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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of CCT Telecom Holdings Limited and CCT Tech International Limited.*

CCT TELECOM HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 138)

CCT TECH INTERNATIONAL LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 261)

# DESPATCH OF THE COMPOSITE OFFER AND RESPONSE DOCUMENT AND THE MAJOR AND CONNECTED TRANSACTION CIRCULAR

**relating to**
**Voluntary Conditional Cash Offer with Securities Exchange Alternative by**

DBS

**DBS Asia Capital Limited**

**on behalf of Jade Assets Company Limited, a wholly-owned subsidiary of CCT Telecom Holdings Limited, to acquire all the issued shares and all the convertible notes due 2005 of**

CCT TECH INTERNATIONAL LIMITED

**(other than those already owned by the Offeror and parties acting in concert with it (other than New Capital Industrial Limited)) and**
**Voluntary Conditional Cash Offer to cancel all outstanding options of**

CCT TECH INTERNATIONAL LIMITED

**(other than those already owned by the Offeror and parties acting in concert with it)**

The Composite Offer Document containing, among other things, the details of the Offers, the letter from the board of the CCT Tech Directors, the letter from DBS Asia to the CCT Tech Shareholders, the CCT Tech Optionholders and the holder of the CCT Tech 2005 CN, the letter from the Independent Board Committee of CCT Tech to the CCT Tech Independent Shareholders and the CCT Tech Optionholders and the letter from Altus Capital to the Independent Board Committee of CCT Tech, the CCT Tech Independent Shareholders and the CCT Tech Optionholders, in respect of the Offers, together with the Pink Form of Acceptance and the instructions on how to obtain the White Form of Acceptance and the Yellow Form of Acceptance under the Offers, were despatched to the CCT Tech Shareholders, the CCT Tech Optionholders and the holder of the CCT Tech 2005 CN on 31 March 2005 in accordance with the Takeovers Code. The CCT Tech Independent Shareholders and the CCT Tech Optionholders are encouraged to read the Composite Offer Document carefully, including the letter from the board of the CCT Tech Directors, the letter from the Independent Board Committee of CCT Tech, the letter from DBS Asia and the letter from Altus Capital, in respect of the Offers, before deciding whether or not to accept the Offers.

The Circular containing, among other things, the details of the Offers, the letter from the board of the CCT Telecom Directors, the letter from the Independent Board Committee of CCT Telecom to the CCT Telecom Independent Shareholders and the letter from VC Capital to the board of the CCT Telecom Directors, the Independent Board Committee of CCT Telecom and the CCT Telecom Independent Shareholders, in respect of the Offers, was despatched to the CCT Telecom Shareholders on 31 March 2005 in accordance with the Listing Rules. The CCT Telecom Independent Shareholders are encouraged to read the Circular carefully, including the letter from the board of the CCT Telecom Directors, the letter from the Independent Board Committee of CCT Telecom and the letter from VC Capital in respect of the Offers, before deciding to vote for or against the Offers.

Terms defined in the Composite Offer Document and the Circular dated 31 March 2005 shall have the same meanings when used herein.

Terms defined in the Composite Offer Document and the major and connected transaction circular of CCT Telecom (the "**Circular**") both dated 31 March 2005 shall have the same meanings when used herein. On 31 January 2005, CCT Tech and CCT Telecom jointly announced that DBS Asia, on behalf of the Offeror, will make the Offers, which constitute a major and connected transaction for CCT Telecom.

## Despatch of the Composite Offer Document and the Circular

The Composite Offer Document containing, among other things, the details of the Offers, the letter from the board of the CCT Tech Directors, the letter from DBS Asia to the CCT Tech Shareholders, the CCT Tech Optionholders and the holder of the CCT Tech 2005 CN, the letter from the Independent Board Committee of CCT Tech to the CCT Tech Independent Shareholders and the CCT Tech Optionholders, and the letter from Altus Capital to the Independent Board Committee of CCT Tech, the CCT Tech Independent Shareholders and the CCT Tech Optionholders, in respect of the Offers, together with the Pink Form of Acceptance and the instructions on how to obtain the White Form of Acceptance and the Yellow Form of Acceptance under the Offers, were despatched to the CCT Tech Shareholders, the CCT Tech Optionholders and the holder of the CCT Tech 2005 CN on 31 March 2005 in accordance with the Takeovers

Code. The CCT Tech Independent Shareholders and the CCT Tech Optionholders are encouraged to read the Composite Offer Document carefully, including the letter from the board of the CCT Tech Directors, the letter from DBS Asia, the letter from the Independent Board Committee of CCT Tech and the letter from Altus Capital, in respect of the Offers, before deciding whether or not to accept the Offers.

The latest time for acceptance of the Offers will be 4:00 p.m. on the First Closing Date. The Offers will close at 4:00 p.m. on Thursday, 21 April 2005, being not less than 21 days after the date of posting of the Composite Offer Document, unless CCT Telecom or the Offeror revises or extends the Offers with the consent of the Executive in accordance with the Takeovers Code. CCT Telecom will issue a teletext announcement through the Stock Exchange's website by 7:00 p.m. on the First Closing Date stating the results of the Offers and as to whether the Offers have expired or have been revised, or, if the Offers have by that time become or are declared unconditional, in relation to any extension of the Offers to state either the next closing date or that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given, before the Offers are closed, to those CCT Tech Shareholders, the CCT Tech Optionholders and the holder of the CCT Tech 2005 CN who have not accepted the Offers. Such announcement will be published in one English newspaper and one Chinese newspaper on the date immediately following the First Closing Date. In accordance with the Takeovers Code, where the Offers become or are declared unconditional (whether as to acceptances or in all respects), they should remain open for acceptance for not less than 14 days thereafter.

The Circular containing, among other things, the details of the Offers, the letter from the board of the CCT Telecom Directors to the CCT Telecom Shareholders and, for information only, the holders of the CCT Telecom Options, the letter from the Independent Board Committee of CCT Telecom to the CCT Telecom Independent Shareholders and the letter from VC Capital to the board of the CCT Telecom Directors, the Independent Board Committee of CCT Telecom and the CCT Telecom Independent Shareholders, in respect of the Offers, was despatched to the CCT Telecom Shareholders on 31 March 2005 in accordance with the Listing Rules. The CCT Telecom Independent Shareholders are encouraged to read the Circular carefully, including the letter from the board of the CCT Telecom Directors, the letter from the Independent Board Committee of CCT Telecom and the letter from VC Capital in respect of the Offers, before deciding to vote for or against the Offers.

The extraordinary general meeting of CCT Telecom will be held at 32/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Monday, 18 April 2005 at 10:00 a.m.. A form of proxy for use in the meeting is enclosed with the Circular.

**The Composite Offer Document and the Circular include new financial information, namely the unaudited pro forma statement of assets and liabilities of the Combined Group, which was not previously released. This information is extracted below:**

## The unaudited pro forma statement of assets and liabilities of the Combined Group

The unaudited pro forma statement of assets and liabilities of the Combined Group has been prepared to demonstrate the effect of the Offers on the assets and liabilities of the CCT Telecom Group on the assumption that CCT Tech would have become a wholly-owned subsidiary of CCT Telecom as if the Offers had been accepted in full and completed on 30 June 2004 and that all the CCT Tech Independent Shareholders had accepted the Offers for cash and the holder of the CCT

Tech 2005 CN had opted for the Convertible Bonds. It was based on the historical unaudited consolidated assets and liabilities of the CCT Telecom Group as at 30 June 2004 with further adjustments as explained in the notes below.

The unaudited pro forma statement of assets and liabilities has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Combined Group as at 30 June 2004 or at any future date.

The historical unaudited consolidated assets and liabilities of the CCT Telecom Group and the CCT Tech Group have been extracted from the respective unaudited interim financial statements in respect of the six months ended 30 June 2004 as set out in the 2004 interim reports of CCT Telecom and CCT Tech respectively.

| | **CCT Telecom Group as at 30 June 2004** *HK$'million* | **Pro forma adjustments** *HK$'million* | *Notes* | **Combined Group** *HK$'million* |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Fixed assets | 1,476 | | | 1,476 |
| Intangible assets | 26 | | | 26 |
| Goodwill | 14 | 171 | (d) | 185 |
| Interests in associates | 297 | | | 297 |
| Other assets | 12 | | | 12 |
| Long term investments | 4 | | | 4 |
| Deferred tax assets | 7 | | | 7 |
| | 1,836 | | | 2,007 |
| **Current assets** | | | | |
| Short term investments | 3 | | | 3 |
| Inventories | 267 | | | 267 |
| Trade and bills receivables | 696 | | | 696 |
| Prepayments, deposits and other receivables | 69 | | | 69 |
| Pledged time deposits | 100 | | | 100 |
| Cash and cash equivalents | 907 | (250) | (a), (b) | 657 |
| | 2,042 | | | 1,792 |
| **Current liabilities** | | | | |
| Trade and bills payables | 910 | | | 910 |
| Tax payable | 27 | | | 27 |
| Other payables and accruals | 182 | | | 182 |
| Interest-bearing bank loans and other borrowings | 148 | | | 148 |
| Convertible notes | 57 | (45) | (b) | 12 |
| | 1,324 | | | 1,279 |
| **Net current assets** | 718 | | | 513 |
| **Total assets less current liabilities** | 2,554 | | | 2,520 |
| **Non-current liabilities** | | | | |
| Interest-bearing bank loans | 103 | | | 103 |
| Finance lease payables | 4 | | | 4 |
| Convertible Bonds | — | 104 | (b) | 104 |
| Deferred tax liabilities | 6 | | | 6 |
| | 113 | | | 217 |
| **Minority interests** | 138 | (138) | (c) | — |
| **Net assets** | 2,303 | | | 2,303 |

*Notes:*

(a) The adjustment represents the cash consideration to acquire all the issued CCT Tech Shares (other than those already owned by the CCT Telecom Group) and cancel all the outstanding CCT Tech Options on the assumption that all the CCT Tech Independent Shareholders accepted the Offers and opted for cash and all the CCT Tech Optionholders accepted the Option Offer.

(b) The adjustment reflects the issuance of Convertible Bonds by CCT Telecom to the holder of the CCT Tech 2005 CN for acquisition of the entire CCT Tech 2005 CN, excluding any expense in connection with the issue of the Convertible Bonds.

(c) As at 30 June 2004, CCT Tech was a subsidiary of CCT Telecom which held 34.66% shareholding interest in CCT Tech. As such, the assets and liabilities of the CCT Tech Group had already been consolidated in the CCT Telecom Group's consolidated balance sheet. The adjustment reflects the elimination of the minority interests amounting to HK$138 million representing 65.34% of the consolidated net asset value of the CCT Tech Group as at 30 June 2004 as set out in the interim report of CCT Tech for the period then ended on the assumption that CCT Tech had become a wholly-owned subsidiary of CCT Telecom following the full acceptance and completion of the Offers as at 30 June 2004.

(d) The goodwill represents the difference between the total consideration of the Offers (excluding any expense in connection with the Offers) amounting to approximately HK$354 million and the aggregate total of the minority interests of the CCT Tech Group amounting to approximately HK$138 million and the principal amount of CCT Tech 2005 CN before completion of the Offers.

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

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

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, 31 March 2005

*The directors of CCT Telecom jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of the CCT Tech Group) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The directors of CCT Tech jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of the CCT Telecom Group and the Offeror) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*Please also refer to the published version of this announcement in the* ***(The Standard)***