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CTI TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 138)

ANNOUNCEMENT
PROPOSED CHANGE OF DOMICILE

The Directors propose to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda.

The Change of Domicile will not affect the continuity of the Company and the listing status of the Company. **If the conditions of the Change of Domicile are not fulfilled, it will not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

CHANGE OF DOMICILE

The Directors propose the Change of Domicile from the Cayman Islands to Bermuda.

It is proposed that a new memorandum of continuance and bye-laws will be adopted to replace the existing memorandum and articles of association of the Company in order to comply with Bermuda company law.

Procedures on the Change of Domicile

The Shareholders will be required to approve the special resolutions to amend its memorandum and articles of association to facilitate the Change of Domicile, to approve the Change of Domicile and to adopt a new memorandum of continuance and bye-laws upon the Change of Domicile becoming effective. A special resolution to cancel the entire amount standing to the credit of the share premium account will also be proposed to the Shareholders at the EGM to reduce the amount of annual government fee payable to the Bermuda government once the Change of Domicile has become effective. The credit arising from the cancellation of the share premium account as at the date of the passing of the relevant resolution at the EGM will be credited to a distributable reserve account of the Company. As at 31 August 2005, the credit amount arising from the cancellation of the share premium account was approximately HK$1,417 million. After the passing of the special resolutions at the EGM, the Company will make an application to the Bermuda Monetary Authority seeking its permission for the continuation of the Company as an exempted company registered in Bermuda. Upon obtaining such permission, applications will be made to the Cayman Registrar to have the Company de-registered from the Cayman Islands and to the Bermuda Registrar for registration of the Company in Bermuda. The Company will file the memorandum of continuance in Bermuda with the Bermuda Registrar. Upon registration by the Bermuda Registrar of the memorandum of continuance to be adopted by the Company, the Bermuda Registrar will issue a certificate of continuance and the Company will become a company to which the Companies Act and any other laws in Bermuda apply as if the Company had been incorporated in Bermuda on the date of the registration of the memorandum of continuance. The certificate of continuance will be deemed to be the certificate of incorporation of the Company. Upon approval by the Cayman Registrar of the application for de-registration, the Cayman Registrar will issue a certificate of de-registration. The Company must then file a

copy of the certificate of continuance issued by the Bermuda Registrar to the Cayman Registrar. It is expected that the Change of Domicile will become effective on 30 November 2005, being the date of issue of the certificate of continuance.

The estimated expenses for the Change of Domicile are HK$550,000 (including the government charges and professional fees).

Reasons for the Change of Domicile and impact on the Company and the Shareholders

Under the laws of the Cayman Islands, a capital reduction will require the sanction of the Grand Court of the Cayman Islands. The Board does not believe that such sanction can be obtained in a commercially expedient time frame. The Company has obtained legal advice that a Capital Reorganisation could be effected without the sanction of the Grand Court of the Cayman Islands or approval of the Supreme Court of Bermuda by way of a change of domicile from the Cayman Islands to Bermuda through de-registration in the Cayman Islands and continuation in Bermuda and effecting a Capital Reorganisation in Bermuda. Although the Company does not have any current plan of effecting a Capital Reorganisation, the Change of Domicile allows the flexibility to the Board to effect a Capital Reorganisation in Bermuda in the future as and when the Board thinks appropriate. The time required for effecting a Capital Reorganisation in Bermuda will be much shorter than the time required for effecting a Capital Reorganisation in the Cayman Islands.

The annual government fee payable by the Company in Bermuda upon the Change of Domicile becoming effective will be calculated on a sliding scale by reference to the aggregate of the Company's authorised share capital and share premium account. In order to reduce the Company's annual government fee in Bermuda upon the Change of Domicile becoming effective, the Board also proposes to cancel the entire amount standing to the credit of the share premium account of the Company as at the date of the passing of the relevant resolution at the EGM and the credit arising will be credited to a distributable reserve account of the Company. **If the resolution relating to the Change of Domicile is not approved by the Shareholders at the EGM, the cancellation of the amount standing to the credit of the share premium account will not proceed.**

The Change of Domicile will not alter the underlying assets, business operations, management or financial position of the Group and will not have any impact on the Shareholders' rights and obligations. The continuation of the Company in Bermuda does not create a new legal entity or prejudice or affect the continuity of the Company. The corporate office of the Group will continue to be in Hong Kong.

Section 227(1) of the Companies Law provides that from the commencement date of de-registration of a company, it shall (1) cease to be a company for all purposes under the Companies Law; and (2) it shall continue as a company under the laws of the jurisdiction in which its continuance has been registered provided that it will not operate to create a new legal entity in the relevant jurisdiction.

Section 132E(i) of the Companies Act provides that the registration of the continuance of a foreign corporation shall not be deemed to create a new legal entity.

Based on the opinion obtained from the Company's Cayman counsel, the Directors believe that the Change of Domicile will not involve the formation of a new holding company, the withdrawal of listing of existing securities, any issue of new securities, any transfer of assets of the Company or any change in the existing shareholding structure of the Company.

Section 132E(1) of the Companies Act provides that a continued company continues to be liable for the obligations of the foreign corporation which has been de-registered and any existing action, claim or liability to prosecution by or against the foreign corporation may be continued by or against the company as continued.

The Directors believe that implementation of the Change of Domicile will not affect the listing status of the Shares on the Stock Exchange.

Conditions of the Change of Domicile

The Change of Domicile is conditional upon:

(a) the passing of the necessary special resolution(s) by the Shareholders at the EGM to approve the Change of Domicile (including without limitation the adoption of the new memorandum of continuance and bye-laws); and

(b) compliance with the relevant general procedures and requirements under the Cayman Islands laws, Bermuda laws and the Listing Rules.

EXPECTED TIMETABLE

The expected timetable for the Change of Domicile is as follows:

Despatch of the circular	14 October 2005
Publication of the notice of the EGM	14 October 2005
Latest time for lodging the form of proxy for the EGM	10:00 a.m. on 7 November 2005
EGM	10:00 a.m. on 9 November 2005
Announcement of results of the EGM	10 November 2005
Expected date on which the Change of Domicile becomes effective	30 November 2005*

Note: All dates and time above refer to Hong Kong time.

* *The expected effective date for the Change of Domicile is subject to the relevant conditions precedent (including the Shareholders' approval) being fulfilled.*

GENERAL

A circular setting out the details of the Change of Domicile and containing a notice of the EGM will be sent to the Shareholders as soon as practicable.

If the conditions of the Change of Domicile are not fulfilled, it will not proceed and further announcement will be made by the Company. Shareholders and potential investors should therefore exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

"Bermuda Registrar"	the Registrar of Companies in Bermuda
"Board"	the board of Directors
"Capital Reorganisation"	capital reduction, share consolidation or share subdivision
"Cayman Registrar"	the Registrar of Companies in the Cayman Islands
"Change of Domicile"	to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda
"Company"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
"Companies Act"	The Companies Act 1981 of Bermuda

"Companies Law"	The Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, inter alia, the proposed Change of Domicile
"Group"	the Company and its subsidiaries
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 22 September 2005

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

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