees. The turnover of this business segment was HK$1,553 million contributing approximately 76.4% of the Remaining Group's total turnover in 2011, slightly decreased by 1.3% as compared to 2010. This business segment recorded an operating loss of approximately HK$161 million in 2011 as compared to an operating profit of HK$1 million in 2010. The significant deterioration of the result of the business sector was caused by the significant increase in production costs and the non-recurrent exceptional losses associated with the termination of GE License Business and the costs incurred to restructure and reform this business division.

The property development business in Mainland China achieved remarkable growth in turnover to reach HK$259 million in 2011, up 204.7% as compared with the turnover of HK$85 million in 2010, contributed by surge in sales of the housing units of the property projects in Anshan. As a result of increased turnover, this segment contributed a net operating profit before tax of approximately HK$48 million in 2011, rose 433.3% from the HK$9 million operating profit before tax in 2010.

Revenues derived from the component business declined 12.3% to HK$257 million for year ended 31 December 2011, due primarily to the decrease in sales of the telecom and electronic product business to which the component business supplies most of its component products. The component business sector incurred an operating loss of approximately HK$11 million in 2011, as opposed to an operating profit of approximately HK$1 million in 2010, which was mainly due to rise in production costs.

Turnover of the baby and child product business segment dropped by 3.7% to HK$206 million in 2011, due to decline of business of one of its major US customers, as a result of the sluggish US economy. This business segment was further adversely affected by the one-off

non-recurrent restructuring costs of HK$16 million incurred to counter rise in costs and as a result, posted an operating loss before tax of approximately HK$18 million in 2011 as opposed to an operating profit of approximately HK$11 million in 2010.

Caused by a downturn in stock market in 2011, the Remaining Group's securities business recorded an operating loss of HK$42 million for 2011, which represented a realised loss of approximately HK$9 million and an unrealised mark-to-market loss of HK$32 million on its securities portfolio, as compared to a net loss of approximately HK$1 million from 2010. The Remaining Group held securities portfolio of approximately HK$135 million as at 31 December 2011, which mainly consisted of listed shares in Hong Kong.

The property investment and holding business in Hong Kong registered a net loss of approximately HK$1 million for 2011, as opposed to an operating profit of approximately HK$102 million for 2010, as a result of the reduction in unrealised revaluation gain on its luxury properties, due to slower rise in property prices in Hong Kong in 2011, as compared with 2010.

Unallocated items, representing the head office administrative expenses and other expenses not allocable to the business segments of the Remaining Group, increased by 20.3% to HK$71 million in 2011, due largely to the unrealised fair value loss of approximately HK$37 million on the Remaining Group's interest in the shares of Merdeka Resources due to decline in market price of its shares at year end of 2011.

Capital structure and gearing ratio

The Remaining Group's gearing ratio was approximately 33.7% as at 31 December 2011 (31 December 2010: 24.1%) as a result of net increase in the bank borrowings during the year of 2011. Taking into account the pledged deposits, unpledged time deposits and the free cash on hand, the Remaining Group's net borrowings were only HK$80 million, representing only 2.8% of the total capital employed.

Outstanding bank borrowings amounted to HK$958 million at 31 December 2011 (31 December 2010: HK$659 million). Approximately 57.2% of these bank borrowings were arranged on a short-term basis mainly for the manufacturing business activities of the Remaining Group and for hedging RMB appreciation risk and were repayable within one year. The remaining 42.8% of the bank borrowings were of long-term nature, principally comprised of mortgage loans on properties held by the Remaining Group.

Acquisition of certain of the Remaining Group's assets was financed by way of finance leases and the total outstanding finance lease payables for the Remaining Group as at 31 December 2011 amounted to approximately HK$3 million (31 December 2010: HK$2 million).

As at 31 December 2011, the maturity profile of the bank and other borrowings of the Remaining Group falling due within one year, in the second to the fifth year and beyond five years amounted to HK$549 million, HK$251 million and HK$161 million,

respectively (31 December 2010: HK$411 million, HK$166 million and HK$84 million, respectively). There was no material effect of seasonality on the Remaining Group's borrowing requirements.

Liquidity and financial resources

The Remaining Group's current ratio as at 31 December 2011 was 187.7% (31 December 2010: 208.7%). The decline in current ratio is caused by additional Hong Kong dollar borrowings to hedge against RMB exposure. The liquid position nevertheless, is attributable to the effective financial management of the Remaining Group.

As at 31 December 2011, the Remaining Group's cash balance amounted to HK$881 million (31 December 2010: HK$693 million), of which HK$300 million (31 December 2010: HK$83 million) was pledged for general banking facilities and for arrangement of hedging against RMB appreciation. Almost all of the Remaining Group's cash was placed on deposits with licensed banks in Hong Kong. In view of the Remaining Group's cash position and the banking facilities available, the Remaining Group maintained a sound financial position and had sufficient resources to finance its operations and its future expansion plan at the end of 2011.

Capital commitments

As at 31 December 2011, capital commitment of the Remaining Group amounted to approximately HK$9 million (31 December 2010: HK$24 million) mainly for construction cost of a property development project in Anshan. The capital commitment would be funded partly by internal resources and partly by bank borrowings.

Treasury management

The Remaining Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Remaining Group's treasury activities are centralised.

During the financial year 2011, the Remaining Group's receipts were mainly denominated in US dollar, with some in Hong Kong dollar and the Euro. Payments were mainly made in Hong Kong dollar, RMB and US dollar and some made in Euro. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, RMB and US dollar. As at 31 December 2011, the Remaining Group's borrowings were mainly denominated in Hong Kong dollar, RMB and US dollar and interest on the Remaining Group's borrowings were principally made on a floating rate basis.

The objective of the Remaining Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Remaining Group does not have any significant interest rate risk as the interest rates currently remain at extremely low level. In terms of foreign exchange exposures, the Remaining Group is principally exposed to two major currencies, namely the US dollar in terms of receipts and the RMB in terms of the production costs (including workers' wages and overhead) in the PRC. For US dollar exposure, since the Hong Kong dollar remains

pegged to the US dollar, the exchange fluctuation is not expected to be significant. In addition, as large portion of the Remaining Group's purchases are also made in US dollar, which are to be paid out of our sales receipts in US dollars, the management considers that the foreign exchange exposure risk for the US dollar is not material.

As for RMB exposure, as wages and overhead in our factories in the PRC are paid in RMB, our production costs will rise due to the further appreciation of RMB. During the year of 2011, the Remaining Group converted some of our surplus funds from Hong Kong dollars to RMB. The Remaining Group has accumulated approximately RMB209 million in cash up to the end of 2011 and the RMB funds were placed on short-term deposit with a banker to secure equivalent amount of Hong Kong dollar loans from the bank. As the Remaining Group would be entitled to the exchange gain that might be generated from future appreciation of the RMB deposits, the Remaining Group considered such initiative was an effective way to hedge some of its exposure against RMB appreciation.

Acquisition and disposal of material subsidiaries and associates

Save for the acquisition of medical device product business, the Remaining Group did not acquire or dispose of any material subsidiaries and associates during the year of 2011.

Significant investment

Save as disclosed in the other paragraphs of this section, the Remaining Group did not hold any other significant investment as at 31 December 2011.

Pledge of assets

As at 31 December 2011, certain of the Remaining Group's assets with a net book value of HK$1,098 million (31 December 2010: HK$886 million) and time deposits of approximately HK$300 million (31 December 2010: HK$83 million) were pledged to secure the general banking facilities granted to the Remaining Group and for hedging RMB exposure.

Contingent liabilities

As at 31 December 2011, the Remaining Group did not have any significant contingent liabilities.

Employees and remuneration policy

The total number of employees of the Remaining Group as at 31 December 2011 was 6,458 (31 December 2010: 8,059). The Remaining Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund

contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Remaining Group. At 31 December 2011, there were no outstanding share options issued by the Company.

(c) Management discussion and analysis of the Remaining Group for the year ended 31 December 2012

As a significant portion of the Property has been sold under the Accumulated Disposal, the acquisition of the Property, the related mortgage loan and the revaluation gain on the Property recorded as at 31 December 2012 has been excluded in the following management discussion and analysis of the Remaining Group for the year ended 31 December 2012.

The Remaining Group recorded revenue of approximately HK$1,543 million and loss attributable to owners of the parent was HK$123 million (excluding the revaluation gain of the Property) for the year ended 31 December 2012. The Remaining Group was principally be engaged in: (i) the manufacture and sale of telecom, electronic and child products through the CCT Tech Group; (ii) the manufacture and sale of plastic components; (iii) the securities business; (iv) property development business in Mainland China; and (v) the property investment and holding in Hong Kong.

The telecom, electronic and child product business continued to be the largest business segment of the Remaining Group in terms of turnover, and contributed approximately 89.9% of the Remaining Group's total turnover in 2012. This business segment was able to narrow its operating loss before tax from HK$179 million in 2011 to only HK$33 million in 2012, despite a decrease in turnover in the year. This notable favourable variance was mainly caused by absence of exceptional losses incurred in 2011 and cost savings achieved in 2012.

The Remaining Group's component business reported revenue of HK$173 million in 2012, down 32.7%, primarily led by the decrease in sales of the telecom product business to which it supplied most of its component products. This business segment incurred an operating loss before tax of HK$31 million in 2012, up 181.8% as compared to HK$11 million in 2011. The adverse movement in result was largely due to rise in production costs, notably plastic resin costs and factory payroll.

The property development business reported turnover of HK$139 million in 2012 against HK$259 million in 2011. The decrease in turnover was caused by weaker market, especially in the second half due to further market correction under tightening government policies by the PRC leaders on the housing market. This segment delivered a net operating profit before tax of HK$15 million, representing HK$33 million lower than the year earlier, due to less sales.

The Remaining Group's securities business delivered a gain of HK$12 million for the year ended 31 December 2012, primarily from divestment of its share portfolio in the year of 2012, as opposed to a net loss of HK$42 million in the last corresponding year of 2011. At the end of 2012, the Remaining Group's investment portfolio represented low-risk investment funds and RMB denominated bonds. The RMB bonds of HK$51 million have a maturity of two years and carry interest at a fixed rate. These bonds have been pledged to the principal banker of the Remaining Group to secure an equivalent amount of Hong Kong dollar loan facility, which in turn bears interest at floating rate on HIBOR basis. The arrangements on one hand enable the

Remaining Group to release funds for use in working capital and on the other hand allow the Remaining Group to earn RMB interest income and enjoy exchange gain if RMB appreciates against Hong Kong dollar.

The Remaining Group's property investment and holding business in Hong Kong outperformed all other business segments in 2012. This division recognised a net operating profit before tax of HK$26 million (excluding the revaluation gain of the Property) in 2012, a significant positive improvement from the operating loss of HK$1 million in 2011. This solid result was mainly driven by rising property prices in Hong Kong in 2012, which gave rise to unrealised fair value gains arising from revaluation of the Remaining Group's long-term investment properties.

Unallocated items, representing the head office administrative expenses and other expenses, increased by 21.1% to HK$86 million for the year ended 31 December 2012. This increase was largely caused by the unrealised fair value loss of HK$59 million on the Remaining Group's interest in the shares of Merdeka Resources due to decline of its share price in 2012.

Capital structure and gearing ratio

The Remaining Group's gearing ratio was 36.1% as at 31 December 2012 (31 December 2011: 33.6%). The slight increase in the gearing ratio was led by the net increase of the bank borrowings during the year of 2012.

Outstanding bank borrowings amounted to HK$949 million (excluding the mortgage loan of the Property) at 31 December 2012 (31 December 2011: HK$958 million). Approximately 52.9% of these bank borrowings were arranged on a short-term basis for the manufacturing business activities of the Remaining Group and were repayable within one year. The remaining 47.1% of the bank borrowings were of long-term nature, primarily representing mortgage loans on properties held by the Remaining Group. Out of the Remaining Group's bank borrowings, bank loans of HK$847 million (31 December 2011: HK$763 million) were borrowed to finance ordinary businesses of the Remaining Group and the balance of HK$100 million (31 December 2011: HK$195 million) represented Hong Kong dollar loans fully secured by equivalent amount of RMB deposits and bonds for hedging against RMB appreciation exposure.

Acquisition of certain of the Remaining Group's assets was financed by way of finance leases and the total outstanding finance lease payables as at 31 December 2012 were approximately HK$2 million (31 December 2011: HK$3 million).

As at 31 December 2012, the maturity profile of the bank and other borrowings of the Remaining Group falling due within one year, in the second to the fifth year and beyond five years amounted to HK$502 million, HK$244 million and HK$203 million, respectively (31 December 2011: HK$549 million, HK$251 million and HK$161 million, respectively). There was no material effect of seasonality on the Remaining Group's borrowing requirements.

Liquidity and financial resources

The Remaining Group's current ratio as at 31 December 2012 was 178.1% (31 December 2011: 187.7%). This liquid position reflected the healthy financial position of the Remaining Group.

As at 31 December 2012, the Remaining Group's cash balance amounted to HK$653 million (31 December 2011: HK$881 million), which included pledged deposits of HK$186 million (31 December 2011: HK$300 million) to secure general banking facilities and for arrangement to hedge against RMB appreciation. Almost all of the Remaining Group's cash was placed on deposits with licensed banks in Hong Kong. In view of the Remaining Group's cash position and the banking facilities available, the Remaining Group continued to maintain a sound financial position and had sufficient resources to finance its operations and its future expansion plan at the end of 2012.

Capital commitments

As at 31 December 2012, capital commitment of the Remaining Group amounted to HK$216 million (31 December 2011: HK$9 million) mainly for contracted acquisition for investment properties and construction cost of property development projects in Anshan. The capital commitment would be funded partly by internal resources and partly by bank borrowings.

Treasury management

The Remaining Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Remaining Group's treasury activities are centralised.

During the financial year 2012, the Remaining Group's business receipts were mainly denominated in US dollar and RMB (largely from property development business) with some in Hong Kong dollar. Payments were mainly made in Hong Kong dollar, RMB and US dollar. Cash was generally placed in short-term deposits denominated in Hong Kong dollar, RMB and US dollar. In 2012, the Remaining Group's borrowings were mainly denominated in Hong Kong dollar, RMB and US dollar and interest on the Remaining Group's borrowings was principally determined on a floating rate basis.

The objective of the Remaining Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Remaining Group will not have any significant interest rate risk as the interest rates currently remain at extremely low level. In terms of foreign exchange exposures, the Remaining Group is principally be exposed to two major currencies, namely the US dollar in terms of receipts and RMB in terms of the production costs (including workers' wages and overhead) in the PRC. Regarding US dollar exposure, since the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation is not expected to be significant. In addition, as large portion of the Remaining Group's purchases are also

made in US dollar, which are to be paid out of the Remaining Group's sales receipts in US dollar, the management considers that the foreign exchange exposure risk for the US dollar is not material.

As for RMB exposure, since the Remaining Group's factory wages and overhead are paid in RMB, the Remaining Group's production costs will rise due to the further appreciation of RMB. During the year of 2012, the Remaining Group continued to use the arrangements of borrowing Hong Kong dollar loans against pledge of RMB deposits as a means to hedge the Remaining Group's RMB appreciation exposure. Despite the fluctuation in RMB in 2012, the Remaining Group considers such arrangements to be an effective tool to hedge part of the Remaining Group's exposure against RMB appreciation in the long run.

Acquisition and disposal of material subsidiaries and associates

The Remaining Group did not acquire or dispose of any material subsidiaries and associates during the 2012.

Significant investment

Save as disclosed in the other paragraphs of this section, the Remaining Group did not hold any other significant investment as at 31 December 2012.

Pledge of assets

As at 31 December 2012, certain of the Remaining Group's assets with a net book value of HK$1,315 million (31 December 2011: HK$1,305 million) and time deposits of HK$186 million (31 December 2011: HK$300 million) were pledged to secure the general banking facilities granted to the Remaining Group and for hedging RMB exposure.

Contingent liabilities

As at 31 December 2012, the Remaining Group did not have any significant contingent liabilities.

Employees and remuneration policy

The total number of employees of the Remaining Group as at 31 December 2012 was 5,971 (31 December 2011: 6,458). The Remaining Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Remaining Group. At 31 December 2012, there was no outstanding share option issued by the Company.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2013 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had total term loans of approximately HK$1,105 million, all of which were secured. Approximately HK$1,042 million of the total term loans were guaranteed by the Company and its subsidiaries. The Group had other borrowings of approximately HK$239 million, which were composed of secured trust receipt and factoring loans. All of the other borrowings were guaranteed by the Company and its subsidiaries.

The term loans and other borrowings were secured by (i) certain assets (including properties) held by the Group with aggregate net book values of approximately HK$2,074 million as at 30 June 2013; and (ii) pledge of certain fixed deposits of the Group of approximately HK$243 million as at 30 June 2013.

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 30 June 2013.

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 30 June 2013.

4. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that the Remaining Group will, after taking into account the effect of the Accumulated Disposal and the present internal financial resources available to the Remaining 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.

PROFIT AND LOSS STATEMENT AND VALUATION OF THE PROPERTY AND THE ACCUMULATED SHOPPING UNITS

The acquisition of the Property by the Vendor was completed on 30 November 2012. As such, the profit and loss statement of the Property was prepared for the period from 1 December 2012 (date of acquisition of the Property by the Group) to 31 December 2012, and the statement together with the valuation of the Property as at 31 December 2012 are set out below. In accordance with paragraph 14.68(2)(b)(i) of the Listing Rules, the unaudited profit and loss statement of the Accumulated Shopping Units for the month ended 31 December 2012 and the three months ended 31 March 2013 and the valuation of the Accumulated Shopping Units as at 31 December 2012, computed based on a proportion of the respective profit and loss and valuation of the Property attributable to the Accumulated Shopping Units are also set out below. In the opinion of the directors of the Company, such information has been properly compiled and derived from the underlying books and records of the Group and the valuation report of the Property. The Company has engaged Mark K. Lam & Co. to conduct to a review of such information in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. Mark K. Lam & Co. has reviewed and found such information has been properly compiled and derived from the underlying books and records of the Group and the valuation report on the Property as at 31 December 2012 prepared by Grant Sherman Appraisal Limited, an independent professional valuer.

(1) Profit and loss statement

	The Property One month ended 31 December 2012	**Attributable to the Accumulated Shopping Units One month ended 31 December 2012**	**The Property Three months ended 31 March 2013**	**Attributable to the Accumulated Shopping Units Three months ended 31 March 2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Licence fee income	600	527	—	—
Less:				
Property operating expenses	(261)	(229)	(587)	(516)
Operating profit/(loss) before and after tax	339	298	(587)	(516)

Note: The revaluation gain and finance costs of the Property have been excluded in calculating the operating profit/(loss) before and after tax attributable to the Accumulated Shopping Units for the relevant periods.

The financial information set out above is prepared using accounting policies which are materially consistent with those of the Group.

(2) Valuation

	The Property As at 31 December 2012	Attributable to the Accumulated Shopping Units As at 31 December 2012	The Property As at 31 March 2013	Attributable to the Accumulated Shopping Units As at 31 March 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Valuation	260,000	228,488	N/A	N/A

Note: The valuation of the Property was based on the valuation report as at 31 December 2012 prepared by Grant Sherman Appraisal Limited, an independent professional valuer, on an open market existing use basis by reference to market prices for similar properties.

Set out below is the letter from Mark K. Lam & Co., the independent reporting accountants of CCT Telecom, on the unaudited pro forma financial information of the Remaining Group together with the unaudited pro forma information of the Remaining Group in connection with the Accumulated Disposal of the Group.

Mark K. Lam & Co.
Certified Public Accountants (Practising)

Office A, 12/F,
Wing Cheong Commercial Building
No. 19–25 Jervois Street
Central, Hong Kong

21 August 2013

The Directors
CCT Telecom Holdings Limited

Dear Sirs,

We report on the unaudited pro forma financial information of CCT Telecom Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which have been prepared by the directors of the Company (the "Director") for inclusion in Appendix III to the circular of the Company dated 21 August 2013 (the "Circular"), for illustrative purposes only, to provide information about how the Accumulated Disposal (as defined in the Circular) might have affected the financial information of the Remaining Group (as defined in the Circular). The basis of preparation of the unaudited pro forma information of the Remaining Group (the "Unaudited Pro Forma Financial Information") is set out in Appendix III to the Circular.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 *Accountants' Reports on Pro Forma Financial Information in Investment Circulars* issued by the HKICPA. Our work consisted primarily of

comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the Directors, and, because of its hypothetical natures, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Remaining Group as at 31 December 2012 or any future dates; or
- the results of the Remaining Group for the year ended 31 December 2012 or any future periods.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Mark K. Lam & Co.
Certified Public Accountants (Practising)
Hong Kong

INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Capitalised terms used herein shall have the same meanings as those defined in the Circular.

The accompanying unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect that the Accumulated Disposal might have on the financial information of the Group.

The unaudited pro forma consolidated net assets statement of the Remaining Group which was prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2012, after giving effect to the pro forma adjustments as explained in the notes below, for the purpose of illustrating the effect of the Accumulated Disposal on the financial position of the Remaining Group as if the completion of the Accumulated Disposal had taken place on 31 December 2012.

The unaudited pro forma consolidated income statement of the Remaining Group was prepared based on the audited consolidated income statement of the Group for the year ended 31 December 2012, after giving effect to the pro forma adjustments as explained in the notes below, for the purpose of illustrating the effect of the Accumulated Disposal on the results of the Remaining Group as if the completion of the Accumulated Disposal had taken place on 1 January 2012.

The unaudited pro forma financial information of the Remaining Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group had the completion of Accumulated Disposal been completed as at 31 December 2012 or at any future dates and of the results of the Remaining Group for the year ended 31 December 2012 or any future periods had the Accumulated Disposal been completed on 1 January 2012 or any future dates.

(1) Unaudited pro forma consolidated net assets statement of the Remaining Group

HK$ million	The Group as at 31 December 2012 *Note (a)*	Pro forma Adjustments *Note (b)*	*Note (c)*	*Note (d)*	Unaudited pro forma Remaining Group
NON-CURRENT ASSETS					
Property, plant and equipment	772	—	—	—	772
Investment properties	745	(260)	—	—	485
Prepayments for acquisition of investment properties	23	—	—	—	23
Prepaid land lease payments	97	—	—	—	97
Loan receivables	—	—	41	—	41
Goodwill	87	—	—	—	87
Available-for-sale investments	18	—	—	—	18
Held-to-maturity debt securities	51	—	—	—	51
Deferred tax assets	1	—	—	—	1
Total non-current assets	1,794	(260)	41	—	1,575
CURRENT ASSETS					
Inventories	102	—	—	—	102
Stock of properties	—	260	(228)	—	32
Properties under development	248	—	—	—	248
Completed properties held for sale	356	—	—	—	356
Trade receivables	349	—	—	—	349
Prepayments, deposits and other receivables	243	—	—	—	243
Financial assets at fair value through profit or loss	10	—	—	—	10
Time deposits with original maturity of more than three months	8	—	—	—	8
Pledged time deposits	186	—	—	—	186
Cash and cash equivalents	459	—	447	—	906
Total current assets	1,961	260	219	—	2,440
NON-CURRENT LIABILITIES					
Derivative financial instrument	14	—	—	—	14
Interest-bearing bank and other borrowings	522	—	(77)	—	445
Other payables	—	—	68	—	68
Deferred tax liabilities	27	—	—	—	27
Total non-current liabilities	563	—	(9)	—	554
CURRENT LIABILITIES					
Trade and bills payables	360	—	—	—	360
Tax payable	34	—	—	59	93
Other payables and accruals	203	—	—	—	203
Receipts in advance	2	—	—	—	2
Interest-bearing bank and other borrowings	507	—	—	—	507
Total current liabilities	1,106	—	—	59	1,165
NET ASSETS	2,086	—	269	(59)	2,296

Notes:

(a) The audited consolidated statement of financial position of the Group as at 31 December 2012 was extracted from the 2012 annual report of the Company.

(b) This pro forma adjustment represented the transfer of carrying amount of the Property as at 31 December 2012 from the "investment properties" account to the "stock of properties" account to reflect the change in the use of the Property.

(c) These pro forma adjustments represented:

(i) the elimination of the share of the carrying value of the Property as at 31 December 2012 attributable to the disposal of the Accumulated Shopping Units, which amounted to approximately HK$228 million;

(ii) the net cash received from the Accumulated Disposal, computed as follows:

	HK$ million	*HK$ million*
Total Accumulated Selling Price		682
Less:		
Estimated share of property agent commission, ad valorem stamp duty, legal and professional fees, selling and other expenses arising from the Accumulated Disposal	(64)	
Estimated amount of the financing by way of the mortgage loan to be provided by the Remaining Group to the relevant Purchasers on the assumption that 15% of the Purchasers of the Accumulated Shopping Units would elect the long-term financing at the maximum extent of 40% of the Selling Price of the relevant Shopping Units, which mortgage loan would be classified as non-current loan receivables in the unaudited pro forma consolidated net assets statement of the Remaining Group	(41)	
Estimated costs of promotion, renovation, upgrading and sub-division costs for the Property (assuming that these costs would be payable on completion of the Accumulated Disposal)	(53)	
Repayment of the outstanding mortgage loan of the Property as at the Latest Practicable Date	(77)	(235)
Net cash received		447

(iii) the estimated gain before tax arising from the Accumulated Disposal was calculated as follows:

	HK$ million	*HK$ million*
Total Accumulated Selling Price		682
Less:		
Estimated total cost of the Rental Guarantee assuming that all Purchasers elected the Rental Guarantee and all such units would not be let out during the rental guarantee period, which would be classified as the non current other payables in the unaudited pro forma consolidated net assets statement of the Remaining Group	(68)	
Proportional carrying amount of the Property as at 31 December 2012 attributable to the Accumulated Shopping Units	(228)	
Estimated share of property agent commission, ad valorem stamp duty, legal and professional fees, selling and other expenses arising from the Accumulated Disposal	(64)	
Estimated proportional share of costs of promotion, renovation, upgrading and sub-division costs attributable to the Accumulated Shopping Units	(47)	(407)
The estimated gain before tax		275

(d) It is assumed that the Accumulated Disposal would be subject to Hong Kong profits tax which would be chargeable based on the estimated chargeable profits arising from the Accumulated Disposal. The pro forma adjustment represented the estimated provision of tax arising from the Accumulated Disposal. The final tax payable is subject to assessment by the Hong Kong Inland Revenue Department.

(2) Unaudited pro forma consolidated income statement of the Remaining Group

HK$ million	The Group for the year ended 31 December 2012 *Note (a)*	Pro forma adjustments *Note (b)*	*Note (c)*	*Note (d)*	*Note (e)*	*Note (f)*	Unaudited pro forma Remaining Group
REVENUE	1,544	(1)	—	682	—	—	2,225
Cost of sales	(1,463)	—	—	(327)	—	—	(1,790)
Gross profit	81	(1)	—	355	—	—	435
Other income and gains	232	—	(92)	—	—	—	140
Finance income	—	—	—	—	2	—	2
Selling and distribution expenses	(37)	—	—	—	—	—	(37)
Administrative expenses	(146)	—	—	—	—	—	(146)
Other expenses	(113)	—	—	—	—	—	(113)
Finance costs	(22)	1	—	—	—	—	(21)
PROFIT/(LOSS) BEFORE TAX	(5)	—	(92)	355	2	—	260
Income tax expense	(62)	—	—	—	—	(59)	(121)
PROFIT/(LOSS) FOR THE YEAR	(67)	—	(92)	355	2	(59)	139
Attributable to:							
Owners of the parent	(31)	—	(92)	355	2	(59)	175
Non-controlling interests	(36)	—	—	—	—	—	(36)
	(67)	—	(92)	355	2	(59)	139

Notes:

(a) The audited consolidated income statement of the Group for the year ended 31 December 2012 was extracted from the 2012 annual report of the Company.

(b) This pro forma adjustment represented the exclusion of income and expenses of the Property for the year ended 31 December 2012, attributable to the Accumulated Shopping Units. This pro forma adjustment will not have any continuing effect on the consolidated income statement of the Remaining Group.

(c) This pro forma adjustment represented the exclusion of the unrealised revaluation gain of HK$92 million of the Property recorded as at 31 December 2012, on the assumption that the Property was acquired as at 31 December 2011 at the original cost of approximately HK$168 million. The revaluation gain was excluded as the Accumulated Disposal was assumed to have completed on 1 January 2012. This pro forma adjustment will not have any continuing effect on the consolidated income statement of the Remaining Group.

(d) These pro forma adjustment represented the estimated gain before tax arising from the Accumulated Disposal which was calculated as follows:

	HK$ million	*HK$ million*
Total Accumulated Selling Price		682
Less:		
Estimated total cost of the Rental Guarantee assuming that all Purchasers elected the Rental Guarantee and all such units would not be let out during the rental guarantee period	(68)	
Proportional cost of the Property as at 1 January 2012, attributable to the Accumulated Shopping Units, based on the original acquisition cost of the Property of HK$168 million	(148)	
Estimated share of property agent commission, ad valorem stamp duty, legal and professional fees, selling and other expenses arising from the Accumulated Disposal	(64)	
Estimated proportional share of costs of promotion, renovation, upgrading and sub-division costs attributable to the Accumulated Shopping Units	(47)	(327)
The estimated gain before tax		355

These pro forma adjustment will not have any continuing effect on the consolidated income statement of the Remaining Group.

(e) It is assumed that 15% of the purchasers of the Accumulated Shopping Units would elect the long-term financing provided by the Group at the maximum extent of 40% of the selling price of the relevant shopping Units. The pro forma adjustment represented the annual interest income charged at the prime lending rate of HK$ of 5.25% on the mortgage loan receivables of approximately HK$41 million in relation to the mortgage loan financing provided by the Remaining Group. This pro forma adjustment will have continuing effect on the consolidated income statement of the Remaining Group.

(f) It is assumed that the Accumulated Disposal would be subject to Hong Kong profits tax which would be chargeable based on the estimated chargeable profits arising from the Accumulated Disposal. The pro forma adjustment represented the provision of tax arising from the Accumulated Disposal. The final tax payable is subject to assessment by the Hong Kong Inland Revenue Department. This pro forma adjustment will not have any continuing effect on the consolidated income statement of the Remaining Group.

(g) No adjustment has been made to reflect the trading results of the Remaining Group for the period subsequent to 31 December 2012 or for any other transactions entered into by the Remaining Group after that date.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation of the property in respect of property interests of the Company as at 9th July 2013.

Vigers Appraisal and Consulting Limited
International Property Consultants
10/F, The Grande Building,
398 Kwun Tong Road, Kowloon, Hong Kong
Tel: (852) 2342-2000 Fax: (852) 3101-9041
E-mail: gp@vigers.com www.vigers.com

21 August 2013

The Board of Directors
CCT Telecom Holdings Limited
31st Floor, Fortis Tower,
Nos. 77–79 Gloucester Road,
Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the property interests of property located in Hong Kong of "**CCT Telecom Holdings Limited**" (referred to as "the Company"), we confirm that we have inspected the property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the property as at 9th July 2013 (the "Valuation Date").

BASIS OF VALUATION

Our valuations are our opinion of market values of the property interests which is defined as intended to mean "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*". Our valuations have been carried out in accordance with "The HKIS Valuation Standards (2012 Edition)" published by The Hong Kong Institute of Surveyors.

PROPERTY CATEGORISATION

In the course of our valuations, we have categorized the property interests of the properties in concern into the following group:

Group I

The property interests of the property in concern will be disposed by the Company in Hong Kong. In the course of our valuation, we have also employed direct comparison method of valuation whereby comparisons based on property listings in the locality.

TITLE INVESTIGATION

All documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property as set out in this report. We have conducted land search at the Land Registry but we have not searched the original documents to ascertain ownership nor to verify any lease amendments which may not appear on the copies handed to us. All documents have been used for reference purposes and all dimensions, measurements and areas are therefore approximations.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the property can be sold in the prevailing market in existing state on a vacant possession basis without the effect of any deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which may serve to affect the value of the property, unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the property.

In our valuation, we have assumed that the owner of the property has free and uninterrupted rights to use and assign the property during the whole of the unexpired land-use right's term granted subject to the payment of usual land-use fee.

No investigation has been carried out to determine the suitability of the ground conditions or the services for any property development erected on the property. Our valuation has been carried out on the assumption that these aspects are satisfactory. We have also assumed that all necessary consents, approvals and licences from relevant government authorities have been or will be granted without onerous conditions or delay.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the property is free from any encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the property.

We have not carried out on-site measurement to verify the correctness of the site and floor areas in respect of the property but we have assumed that the site and floor areas shown on the documents handed to us are correct.

Other special assumptions for the property have been stated in the valuation certificate, if any.

VALUATION CONSIDERATION

We have inspected the property included in the attached valuation certificate. During the course of our inspection, we did not note any serious defect. However, no structural survey nor test on any of the services has been made and we are therefore unable to report as to whether the property is free from rot, infestation or other structural or non-structural defect.

Having examined all relevant documents, we have relied to a considerable extent on the information given by the Company, particularly in respect of planning approvals or statutory notices, easements, land-use rights, site areas, floor areas, occupancy status and in the identification of the property.

Unless otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us by the Company and are therefore approximations. We have had no reason to doubt the truth and accuracy of the information made available to us and we have been advised by the Company that no material facts have been omitted from the information so given.

REMARKS

We declare hereby that we are independent to the Company and we are not interested directly or indirectly in any share in any member of the Company. We do not have any right or option whether legally enforceable or not to subscribe for or to nominate persons to subscribe for any share in any member of the Company.

Unless otherwise stated, all monetary amounts stated herein are denoted in the currency of Hong Kong Dollars ("HK$"), the lawful currency of Hong Kong.

We enclose herewith our Summary of Values and Valuation Certificate.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED
Lucas H. W. Lau
FRICS, FHKIS, RPS(GP), CIREA
B. Land Economy, M. Urban Design,
LL.B., LL.M. (International Business Law),
MSc in Applied Accounting and Finance
Assistant Director

Note: Mr. Lucas H. W. Lau is a Registered Professional Surveyor in General Practice Division with over 22 years' valuation experience on properties in various regions including Hong Kong, Macao, the PRC, who has been vetted on the list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuation in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors, and is suitably qualified for undertaking valuation relating to listing exercise. Mr. Lau has 5-year of experience with Vigers Appraisal and Consulting Limited.

SUMMARY OF VALUE

Group I — Property Interests of the Company

No.	Property Address	Market Value in Existing State as at 9th July 2013
1.	Portion of the Basement Level of the Podium of Blocks 1, 2 and 3, City Garden, No. 233 Electric Road, North Point, Hong Kong	HK$683,300,000
	Grand-Total	**HK$683,300,000**

VALUATION CERTIFICATE

Group I — Property Interests of the Company

No.	Property	General Description	Occupancy Status	Market Value in Existing State as at 9th July 2013
1.	Portion of the Basement Level of the Podium of Blocks 1, 2 and 3, City Garden, No. 233 Electric Road, North Point, Hong Kong	The property comprises portion of the basement level of the Blocks 1, 2 and 3 of City Garden and is roughly triangular in shape completed in 1988. According to the information provided by the Company, whole of the Basement Level will be sub-divided into approximately over 300 shopping units.	Upon our inspection, the property is currently vacant.	HK$683,300,000
	The property registered at the Land Registry comprises various parts or shares as Inland Lot No. 8580 held under Conditions of Exchange No. UB11652 for a term of 75 years commencing from 31st August 1914 and renewable for further 75 years The Government Rent payable for the whole lot is at HK$7,676,722 per annum	According to the information provided by the instructing party, up to the date of this valuation certificate, the property of a total saleable area of approximately gross floor area of approximately 27,552 square feet (approximately 2,559.67 square metres) and total saleable area of approximately 13,776 square feet (approximately 1,279.83 square metres) was contracted to be sold to various purchasers. Pursuant to the information provided by the Company, whole of the Basement Level has a total gross floor area of approximately 31,570 square feet (approximately 2,932.95 square metres) and the total saleable area of approximately 15,785 square feet (approximately 1,466.48 square metres).		

Notes:

1. Pursuant to our recent sample land searches record, the current registered owner of the property is ''GOLDBAY PROPERTY (CHINA) LIMITED 金立物業(中國)有限公司 vide Memorial No. 12121901010265 dated 30th November 2012.

2. Pursuant to our land search records, the property together with various units under the same land registration record is subject to the following salient encumbrances:

   i. Deed of Mutual Covenant vide Memorial No. UB2964244 dated 4th February 1983 Remarks: Previously registered by Memorial No. UB2377124;

   ii. The Sub-Deed of Mutual Covenant and Management Agreement in favour of Hsin Chong Real Estate Management Limited ''The Manager'' vide Memorial No. UB5892436 dated 13th December 1993;

   iii. Certificate of Compliance from Director of Lands, Lands Department, District Lands Office/Hong Kong East vide Memorial No. UB7865592 dated 28th August 1999;

   iv. Mortgage in favour of Nanyang Commercial Bank Limited for all monies (pt.) vide Memorial No. 12121901010275 dated 30th November 2012; and

v. Rental Assignment in favour of Nanyang Commercial Bank Limited vide Memorial No. 12121901010286 dated 30th November 2012.

3. An external inspection to the property was carried out on 4th July 2013 by Mr Lucas H. W. Lau (FRICS, FHKIS, RPS(GP), CIREA). During the course of the inspection, no serious defect was noted; and the condition of the property is considered to be reasonable. Neither structural survey nor test on any services was made; and hence we are unable to report as to whether the property is free from rot, infestation or other structural or non-structural defect.

4. The property is situated in a residential/commercial area comprising medium to high-rise residential and composite buildings of various ages serving local populations. The average selling prices of retail shops in North Point area vary from about HK$50,000 to HK$70,000 per square feet on saleable area basis.

5. The property lied in the area zoned ''Residential (Group A) 1'' on the North Point Outline Zoning Plan.

6. Goldbay Property (China) Limited, an indirect wholly-owned subsidiary of the Company.

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. DISCLOSURE OF INTERESTS

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

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	
Mak Shiu Tong, Clement *(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 Shiu Tong, Clement 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 Shiu

Tong, Clement 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 an associated corporation — CCT Tech as at the Latest Practicable Date

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 Shiu Tong, Clement *(Note)*	—	33,026,391,124	33,026,391,124	50.49
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: The interest disclosed represents 33,026,391,124 shares of CCT Tech held by the Company through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement 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 approximately 50.03% of the total issued share capital in the Company as at the Latest Practicable Date.

(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 2012, 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 Shiu Tong, Clement, his spouse and his two sons. Mr. Mak Shiu Tong, Clement is deemed to be interested in the above-mentioned Shares as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Capital Force and New Capital. Mr. Mak's interest in such Shares has been disclosed in sub-section (a) (1) of this section.

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.

3. 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.

4. 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.

5. QUALIFICATIONS AND CONSENTS OF EXPERTS

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

Name	Qualification
Mark K. Lam & Co.	Certified Public Accountants
Vigers	Professional valuer

(i) Neither Mark K. Lam & Co. nor Vigers has 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 as at the Latest Practicable Date;

(ii) Both Mark K. Lam & Co. and Vigers have given and have not withdrawn their written consent to the issue of this circular with the inclusion herein of their letters dated 21 August 2013 and/or reference to their names in the form and context in which they are included; and

(iii) Neither Mark K. Lam & Co. nor Vigers has 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 2012, the date to which the latest published audited financial statements of the Group were made up.

6. MATERIAL ADVERSE CHANGE

Save as disclosed in the 2012 annual report of the Group, 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 2012, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date.

7. 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 Latest Practicable Date which are, or may be, material:

(i) the Formal Agreements;

(ii) the Provisional SPAs;

(iii) the transfer agreement dated 30 May 2013 entered into between (1) CTD Propriety (Dongguan) Limited ("**CTD Propriety**") (an indirect subsidiary of the Company) as the transferor; (2) 東莞市恒燁實業投資有限公司(Dongguan Shi Heng Ye Industrial Investment Limited — English name for reference only) ("**Heng Ye**") as the transferee; (3) Electronic Sales Limited ("**ESL**"); and (4) 東莞偉迪電子有限公司 (Dongguan Wiltec Electronics Company Limited — English name for reference only) ("**DG Wiltec**") (both being indirect subsidiaries of the Company) as the lessees of the lease agreements of the relevant land located at Zhukan Industrial District, Sanlian Village, Gaobu Town, Dongguan City, the Guangdong Province (the "**Land**"), pursuant to which CTD Propriety will transfer to Heng Ye the rights to possess and use the buildings comprising the phase one and the phase two of the ESL Technology Park erected on the Land at a consideration of RMB49,000,000.00;

(iv) the other transfer agreement dated 30 May 2013 entered into between CTD Propriety, Heng Ye, ESL and DG Wiltec, pursuant to which CTD Propriety will transfer to Heng Ye the electrical and mechanical equipment and other related equipment installed in the buildings as mentioned in paragraph (iii) above at a consideration of RMB21,000,000.00;

(v) the conditional agreement dated 19 April 2013 entered into amongst CCT Tech, the Company and CCT Land (China) Holdings Limited ("**CCT Land**") (an indirect wholly-owned subsidiary of the Company at the time), pursuant to which (1) CCT Tech would subscribe (the "**Subscription**") for 19,999 new ordinary shares of US$1.00 each in the capital of CCT Land; (2) the Company will assign (the "**Assignment**") the outstanding interest-free loan due from CCT Land to the Company to CCT Tech or its designated nominee(s) at face value of the loan as at the date of completion of the Assignment; and (3) CCT Tech would issue the promissory note to the Company or its designated nominee(s) in order to satisfy the consideration and compensation of HK$900,000,000.00 for the Company to (a) agree with the Subscription and the consequential dilution of its shareholdings in CCT Land; and (b) agree with the Assignment;

(vi) the provisional sale and purchase agreement dated 17 October 2012 entered into between (1) Goldbay Capital Limited ("**Goldbay Capital**") (an indirect wholly-owned subsidiary of the Company) as the purchaser; and (2) Fine Mean Limited ("**Fine Mean**") (an independent third party) as the vendor, pursuant to which Fine Mean would sell and Goldbay Capital would buy the properties situated at Shops A & B on the Ground Floor and the First Floor of the Gramercy, No. 38 Caine Road, Hong Kong (the "**Properties**") at a total consideration of HK$228,000,000.00; pursuant to which Goldbay Capital has purchased Shop A on Ground Floor of the Properties and has nominated three other indirect wholly-owned subsidiaries of the Company to take up Shop B on Ground Floor, Shop A on First Floor and Shop B on First Floor of the Properties;

(vii) the formal sale and purchase agreement dated 14 August 2012 entered into between (1) the Vendor, which has been nominated by another indirect wholly-owned subsidiary of the Company, Goldbay Investments Limited ("**Goldbay Investments**"), as the purchaser; and (2) Maycarol Company Limited ("**Maycarol**") (an independent third party) as the vendor, pursuant to which Maycarol would sell and Goldbay Property China would buy the shops situated at Units No. 1–33, 34A, 34B, 36A, 36B and 38–45 on the Portion of the Basement of Podium of Blocks 1, 2 and 3 City Garden, No. 233 Electric Road, Hong Kong at a consideration of HK$159,800,000.00;

(viii) the provisional sale and purchase agreement dated 30 July 2012 entered into between Goldbay Investments or its nominee as the purchaser and Maycarol as the vendor in relation to the sale and purchase of the shops as referred to in paragraph (vii) above;

(ix) the formal sale and purchase agreement dated 7 August 2012 entered into between (1) Goldbay Investments as the vendor; and (2) Metro Dragon International Limited ("**Metro Dragon**") (an independent third party) as the purchaser, in relation to the sale and purchase of the office property situated at the whole floor of 17th Floor of CCT Telecom Building, No. 11 Wo Shing Street, Fotan, Shatin, New Territories, Hong Kong at a consideration of HK$42,700,000.00;

(x) the provisional sale and purchase agreement dated 24 July 2012 entered into between Goldbay Investments as the vendor and Metro Dragon as the purchaser in relation to the sale and purchase of the office property as referred to in paragraph (ix) above;

(xi) the agreement dated 1 February 2012 entered into between the Company as vendor and CCT Tech as purchaser in respect of (1) the acquisition by CCT Tech (or its designated nominee(s)) from the Company of one share of US$1.00 each in Wiltec Industries Investment Limited ("**WIIL**", an indirect wholly-owned subsidiary of the Company at the time) representing the entire issued share capital of WIIL and the outstanding interest-free loan due from WIIL to the Company which amounted to HK$55,631,833.00 at that time; and (2) the issue of promissory note by CCT Tech in favour of the Company to satisfy the consideration contemplated under the said agreement at HK$67,471,000.00;

(xii) the formal sale and purchase agreement dated 15 September 2011 entered into amongst (1) FBT 27–32 Company Limited ("**FBT**") (an independent third party) as the vendor; and (2) Charter Base Development Limited ("**Charter Base**") and Huge Partner Limited ("**Huge Partner**"), both being indirect wholly-owned subsidiaries of the Company, as the purchasers, in relation to: (a) the purchase by Charter Base of the office properties situated at all those 31st Floor and 32nd Floor and the car parking spaces no. 5–10 on the 1st Floor, and (b) the purchase by Huge Partner of the car parking space no.11 on the 1st Floor, of Fortis Tower at Nos. 77–79 Gloucester Road in Hong Kong at a total consideration of HK$161,139,000.00; and

(xiii) the provisional sale and purchase agreement dated 31 August 2011 entered into amongst FBT as the vendor and Charter Base and Huge Partner together as the purchasers in relation to the sale and purchase of the properties as referred to in paragraph (xii) above.

8. 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 31/F., Fortis Tower, 77–79 Gloucester Road, 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 Mr. Tam Ngai Hung, Terry, who is a fellow of the Association of Chartered Certified Accountants and an associate of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators.

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

9. 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 31/F., Fortis Tower, 77–79 Gloucester Road, 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 continuance and the bye-laws of the Company;

(b) the letter from the Board to the Shareholders, the text of which is set out on pages 5 to 15 of this circular;

(c) the written consents from Mark K. Lam & Co. and Vigers referred to under the section headed "Qualifications and Consents of Experts" in this appendix;

(d) the unaudited financial information of the Accumulated Shopping Units, the text of which is set out in Appendix II to this circular;

(e) the unaudited pro forma financial statements of the Remaining Group and the comfort letter from Mark K. Lam & Co. on pro forma financial statements, the text of which is set out in Appendix III to this circular;

(f) the valuation report on the Accumulated Shopping Units, the text of which is set out in Appendix IV to this circular;

(g) the annual reports of the Company for the three financial years ended 31 December 2012;

(h) the material contracts (other than the Provisional SPAs and the Formal Agreements) referred to in the section headed "Material Contracts" in this appendix;

(i) standard set of the Provisional SPA;

(j) standard set of the Formal Agreement;

(k) the circular of the Company dated 14 June 2013; and

(l) this circular.

CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 00138)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of the shareholders of CCT Telecom Holdings Limited (the "**Company**") will be held at 31/F., Fortis Tower, 77–79 Gloucester Road, Hong Kong on Monday, 9 September 2013 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the disposal of the retail shop units (the "**Shopping Units**") to be sub-divided from the property situated at Units No. 1–33, 34A, 34B, 36A, 36B and 38–45 on the Portion of the Basement at the Podium of Blocks 1, 2 and 3, City Garden, No. 233 Electric Road, Hong Kong (the "**Property**") which has a total gross floor area of approximately 31,570 square feet, of which Shopping Units with an aggregate gross floor area of approximately 20,200 square feet have been sold for an aggregate selling price of approximately HK$500,000,000, under the provisional sale and purchase agreements (the "**Provisional SPAs**") entered into between (i) Goldbay Property (China) Limited, an indirect wholly-owned subsidiary of the Company as vendor (the "**Vendor**"); and (ii) third party independent purchasers (the "**Purchasers**"), during the period from 17 July 2013 to 24 July 2013 (both days inclusive) (the "**VSD Disposal**") (details of which have been set out in the circular of the Company dated 21 August 2013, a copy of which is tabled at the meeting marked "A" and initialled by the Chairman for identification purpose (the "**Circular**")), and the relevant formal agreements (the "**Formal Agreements**") executed between the Vendor and the Purchasers in relation to the VSD Disposal, which constitutes a very substantial disposal for the Company under the Listing Rules (as defined in the Circular) be and is hereby approved;

(b) the additional Disposal of the Shopping Units with an aggregated gross floor area of approximately 7,350 square feet having been sold for an aggregate selling price of HK$182,000,000 (the "**Additional Disposal**", further details of which have been set out in the Circular), under the Provisional SPAs entered into between the Vendor and the Purchasers during the period from 25 July 2013 to the Latest Practicable Date (as defined in the Circular) and any other transactions contemplated under the Provisional SPAs entered into by the Vendor and the Purchasers during the period from 17 July 2013 to the Latest Practicable Date and the related Formal Agreements in relation to the Accumulated Disposal (as defined in the Circular, which is composed of the VSD Disposal and the Additional Disposal), be and are hereby approved; and

(c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in and completion of the Accumulated Disposal.''

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

Hong Kong, 21 August 2013

Head office and principal place of business in Hong Kong:
31/F., Fortis Tower
77–79 Gloucester Road
Hong Kong

Notes:

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

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

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

4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the SGM is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at http://www.cct.com.hk/eng/investor/announcements.php.

5. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the SGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

6. Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the SGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the SGM or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.