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CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 138)

SPECIAL INTERIM DIVIDEND
OPTION TO RECEIVE SHARES IN LIEU OF CASH DIVIDEND
CALCULATION OF MARKET VALUE

Reference is made to the Announcement. The Market Value has been fixed at HK$0.966.

A circular giving details of the Special Interim Dividend, together with an election form, will be sent to the eligible Shareholders on or about Friday, 15 July 2005.

Reference is made to the announcement of the Company dated 16 June 2005 (the "**Announcement**") regarding the declaration of a special interim dividend of HK$0.68 per Share with an option to elect to receive such dividend, in whole or in part, in the form of the Scrip Dividend Shares in lieu of cash. Terms defined in the Announcement shall have the same meanings when used herein, unless otherwise stated.

The number of the Scrip Dividend Shares to be allotted to the Shareholders (other than the Overseas Shareholders) who elect to receive their dividends in scrip is calculated by dividing the total amount of the cash dividend which each of them would otherwise have been entitled to receive by the market value of a Scrip Dividend Share (the "**Market Value**"). The Market Value has been determined to be HK$0.966, being the average closing prices of the Shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the five dealing days commencing on Tuesday, 5 July 2005, being the first day the Shares traded ex dividend, and ending on Monday, 11 July 2005. Accordingly, the number of the Scrip Dividend Shares which the Shareholders (other than the Overseas Shareholders) will receive, in respect of the existing Shares registered in their names as at the Record Date and for which elections are made to receive the Scrip Dividend Shares will be calculated as follows:

$$\frac{\text{The number of the existing Shares held as at the Record Date for which election for the Scrip Dividend Shares is made} \times \text{HK\$0.68}}{\text{HK\$0.966 (Market Value)}} = \text{Number of the Scrip Dividend Shares to be received (rounded down to the nearest whole number)}$$

Fractions of the Scrip Dividend Shares will not be allotted to the Shareholders and entitlements to the Scrip Dividend Shares will be rounded down to the nearest whole number. Fractional entitlements will be aggregated and sold for the benefit of the Company. The Scrip Dividend Shares will rank pari passu in all respects with the existing Shares except that they will not rank for the Special Interim Dividend and the issue of the Scrip Dividend Shares is conditional upon the granting by the Listing Committee of the Stock Exchange of a listing of, and permission to deal in, the Scrip Dividend Shares to be allotted and issued, for which the Company will make application.

A circular giving details of the Special Interim Dividend, together with an election form, will be sent to the eligible Shareholders on or about Friday, 15 July 2005. The Overseas Shareholders will be excluded from receiving the election forms and will only receive the Special Interim Dividend wholly in cash. The Company has made verbal enquiries regarding the legal restrictions under the laws of the relevant places pursuant to Rule 13.36(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange. The Board has decided to exercise its discretion under the Company's articles of association to exclude the Overseas Shareholders from receiving the election forms on the basis that it is costly and administratively inefficient to do so, and in the absence of special formalities, the circulation of an offer of such rights of election in jurisdictions outside Hong Kong might be unlawful. The Shareholders (other than the Overseas Shareholders) who wish to receive, in lieu of the cash dividend, in whole or in part, an allotment of the Scrip Dividend Shares should complete and sign the election form and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, no later than 4:00 p.m. on Friday, 5 August 2005. The Shareholders who wish to receive the whole of the Special Interim Dividend in cash should NOT complete the election form.

It is expected that the cheques for cash entitlements and/or (subject to such application being granted) definitive share certificates for the Scrip Dividend Shares will be posted to the Shareholders at the risk of those entitled thereto to their registered addresses on or about Friday, 19 August 2005, on which dealings of the Scrip Dividend Shares are expected to commence (subject to the proper receipt of the share certificates for the Scrip Dividend Shares by the relevant Shareholders).

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

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

Hong Kong, 11 July 2005