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CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 138)

MAJOR TRANSACTION

CCT TECH INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 261)

MAJOR AND CONNECTED TRANSACTION
And
CONTINUING CONNECTED TRANSACTIONS

Summary

Transaction

CCT Telecom and CCT Tech entered into the Agreement on 2 June 2004, pursuant to which CCT Tech has agreed (i) to sell or procure the sale of the Sale Shares; and (ii) to assign or procure the assignment of the Debts to CCT Telecom. The aggregate consideration for the Transaction is HK$139 million, which will be satisfied by cancellation of the Convertible Note in the same amount.

CCT Tech is approximately 33.5% owned by CCT Telecom and CCT Telecom is a substantial shareholder and hence a connected person of CCT Tech under the Listing Rules. CCT Tech is treated as a non wholly-owned subsidiary of CCT Telecom. The Transaction constitutes a major transaction for CCT Telecom and a major and connected transaction for CCT Tech.

Continuing Connected Transactions

After Completion, First Precision will become a wholly-owned subsidiary of CCT Telecom and transactions between the CCT Telecom Group (including the First Precision Group after Completion) and the CCT Tech Remaining Group therefore constitute continuing connected transactions for CCT Tech under the Listing Rules.

The Continuing Connected Transactions will be subject to reporting, announcement and the Independent CCT Tech Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

An independent board committee of CCT Tech will be set up to advise the Independent CCT Tech Shareholders in connection with the Transaction and the Continuing Connected Transactions. An independent financial adviser will be appointed for the purpose of providing independent advice to the independent board committee of CCT Tech and the Independent CCT Tech Shareholders in connection with the Transaction and the Continuing Connected Transactions.

A circular containing information (amongst other things) regarding the Transaction and the Continuing Connected Transactions, the notice of the Special General Meeting, the valuation report of the Property, the advice of the independent financial adviser and the recommendation of the independent board committee of CCT Tech will be despatched to the CCT Tech Shareholders as soon as possible.

A circular containing information (among other things) regarding the Transaction, the valuation report of the Property and the notice of the Extraordinary General Meeting will be despatched to the CCT Telecom Shareholders as soon as possible.

Trading in the shares of CCT Telecom and CCT Tech on the Stock Exchange was suspended with effect from 9:30 a.m. on 1 June 2004 at the requests of CCT Telecom and CCT Tech pending the release of this announcement. Applications have been made by CCT Telecom and CCT Tech for the resumption of trading of the shares of CCT Telecom and CCT Tech on the Stock Exchange with effect from 9:30 a.m. on 3 June 2004.

TRANSACTION

The Agreement

Date:	2 June 2004
Vendor:	CCT Tech
Purchaser:	CCT Telecom
Assets to be acquired:	(i) the Sale Shares; and (ii) the Debts.

Consideration

The aggregate consideration for the Transaction of HK$139 million is determined after arm's length negotiations between CCT Tech and CCT Telecom.

The consideration of HK$105 million for the acquisition of First Precision and the assignment of the First Precision Debt has been determined with reference to the unaudited pro forma combined profits after tax of the First Precision Group for the year ended 31 December 2003 of approximately HK$11 million. First Precision is transferred at a price-earning ratio of 9.3 times.

The consideration of HK$34 million for the acquisition of CCT Investment and the assignment of the CCT Investment Debt has been determined in accordance with the market value (which was valued by an independent professional valuer, Vigers Appraisal and Consulting Limited) of the Property of HK$34 million as at 31 December 2003.

The face value of the Debts as at 31 December 2003 was approximately HK$113 million.

The Consideration will be satisfied by cancellation of the Convertible Note in the same amount.

Conditions

Completion is conditional on:

(a) CCT Tech having complied fully with the obligations specified in the Agreement;

(b) the warranties given by CCT Tech in the Agreement remaining true and accurate and not misleading at Completion;

(c) the warranties given by CCT Telecom in the Agreement remaining true and accurate and not misleading at Completion;

(d) the requisite resolution being passed by the Independent CCT Tech Shareholders at the Special General Meeting in compliance with the Listing Rules; and

(e) the requisite resolution being passed by the CCT Telecom Shareholders at the Extraordinary General Meeting in compliance with the Listing Rules.

CCT Telecom may waive the conditions in (a) and (b) above at any time by serving a notice in writing to CCT Tech. CCT Tech may waive the condition in (c) above at any time by serving a notice in writing to CCT Telecom.

In the event that any of the conditions will not have been fulfilled or waived (as the case may be) prior to 31 July 2004 (or such later date as the parties to the Agreement may agree in writing), the Agreement will cease to be of any effect save in respect of claims arising out of any antecedent breach of the Agreement.

Completion

Completion is expected to take place on the third Business Day after the fulfillment of conditions (d) and (e) above.

Further information about the First Precision Group

First Precision is an investment holding company and the First Precision Group is principally engaged in the design, manufacture and sale of power supply components including linear and switching transformers and adaptors. First Precision is a manufacturer of power supply components to customers for the production of telecom and other consumer products in the PRC including Hong Kong. The production plant of First Precision is located in Dongguan, the PRC. As at 31 December 2003, the First Precision Group had over 1,000 staff members.

The unaudited pro forma combined turnover of the First Precision Group for the period/year ended 31 December 2002 and 2003 were approximately HK$106 million and approximately HK$120 million respectively. The unaudited pro forma combined profits before tax of the First Precision Group for the period/year ended 31 December 2002 and 2003 were approximately HK$7 million and approximately HK$13 million respectively. The unaudited

pro forma combined profits after tax of the First Precision Group for the period/year ended 31 December 2002 and 2003 were approximately HK$6 million and approximately HK$11 million respectively. As at 31 December 2003, the unaudited pro forma combined net assets of the First Precision Group before deduction of the First Precision Debt amounted to approximately HK$84 million and after deduction of the First Precision Debt of approximately HK$16 million and the unaudited pro forma combined total assets of the First Precision Group amounted to approximately HK$119 million.

With a consideration of HK$105 million and an unaudited pro forma combined profits after tax of approximately HK$11 million for the year ended 31 December 2003, First Precision is being transferred to CCT Telecom (i) HK$21 million above the unaudited pro forma combined net assets of the First Precision Group before deduction of the First Precision Debt as at 31 December 2003; and (ii) at a price- earning ratio of 9.3 times.

Further information about CCT Investment

CCT Investment is a property holding company which holds a plot of land with a three-storey factory complex located at No. 3 Hong Yie Dong San Road, Hong Yie Economic Development Zone, Tong Xia Zhen, Dongguan, Guangdong Province, the PRC which was acquired by CCT Investment in 1993 from a third party independent of and not connected with the substantial shareholders, chief executive and directors of the CCT Tech Group. The area of the land is approximately 21,611 square meters and the gross floor area of the factory complex is approximately 33,822 square meters. The Property was valued by an independent professional valuer, Vigers Appraisal and Consulting Limited, at a value of HK$34 million as at 31 December 2003.

CCT Investment has no other material assets and business besides the holding of the Property. For the two years ended 31 December 2002 and 2003, CCT Investment recorded an unaudited pro forma net profit attributable to shareholders of approximately HK$4 million and an unaudited pro forma net loss attributable to shareholders of approximately HK$20 million respectively.

As at 31 December 2003, both the unaudited pro forma total/net assets of CCT Investment before deduction of the CCT Investment Debt amounted to approximately HK$26 million and after deduction of the CCT Investment Debt amounted to an unaudited pro forma net deficit of approximately HK$19 million.

With a consideration of HK$34 million, CCT Investment is being transferred at a consideration that is HK$8 million above the unaudited pro forma net assets of CCT Investment before deduction of the CCT Investment Debt.

Reasons for the Transaction

(i) The First Precision Group

First Precision was incorporated in November 2002 as an intermediate holding company for holding 100% interest in Electronic Sales Limited. The transformer business of the First Precision Group is mainly carried out by Electronic Sales Limited, which was acquired by CCT Tech in 2002. The key operating subsidiaries of the First Precision Group are Electronic Sales Limited and its wholly-owned subsidiary, 東莞易訊電子制品有限公司 (Dongguan ESL Electronic Products Co., Ltd.).

CCT Telecom and CCT Tech have constantly been reviewing their business strategies to enhance their shareholding value. Currently, the CCT Tech Group is principally engaged in the sale, manufacture, design and development of telecom products on an ODM and OEM basis and is also engaged through the First Precision Group, in the manufacture and sale of power supply components, principally for the CCT Tech Group's use for the production of telecom and other consumer products. At present, the CCT Telecom Group's principal activities can broadly be categorised into: (i) manufacture and sale of telecom and other consumer products through the CCT Tech Group; (ii) manufacture of power supply components through the First Precision Group; and (iii) manufacture and sale of plastic components and baby and health care products through the CCT Telecom Remaining Group.

The Directors believe that it is in the interests of CCT Telecom and CCT Tech to attach a clearer corporate identity to each of CCT Telecom and CCT Tech, with a view to enabling a better evaluation of their respective businesses.

For the year ended 31 December 2003, the First Precision Group contributed approximately HK$16 million (after elimination of approximately HK$104 million upon consolidation of the CCT Tech Group's accounts) of unaudited pro forma combined turnover and approximately HK$11 million of unaudited pro forma combined profit after tax to the CCT Tech Group. The contribution of First Precision Group of net turnover of HK$16 million and net profit of HK$11 million represents approximately 1% of the consolidated turnover of the CCT Tech Group and approximately 15% of the net profit after taxation of the CCT Tech Group for the year ended 31 December 2003 respectively. As at 31 December 2003, the unaudited pro forma combined net assets of the First Precision Group after deduction of the First Precision Debt amounted to approximately HK$16 million which represents approximately 11% of the consolidated net assets of the CCT Tech Group.

After Completion, the CCT Tech Group will be able to realign its resources and focus on and expand its operations in ODM and OEM businesses in telecom products. After the Transaction, the CCT Tech Group will be able to concentrate its management and resources on finished telecom products. The CCT Tech Group believes this restructuring will enhance its efficiency and will provide a clearer corporate identity to the CCT Tech Group. The profits of the First Precision Group represents a relatively small percentage of the CCT Tech Group. Therefore, the sale of the First Precision Group will not have any significant adverse impact on the CCT Tech Remaining Group's operations. With reference to the unaudited pro

forma combined net assets of the First Precision Group before deduction of the First Precision Debt of approximately HK$84 million as at 31 December 2003, the CCT Tech Directors estimate that there will be a gain on disposal of the First Precision Group of approximately HK$21 million.

The acquisition of the First Precision Group by CCT Telecom complements the current plastic component operations of the CCT Telecom Remaining Group. The Transaction will enhance management efficiency and provide synergy so that the component business (plastic and electric components) will be managed in one listed company. This will enable the CCT Telecom Remaining Group to realign its resources to build up and expand its industrial component business. Furthermore, after Completion, the First Precision Group will be more flexible to find independent customers apart from the CCT Tech Group. Upon Completion, CCT Telecom's interest in the Convertible Note will be reduced and its share of the interest income arising from the Convertible Note will be correspondingly reduced. However, on the other hand, the Transaction will increase CCT Telecom's share in the profit of the First Precision Group. CCT Telecom's interest in the First Precision Group will be increased from 33.5% to 100% as First Precision will become an indirect wholly-owned subsidiary of CCT Telecom after Completion.

(ii) CCT Investment and the Property

As the other existing available production facilities can fulfill the CCT Tech Group's production requirement, the Property is currently not required by the CCT Tech Group for its manufacturing business. In light of this, the CCT Tech Group decides to dispose of the Property. The disposal of the Property will save maintenance costs. The CCT Telecom Remaining Group is currently expanding its business in the manufacture of industrial components and baby and health care products. CCT Telecom intends to increase its production space and facilities for such expansion. Therefore, it is in the interests of the CCT Telecom Remaining Group to acquire the Property as this will save time and investment costs to build a new factory.

The consideration for the acquisition of the Sale Shares will be satisfied by cancellation of the Convertible Note in the same amount. The Transaction will reduce the liability of CCT Tech and improve its financial position and save the financial cost of CCT Tech by approximately HK$9.7 million per annum as the Convertible Note carries an interest at the rate of prime or best lending rate plus 2% per annum. After Completion, the principal outstanding amount of the Convertible Note will be reduced to HK$629 million.

Taking into account all the reasons stated in paragraphs (i) and (ii) under the section headed "Reasons for the Transaction", the Directors believe that the Transaction is in the interests of both CCT Telecom and CCT Tech.

With reference to the unaudited pro forma net assets of CCT Investment before deduction of the CCT Investment Debt of approximately HK$26 million as at 31 December 2003, the CCT Tech Directors estimate that there will be a gain on disposal of CCT Investment of approximately HK$8 million.

CCT Tech is treated as a non wholly-owned subsidiary of CCT Telecom where its results will be consolidated to the CCT Telecom Group. The Transaction will not significantly affect the revenue and operating result of the CCT Telecom Group. The CCT Telecom Directors estimate that there will not be substantial gain or loss to the CCT Telecom Group from the acquisition of First Precision and CCT Investment.

After the Transaction, the CCT Telecom Remaining Group's principal activities will include (i) power supply component business through the First Precision Group; (ii) plastic component business; and (iii) baby and health care product business. The acquisition of CCT Investment will enable the CCT Telecom Remaining Group to increase its production space. The CCT Tech Group will focus on the ODM and OEM businesses in telecom products.

CONTINUING CONNECTED TRANSACTIONS

As stated in the section headed "General" below, after Completion, First Precision will become a wholly-owned subsidiary of CCT Telecom and transactions between the CCT Telecom Group (including the First Precision Group after Completion) and the CCT Tech Remaining Group therefore constitute connected transactions for CCT Tech under the Listing Rules.

Details of the Continuing Connected Transactions

The PSC Manufacturing Agreement dated 2 June 2004.

Parties:	(1) CCT Telecom (2) CCT Tech
Subject:	Conditional upon the requisite resolution being passed by the Independent CCT Tech Shareholders at the Special General Meeting in compliance with the Listing Rules approving the PSC Manufacturing Agreement and the transactions contemplated thereunder, pursuant to the PSC Manufacturing Agreement, CCT Telecom will, and/or will procure other members of the CCT Telecom Group (including the First Precision Group after Completion) to, manufacture and supply certain transformers, adaptors, power supply components and other related components for the CCT Tech Remaining Group.
Term:	The PSC Manufacturing Agreement will become effective as from the date of Completion and will continue until 31 December 2006 (both dates inclusive). Both parties may renew the PSC Manufacturing Agreement upon its expiry for another three years subject to compliance with the Listing Rules and either party will have the right to terminate the PSC Manufacturing Agreement without cause by serving the other party with not less than one month's prior written notice. The PSC Manufacturing Agreement will cease to be of any effect if Completion does not take place on or before 31 July 2004 (or such later date as the parties to the PSC Manufacturing Agreement may agree in writing).

Price: On a case-by-case basis, depending on the model capped by the amount of direct material costs plus a mark-up of no more than 100% of such material costs.

For each of the two years ended 31 December 2002 and 2003, sales from the First Precision Group to CCT HK (a member of the CCT Tech Remaining Group), a company engaging in the sourcing of production materials for the CCT Tech Group's telecom products, amounted to approximately HK$73.7 million and approximately HK$103.8 million respectively. The total sales from the First Precision Group to CCT HK for the year ended 31 December 2003 represented (i) approximately 86.5% of the First Precision Group's total sales; and (ii) approximately 4.3% of the total cost of sales of CCT HK.

Under the PSC Manufacturing Agreement, the cap amounts of the sales of the transformers, adaptors, power supply components and other related components from the CCT Telecom Group to the CCT Tech Group under the PSC Manufacturing Agreement for each of the three financial years ending 31 December 2006 will not exceed HK$170 million, HK$220 million and HK$280 million, respectively. The basis of the cap amount is determined with reference to: (i) the historical figures of the sales of transformers, adaptors, power supply components and other related components to the CCT Tech Group by the First Precision Group; (ii) the expectation of the CCT Tech Group that more transformers, adaptors, power supply components and other related components will be used as a result of the anticipated business growth of the telecom product business of the CCT Tech Remaining Group; and (iii) the anticipated business growth of the CCT Tech Remaining Group in the next three years due to the increasing demand for telecom products as a whole in view of the recovery of the world economy.

Reason for the Continuing Connected Transactions

The CCT Tech Directors consider the Continuing Connected Transactions will be entered into in the usual and ordinary course of businesses of the CCT Tech Remaining Group. The terms of the transactions have been negotiated and will be conducted on an arm's length basis and on normal commercial terms. The CCT Tech Directors consider that it is in the interests of the CCT Tech Group to continue to purchase power supply components and other related components from the First Precision Group after Completion as the First Precision Group can offer quality products and reliable delivery service at a competitive price. The CCT Tech Directors are of the view that the Continuing Connected Transactions and the terms thereof are fair and reasonable and in the best interests of CCT Tech and its shareholders as a whole.

The Continuing Connected Transactions are subject to reporting, announcement and the Independent CCT Tech Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules at the Special General Meeting by poll.

CCT Tech will seek the approval by the Independent CCT Tech Shareholders of the PSC Manufacturing Agreement and the respective caps in relation to the Continuing Connected Transactions for a period of three financial years ending 31 December 2006 on the following conditions:

(a) Cap amounts:

The amount of purchase of the transformers, adaptors, power supply components and other related components from the CCT Telecom Remaining Group by the CCT Tech Remaining Group for each of the three financial years ending 31 December 2006 will not exceed HK$170 million, HK$220 million and HK$280 million, respectively.

(b) The Continuing Connected Transactions will be:

(i) entered into in the usual and ordinary course of businesses of the CCT Tech Remaining Group;

(ii) conducted either (A) on normal commercial terms; or (B) if there is no available comparison, on terms no less favourable to the CCT Tech Remaining Group than terms available from independent third parties; and

(iii) entered into in accordance with the terms of the PSC Manufacturing Agreement.

(c) Brief details of the Continuing Connected Transactions will be disclosed in CCT Tech's next and each successive annual report and accounts, each accompanied with a statement of opinion of the independent non-executive CCT Tech Directors in such manner as referred to in paragraph (d) below.

(d) The independent non-executive CCT Tech Directors will review annually the Continuing Connected Transactions, and they will confirm in CCT Tech's annual report and accounts for the year in question that such Continuing Connected Transactions under their review were conducted in the manner as stated in paragraphs (a) and (b) above.

(e) The auditors of CCT Tech will review annually the Continuing Connected Transactions, and they will confirm in a letter to the CCT Tech Directors (a copy of which letter will be provided to the Stock Exchange at least 10 Business Days prior to the bulk printing of the annual report of CCT Tech) in respect of each relevant financial year, during which the Continuing Connected Transactions were conducted, stating that:

(i) the Continuing Connected Transactions have been approved by the CCT Tech Directors;

(ii) the Continuing Connected Transactions have been entered into in accordance with the terms of the relevant agreement governing the transactions;

(iii) the value of the Continuing Connected Transactions has not exceeded their respective annual caps set out in paragraph (a) above; and

(iv) the Continuing Connected Transactions have been entered into in accordance with the pricing policy of the CCT Tech Group,

and where for whatever reasons, if the auditors of CCT Tech decline to accept the engagement or are unable to provide the auditors' letter, the CCT Tech Directors will contact the Listing Division of the Stock Exchange immediately.

(f) So long as the Shares are listed on the Stock Exchange, CCT Tech will, and will procure CCT Telecom to, provide auditors of CCT Tech with access to the relevant records of the Continuing Connected Transactions for the purpose of auditors' review as referred to in paragraph (e) above.

(g) CCT Tech will comply with the applicable provisions of the Listing Rules governing connected transactions in the event that the total amount of any of the Continuing Connected Transactions exceeds their respective caps, or that there is any material amendment to the terms of the PSC Manufacturing Agreement.

General

CCT Tech is approximately 33.5% owned by CCT Telecom and CCT Telecom is a substantial shareholder and hence a connected person of CCT Tech under the Listing Rules. CCT Tech is treated as a non wholly-owned subsidiary of CCT Telecom. The Transaction constitutes a major and connected transaction for CCT Tech and a major transaction for CCT Telecom for the purposes of the Listing Rules. The Transaction and the Continuing Connected Transactions are therefore subject to (i) the approval by the Independent CCT Tech Shareholders by poll with CCT Telecom and its associates abstain from voting in respect of the resolutions to approve the Transaction and the Continuing Connected Transactions at the Special General Meeting; and (ii) the approval by the CCT Telecom Shareholders at the Extraordinary General Meeting by poll in respect of the resolution to approve the Transaction.

An independent board committee of CCT Tech will be set up to advise the Independent CCT Tech Shareholders and an independent financial adviser will be appointed for the purpose of providing independent advice to the independent board committee of CCT Tech and the Independent CCT Tech Shareholders in connection with the Transaction and the Continuing Connected Transactions.

A circular containing information (amongst other things) regarding the Transaction and the Continuing Connected Transactions, the notice of the Special General Meeting, the valuation report of the Property, the advice of the independent financial adviser and the recommendation of the independent board committee of CCT Tech will be despatched to the CCT Tech Shareholders as soon as possible.

A circular containing information (amongst other things) regarding the Transaction, the valuation report of the Property and the notice of the Extraordinary General Meeting will be despatched to the CCT Telecom Shareholders as soon as possible.

Trading in the shares of CCT Telecom and CCT Tech on the Stock Exchange was suspended with effect from 9:30 a.m. on 1 June 2004 at the requests of CCT Telecom and CCT Tech pending the release of this announcement. Applications have been made by CCT Telecom and CCT Tech for the resumption of trading of the shares of CCT Telecom and CCT Tech on the Stock Exchange with effect from 9:30 a.m. on 3 June 2004.

Definitions

"Agreement"	the conditional agreement dated 2 June 2004 entered into between CCT Tech as vendor and CCT Telecom as purchaser in respect of the Transaction
"associate"	has the same meaning as given to it in the Listing Rules
"Business Day"	a day (excluding Saturday or Sunday) on which banks are generally open in Hong Kong for business for more than four hours
"BVI"	the British Virgin Islands
"CCT HK"	CCT Telecom (HK) Limited, an indirect wholly-owned subsidiary of CCT Tech
"CCT Investment"	CCT Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of CCT Tech
"CCT Investment Debt"	the outstanding interest-free debt due from CCT Investment to CCT Telecom Product International Holdings Limited, a wholly-owned subsidiary of CCT Tech, as at Completion, such debt amounted to approximately HK$45 million as at 31 December 2003
"CCT Tech"	CCT Tech International Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
"CCT Tech Director(s)"	the director(s) (including independent non-executive directors) of CCT Tech
"CCT Tech Group"	CCT Tech and its subsidiaries
"CCT Tech Remaining Group"	CCT Tech and its subsidiaries but excluding the First Precision Group and CCT Investment
"CCT Tech Shareholder(s)"	the holder(s) of the Share(s)

"CCT Telecom"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
"CCT Telecom Director(s)"	the director(s) (including independent non-executive directors) of CCT Telecom
"CCT Telecom Group"	CCT Telecom and its subsidiaries
"CCT Telecom Remaining Group"	CCT Telecom and its subsidiaries but excluding the CCT Tech Group
"CCT Telecom Shareholder(s)"	the holder(s) of the share(s) of CCT Telecom
"connected person(s)"	has the same meaning as given to it in the Listing Rules
"Completion"	completion of the Transaction
"Consideration"	HK$139 million for the Transaction
"Continuing Connected Transactions"	the transactions contemplated under the PSC Manufacturing Agreement
"Convertible Note"	the convertible note due 2008 issued by CCT Tech in favour of Noble Team Investments Limited, an indirect wholly-owned subsidiary of CCT Telecom, in the outstanding principal amount of HK$768 million
"Debts"	the CCT Investment Debt and the First Precision Debt
"Director(s)"	the CCT Telecom Directors and the CCT Tech Directors
"Extraordinary General Meeting"	the extraordinary general meeting of CCT Telecom to be convened to consider and, if thought fit, approve the Transaction
"First Precision"	First Precision Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of CCT Tech
"First Precision Debt"	the outstanding interest-free debt due from First Precision to CCT Tech Holdings Limited, a wholly-owned subsidiary of CCT Tech as at Completion, such debt amounted to HK$68 million as at 31 December 2003

"First Precision Group"	First Precision and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent CCT Tech Shareholders"	the CCT Tech Shareholders other than CCT Telecom and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PSC Manufacturing Agreement"	the power supply components manufacturing agreement entered into between CCT Tech and CCT Telecom at Completion for the manufacture and supply of power supply components by the CCT Telecom Remaining Group to the CCT Tech Remaining Group
"ODM"	original design manufacturing
"OEM"	original equipment manufacturing
"PRC"	the People's Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
"Property"	the plot of land together with the factory complex located at No. 3 Hong Yie Dong San Road, Hong Yie Economic Development Zone, Tong Xia Zhen, Dongguan, Guangdong Province, the PRC
"Sale Shares"	one share of US$1.00 in First Precision (representing the entire issued share capital of First Precision) and two shares of HK$1.00 each in CCT Investment (representing the entire issued share capital of CCT Investment)
"Share(s)"	the ordinary share(s) of HK$0.01 each in the capital of CCT Tech
"Special General Meeting"	the special general meeting of CCT Tech to be convened to consider and, if thought fit, inter alia, approve the Transaction and the Continuing Connected Transactions
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the same meaning as given to it in the Listing Rules
"Transaction"	the proposed sale and purchase of the Sale Shares and the assignment of the Debts by CCT Tech to CCT Telecom

"US$"	United States dollar, the lawful currency of the United States
"%"	per cent.

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

As at the date of this announcement, the executive directors of CCT Tech are Messrs. Mak Shiu Tong, Clement, Tam Ngai Hung, Terry, Cheng Yuk Ching, Flora, Tong Chi Hoi and William Donald Putt and the independent non-executive directors of CCT Tech are Messrs. Chow Siu Ngor and Lau Ho Kit, Ivan.

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

By Order of the Board of
CCT TECH INTERNATIONAL LIMITED
Tam Ngai Hung, Terry
Director

Hong Kong, 2 June 2004

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