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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)

DISCLOSEABLE TRANSACTION

SALE OF SHARES OF CCT TECH INTERNATIONAL LIMITED WITH A PUT OPTION AND RESTORATION OF PUBLIC FLOAT OF CCT TECH INTERNATIONAL LIMITED

RESUMPTION OF TRADING

Background

As stated in the Closing Announcement, upon completion of the transfers of legal titles to Jade Assets on 12 May 2005 in respect of 7,907,179,696 CCT Tech Shares accepted under the Offers, Jade Assets, CCT Telecom and parties acting in concert with them are now interested in an aggregate of 13,407,179,696 CCT Tech Shares, representing approximately 84.12% of the issued share capital of CCT Tech and only approximately 15.88% interest in CCT Tech is held by the public.

Sale and Purchase Agreement

CCT Telecom, Jade Assets and Party A entered into the Sale and Purchase Agreement on 22 July 2005 for the sale of 1,500,000,000 CCT Tech Shares owned by Jade Assets to the funds under management by Party A at a price of HK$0.02 per CCT Tech Share. The Sale Price (i) is the same as the closing price of HK$0.020 per CCT Tech Share as quoted on the Stock Exchange as at 21 July 2005, being the last trading day of the CCT Tech Shares on the Stock Exchange prior to the date of the Sale and Purchase Agreement; (ii) is the same as the 10-day average closing price of HK$0.020 per CCT Tech Share for the last 10 consecutive trading days up to and including 21 July 2005 as quoted on the Stock Exchange; and (iii) represents a discount of approximately 4.76% to the 30-day average closing price of HK$0.021 per CCT Tech Share for the last 30 consecutive trading days up to and including 21 July 2005 as quoted on the Stock Exchange.

A six-month lock-up period beginning from the date of completion of the Sale and Purchase Agreement will be imposed on Party A in respect of the Sale Shares pursuant to the Sale and Purchase Agreement under which Party A shall not sell, dispose of, transfer, or enter into any agreement to sell, dispose of or transfer, or otherwise create any options, rights, interests or encumbrances in respect of the Sale Shares to parties other than Jade Assets, CCT Telecom and any persons nominated by any of them, unless prior written consent is obtained from CCT Telecom.

During the Lock-up Period, Party A and its associates (as defined in the Listing Rules) shall not directly or indirectly, without the prior written consent of CCT Telecom, acquire or become interested in any CCT Tech Shares, other than the Sale Shares.

Pursuant to the Sale and Purchase Agreement, CCT Telecom will grant the Put Option to Party A in accordance with the terms of the Sale and Purchase Agreement. Upon exercise of the Put Option by Party A, Party A shall be entitled to sell all or part of the Put Shares at the Exercise Price and CCT Telecom is obliged to purchase or procure other person or persons to purchase the number of the Put Shares in respect of which the Put Option is exercised at such Exercise Price.

The sale of the Sale Shares constitutes a discloseable transaction for CCT Telecom under the Listing Rules. A circular containing, amongst others, details of the Sale and Purchase Agreement will be sent to the shareholders of CCT Telecom as soon as practicable.

Restoration of public float of CCT Tech

Upon completion of the sale of the Sale Shares to Party A by Jade Assets, the minimum 25% public float of CCT Tech as required under Rule 8.08 of the Listing Rules will be restored.

Increase in trading volume

The directors of CCT Tech note that there was an increase in the trading volume of the CCT Tech Shares and confirm that the increase in the trading volume is due to the sale and purchase of the CCT Tech Shares pursuant to the Sale and Purchase Agreement.

Suspension and resumption of trading

At the request of CCT Telecom and CCT Tech, trading of the CCT Telecom Shares and the CCT Tech Shares are suspended at 3:03 p.m. on Friday, 22 July 2005, pending the release of this announcement. CCT Telecom and CCT Tech have made applications to the Stock Exchange to resume trading on the Stock Exchange from 9:30 a.m. on Monday, 25 July 2005.

Reference is made to the announcement dated 31 January 2005, the composite offer and response document dated 31 March 2005 (the "**Composite Offer Document**"), the announcements dated 21 April 2005, 22 April 2005, 6 May 2005 (the "**Closing Announcement**"), 24 May 2005 and 24 June 2005 respectively jointly issued by CCT Telecom Holdings Limited ("**CCT Telecom**") and CCT Tech International Limited ("**CCT Tech**"). Terms defined in the Composite Offer Document shall have the same meanings when used herein, unless otherwise stated.

SALE AND PURCHASE AGREEMENT

A. Sale of the CCT Tech Shares

1. *Sale of the CCT Tech Shares*

   CCT Telecom, Jade Assets Company Limited ("**Jade Assets**"), an indirect wholly-owned subsidiary of CCT Telecom, and Party A (as defined below) entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") on 22 July 2005 for the sale of 1,500,000,000 CCT Tech Shares owned by Jade Assets to the funds under management by Party A at a price of HK$0.02 per CCT Tech Share.

2. *Parties to the Sale and Purchase Agreement*

   (1) CCT Telecom

   (2) Jade Assets

   (3) Value Partners Limited ("**Party A**"). The boards of directors of CCT Telecom and CCT Tech confirm that to the best of their knowledge, information and belief, having made all reasonable enquiry, Party A and the funds under management by Party A are third parties independent of and

not connected with Jade Assets, CCT Telecom, CCT Tech, the directors, chief executive or substantial shareholders of each of Jade Assets, CCT Telecom and CCT Tech and/or their respective subsidiaries or any of their respective associates (as defined in the Listing Rules).

3. *Principal terms of the Sale and Purchase Agreement*

Sale Shares:	1,500,000,000 CCT Tech Shares to be sold by Jade Assets to Party A, which represent approximately 9.41% of the issued share capital of CCT Tech as at the date of this announcement.
Sale Price:	HK$0.02 per CCT Tech Share, which: (i) is the same as the closing price of HK$0.020 per CCT Tech Share as quoted on the Stock Exchange as at 21 July 2005, being the last trading day of the CCT Tech Shares on the Stock Exchange prior to the date of the Sale and Purchase Agreement; (ii) is the same as the 10-day average closing price of HK$0.020 per CCT Tech Share for the last 10 consecutive trading days up to and including 21 July 2005 as quoted on the Stock Exchange; and (iii) represents a discount of approximately 4.76% to the 30-day average closing price of HK$0.021 per CCT Tech Share for the last 30 consecutive trading days up to and including 21 July 2005 as quoted on the Stock Exchange. The Sale Price was determined after arm's length negotiations between Jade Assets, CCT Telecom and Party A.
Consideration:	The aggregate consideration for the Sale Shares is HK$30,000,000 and is payable in cash.
Completion:	The Sale and Purchase Agreement is not subject to any conditions and is expected to be completed on the date the Sale and Purchase Agreement is executed or such other date as all the relevant parties may agree in writing.
Ranking:	The Sale Shares rank *pari passu* in all respects with other issued CCT Tech Shares as at the date of the Sale and Purchase Agreement.
Lock-up:	A six-month lock-up period beginning from the date of completion of the Sale and Purchase Agreement (the "**Lock-up Period**") will be imposed on Party A in respect of the Sale Shares pursuant to the Sale and Purchase Agreement under which Party A shall not sell, dispose of, transfer, or enter into any agreement to sell, dispose of or transfer, or otherwise create any options, rights, interests or encumbrances in respect of the Sale Shares to parties other than Jade Assets, CCT Telecom and any persons nominated by any of them, unless prior written consent is obtained from CCT Telecom.
Restriction:	During the Lock-up Period, Party A and its associates (as defined in the Listing Rules) shall not directly or indirectly, without the prior written consent of CCT Telecom, acquire or become interested in any CCT Tech Shares, other than the Sale Shares.

B. Put Option

1. *Grant of the Put Option*

Pursuant to the Sale and Purchase Agreement, CCT Telecom will grant a put option (the "**Put Option**") to Party A in accordance with the terms of the Sale and Purchase Agreement. Upon exercise of the Put Option by Party A, Party A shall be entitled to sell all or part of the Put Shares at the

Exercise Price (as described below) and CCT Telecom is obliged to purchase or procure other person or persons to purchase the number of the Put Shares in respect of which the Put Option is exercised at such Exercise Price. Principal terms of the Put Option are described below.

2. *Principal terms of the Put Option*

Exercise Price:	HK$0.023 per CCT Tech Share, subject to adjustments in the event of share consolidation or share sub-division.
Exercise Period:	(1) The period commencing on the date immediately after the expiry of the Lock-up Period and ending on the 14th Business Day[#] immediately after the expiry of the Lock-up Period. (2) During the 20-Business Day[#] period immediately after the occurrence of any of the following events (the "**Events**") during the Lock-up Period: (a) CCT Tech having convened a general meeting to effect a voluntary winding-up; or (b) the listing of the CCT Tech Shares and/or the CCT Telecom Shares ceases; or (c) the suspension in the trading of the CCT Tech Shares and/or the CCT Telecom Shares on the Stock Exchange for 10 consecutive business days (as defined in the Listing Rules).
Put Shares:	the Sale Shares and any shares deriving or arising therefrom as a result or in consequence of any consolidation or sub-division of such Sale Shares that shall have taken place after the date of completion of the Sale and Purchase Agreement and before the expiry of the Exercise Period.
Lapse of the Put Option:	The Put Option will lapse if it is not exercised within the Exercise Period.
Transferability:	The Put Option is not transferable.
Listing:	No application will be made for the listing of the Put Option on the Stock Exchange or any other stock exchanges.

[#] *Business Day: any day on which banks in Hong Kong are generally open for business (excluding a Saturday and any day on which a tropical cyclone warning no. 8 or above or a "black" rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon)*

REASONS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT

As stated in the Closing Announcement, upon completion of the transfers of legal titles to Jade Assets on 12 May 2005 in respect of 7,907,179,696 CCT Tech Shares accepted under the Offers, Jade Assets, CCT Telecom and parties acting in concert with them are now interested in an aggregate of 13,407,179,696 CCT Tech Shares, representing approximately 84.12% of the issued share capital of CCT Tech and only approximately 15.88% interest in CCT Tech is held by the public. As such, CCT Telecom and Jade Assets entered into the Sale and Purchase Agreement with Party A on 22 July 2005 to reduce the shareholdings of Jade Assets, CCT Telecom and parties acting in concert with them in CCT Tech in order to comply with the minimum 25% public float requirement under Rule 8.08 of the Listing Rules.

Given the relatively low liquidity in the trading of the CCT Tech Shares, the Put Option is therefore granted to Party A to enhance Party A's interest in acquiring the Sale Shares. The directors of CCT Telecom are aware that there will be a cost of approximately HK$4.5 million (being the difference between the Sale Price and the Exercise Price in respect of the Sale Shares) for CCT Telecom upon exercise of the Put Option by Party A. Since the public float of CCT Tech has fallen below 25% as a result of the Offers, the directors of CCT Telecom have been actively seeking and negotiating with potential placing agents and

investors with a view to placing or selling such number of the CCT Tech Shares in order to restore the public float of CCT Tech. However, due to the recent low liquidity of the CCT Tech Shares, it has been difficult for the directors of CCT Telecom to find any potential placing agents or investors who are willing to take up a significant lot of CCT Tech Shares in the absence of a Put Option. The directors of CCT Telecom consider that CCT Telecom has sufficient internal financial resources to cover the cost of HK$4.5 million if Party A exercises the Put Option.

EFFECT OF COMPLETION OF THE SALE AND PURCHASE AGREEMENT ON THE SHAREHOLDING STRUCTURE OF CCT TECH

The following table summarises the effect of completion of the Sale and Purchase Agreement on the shareholding structure of CCT Tech:

	Immediately before completion of the Sale and Purchase Agreement		**Immediately after completion of the Sale and Purchase Agreement**		**Immediately after completion of the Sale and Purchase Agreement, assuming full conversion of the convertible note due 2007 and the convertible note due 2008 of CCT Tech**	
	Number of CCT Tech Shares	**%**	**Number of CCT Tech Shares**	**%**	**Number of CCT Tech Shares**	**%**
Jade Assets	9,707,179,696	60.91	8,207,179,696	51.50	12,707,179,696	19.74
CCT Assets Management Limited	1,350,000,000	8.47	1,350,000,000	8.47	1,350,000,000	2.10
Expert Success International Limited	1,350,000,000	8.47	1,350,000,000	8.47	1,350,000,000	2.10
Noble Team Investments Limited	1,000,000,000	6.27	1,000,000,000	6.27	44,928,571,428	69.80
Subtotal owned by Jade Assets, CCT Telecom and parties acting in concert with them	13,407,179,696	84.12	11,907,179,696	74.71	60,335,751,124	93.74
Public shareholders						
Party A	0	0.00	1,500,000,000	9.41	1,500,000,000	2.33
Other public shareholders	2,531,242,866	15.88	2,531,242,866	15.88	2,531,242,866	3.93
Total public shareholders	2,531,242,866	15.88	4,031,242,866	25.29	4,031,242,866	6.26
Total	15,938,422,562	100.00	15,938,422,562	100.00	64,366,993,990	100.00

DISPOSAL OF INTEREST IN CCT TECH

The Sale Shares, presently owned by Jade Assets, represent approximately 9.41% of the issued share capital of CCT Tech as at the date of this announcement. The audited consolidated net profits before taxation of CCT Tech for the two financial years ended 31 December 2004 were approximately HK$82 million and HK$141 million respectively. The audited consolidated net profits after taxation of CCT Tech for the two financial years ended 31 December 2004 were approximately HK$73 million and HK$125 million respectively. The audited consolidated net assets of CCT Tech as at 31 December 2003 and 31 December 2004 amounted to approximately HK$142 million and HK$299 million respectively.

The gross and net proceeds from the sale of the Sale Shares to be received by CCT Telecom amount to approximately HK$30 million and HK$29.5 million respectively. The proceeds will be applied as general working capital of CCT Telecom and its subsidiaries. The consideration for the Put Option, if exercised by Party A, will be financed by internal resources of the CCT Telecom Group.

The directors of CCT Telecom estimate that, with reference to the cost of the Sale Shares, the loss arising from the sale of the Sale Shares, which represent a disposal of approximately 9.41% equity interest in CCT Tech, is approximately HK$11 million. CCT Tech will continue to be a principal subsidiary of CCT Telecom after completion of the sale of the Sale Shares.

GENERAL

The CCT Telecom Group is principally engaged in (i) the manufacture, sale, design and development of telecom products and electronic products through the CCT Tech Group; (ii) the manufacture of power supply components; and (iii) the manufacture and sale of plastic components and baby and health care products.

The CCT Tech Group is principally engaged in the sale, manufacture, design and development of telecom products and electronic products on an original design manufacturing basis and a contract manufacturing basis.

Party A is a company incorporated under the laws of the British Virgin Islands with limited liability whose principal business is fund management.

The sale of the Sale Shares constitutes a discloseable transaction for CCT Telecom under the Listing Rules. A circular containing, amongst others, details of the Sale and Purchase Agreement will be sent to the shareholders of CCT Telecom as soon as practicable.

RESTORATION OF PUBLIC FLOAT OF CCT TECH

Upon completion of the sale of the Sale Shares to Party A by Jade Assets, the minimum 25% public float of CCT Tech as required under Rule 8.08 of the Listing Rules will be restored.

Party A may or may not exercise the Put Option after the Lock-up Period depending on the share price at that time. If the Put Option is exercised by Party A, CCT Telecom will use its reasonable endeavours to look for another buyer to take up the number of the Put Shares in respect of which the Put Option is exercised or CCT Telecom and CCT Tech will use their reasonable endeavours to restore public float by other means, including but not limited to the placing of existing CCT Tech Shares or issue of new CCT Tech Shares in order to comply with the minimum 25% public float requirement under Rule 8.08 of the Listing Rules. In the case where a listing approval from the Stock Exchange is required, CCT Tech will submit a proposal to the Stock Exchange in due course in order to ensure compliance with Rule 13.64 of the Listing Rules.

In the event that CCT Tech fails to meet the minimum public float requirement under Rule 8.08 of the Listing Rules as a result of the exercise of the Put Option, further announcement will be made by CCT Tech.

INCREASE IN TRADING VOLUME

The directors of CCT Tech note that there was an increase in the trading volume of the CCT Tech Shares and confirm that the increase in the trading volume is due to the sale and purchase of the CCT Tech Shares pursuant to the Sale and Purchase Agreement. Save as the matter as disclosed in this announcement, the directors of CCT Tech are not aware of any reasons for the recent increase in the trading volume of the CCT Tech Shares. The directors of CCT Tech confirm that there are no negotiations or agreements relating to the sale and purchase of the CCT Tech Shares which are discloseable under Rule 13.23 of the Listing Rules, neither are the directors of CCT Tech aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

SUSPENSION AND RESUMPTION OF TRADING

At the request of CCT Telecom and CCT Tech, trading of the CCT Telecom Shares and the CCT Tech Shares are suspended at 3:03 p.m. on Friday, 22 July 2005, pending the release of this announcement. CCT Telecom and CCT Tech have made applications to the Stock Exchange to resume trading on the Stock Exchange from 9:30 a.m. on Monday, 25 July 2005.

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, 22 July 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) 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.

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.

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