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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)

# JOINT ANNOUNCEMENT

# (1) PROPOSED PRIVATISATION OF CCT TECH INTERNATIONAL LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 99 OF COMPANIES ACT) AT THE SCHEME PRICE OF HK$0.023 PER SCHEME SHARE

# (2) MAJOR TRANSACTION FOR CCT TELECOM HOLDINGS LIMITED

# (3) RESUMPTION OF TRADING IN THE SHARES OF CCT TECH INTERNATIONAL LIMITED AND CCT TELECOM HOLDINGS LIMITED

**Financial adviser to CCT Telecom Holdings Limited**

VC CAPITAL LIMITED
滙盈融資有限公司
(A Member of Melco Group)

## SCHEME OF ARRANGEMENT

The CCT Telecom Directors and CCT Tech Directors announce that on 25 October 2005, CCT Telecom requested the board of directors of CCT Tech to put forward the Proposal to the Scheme Shareholders regarding a proposed privatisation of CCT Tech by way of a scheme of arrangement under section 99 of the Companies Act.

The Proposal will be implemented by way of the Scheme. Upon completion of the Proposal, the listing of the CCT Tech Shares on the main board of the Stock Exchange will be withdrawn and CCT Tech will become an indirect wholly-owned subsidiary of CCT Telecom. The Proposal is conditional upon the fulfillment or waiver, as applicable, of the conditions as described in the section headed "Conditions of the Proposal" below. All of conditions will have to be fulfilled or waived, as applicable, on or before 31 March 2006 or such later date as CCT Telecom and CCT Tech may agree, or, to the extent applicable, as the Court may direct, failing which the Scheme will lapse.

**CCT Telecom proposes that upon completion of the Scheme, all Scheme Shares will be cancelled in exchange for the payment to each Scheme Shareholder of an amount of HK$0.023 in cash for each Scheme Share.** As at the date of this announcement, the Scheme Shareholders were interested in 4,031,242,866 CCT Tech Shares, representing 25.29 per cent. of the issued share capital of CCT Tech.

The aggregate amount of cash payable by CCT Telecom for the cancellation of the Scheme Shares is approximately HK$92.7 million. **CCT Telecom will not increase the Scheme Price**. VC Capital is satisfied that CCT Telecom has sufficient financial resources for the implementation of the Proposal.

As at the date of this announcement, there were no options, warrants or convertible securities issued by CCT Tech other than the 2007 CN and the 2008 CN. As all of the 2007 CN and the 2008 CN are beneficially and indirectly owned by CCT Telecom, no comparable offer will be made for the 2007 CN and the 2008 CN.

The listing of the CCT Tech Shares on the Stock Exchange will not be withdrawn if the Proposal is not approved or lapsed.

## MAJOR TRANSACTION

Pursuant to the Listing Rules, as the largest of the Applicable Percentage Ratios is more than 25 per cent. but less than 100 per cent., the transactions contemplated under the Proposal when aggregated with the transactions contemplated under the Previous Offers constitute a major acquisition for CCT Telecom under the Listing Rules and are subject to the approval of the CCT Telecom Shareholders at an extraordinary general meeting of CCT Telecom. CCT Telecom will convene an extraordinary general meeting to approve the transactions contemplated under the Proposal. As none of the directors, chief executive and substantial shareholders of CCT Telecom is interested in the CCT Tech Shares, all CCT Telecom Shareholders are eligible to vote at the extraordinary general meeting of CCT Telecom and no one shall abstain from voting.

## SHAREHOLDING OF CCT TECH

As at the date of this announcement, CCT Telecom held through its indirect wholly-owned subsidiaries 11,907,179,696 CCT Tech Shares, representing approximately 74.71 per cent. of the issued share capital of CCT Tech. Such CCT Tech Shares beneficially owned by the CCT Telecom Group will not form part of the Scheme Shares and are not entitled to vote at the Court Meeting.

As at the date of this announcement, the Scheme Shareholders held 4,031,242,866 CCT Tech Shares. The Scheme Shareholders (other than Value Partners Limited which will abstain from voting at the Court Meeting) will be entitled to vote at the Court Meeting.

## DESPATCH OF CIRCULAR AND SCHEME DOCUMENT

A circular containing, among other things, the notice of the extraordinary general meeting of CCT Telecom and further details of the Proposal will be despatched to the CCT Telecom Shareholders as soon as practicable.

The Scheme Document containing further details of the Proposal and the Scheme, an expected timetable, an explanatory statement as required under the Companies Act, the recommendation of the independent board committee of CCT Tech in relation to the Proposal and the Scheme, information regarding CCT Telecom and CCT Tech, a letter of advice from the independent financial adviser to the independent board committee of CCT Tech and the Scheme Shareholders, a notice of the Court Meeting and a notice of the special general meeting of CCT Tech will be despatched to the CCT Tech Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code. An independent board committee of CCT Tech has been formed to advise the Scheme Shareholders. First Shanghai has been appointed by the independent board committee of CCT Tech in compliance with Rule 2.1 of the Takeovers Code as the independent financial adviser to advise the independent board committee of CCT Tech and the Scheme Shareholders.

## SUSPENSION AND RESUMPTION OF TRADING

At the respective request of CCT Telecom and CCT Tech, trading in each of the CCT Telecom Shares and the CCT Tech Shares was suspended with effect from 9:30 a.m. on 26 October 2005 pending the release of this announcement. A respective application has been made by CCT Telecom and CCT Tech to the Stock Exchange for the resumption of trading of the CCT Telecom Shares and the CCT Tech Shares from 9:30 a.m. on 10 November 2005.

**CCT Telecom Shareholders, CCT Tech Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the conditions in the paragraph headed "Conditions of the Proposal" below and accordingly may lapse if those conditions are not fulfilled or waived. They should exercise caution when dealing in the CCT Telecom Shares and the CCT Tech Shares.**

## INTRODUCTION

On 25 October 2005, CCT Telecom requested the board of directors of CCT Tech to put forward the Proposal to the Scheme Shareholders regarding a proposed privatisation of CCT Tech by way of a scheme of arrangement under Section 99 of the Companies Act. As at the date of this announcement, CCT Telecom and parties acting in concert with it hold approximately 74.71 per cent. of the issued share capital of CCT Tech.

## TERMS OF THE PROPOSAL

**The Scheme will involve cancellation of the Scheme Shares and, in consideration therefor, each Scheme Shareholder will be entitled to receive HK$0.023 in cash for every Scheme Share held. CCT Telecom will not increase the Scheme Price.**

The Scheme Price of HK$0.023 per Scheme Share represents:

— the same price as the offer price for each CCT Tech Share under the Previous Offers;

— a premium of approximately 4.5 per cent. over the closing price of HK$0.022 per CCT Tech Share as quoted on the Stock Exchange on 25 October 2005 (being the last trading day prior to the suspension of trading in the CCT Tech Shares pending the issue of this announcement);

— a premium of approximately 11.7 per cent. over the average closing price of HK$0.0206 per CCT Tech Share as quoted on the Stock Exchange over the 10 trading days up to and including 25 October 2005;

— a premium of approximately 12.7 per cent. over the average closing price of HK$0.0204 per CCT Tech Share as quoted on the Stock Exchange over the 30 trading days up to and including 25 October 2005;

— a premium of approximately 11.7 per cent. over the average closing price of HK$0.0206 per CCT Tech Share as quoted on the Stock Exchange over the 60 trading days up to and including 25 October 2005;

— a premium of approximately 7.5 per cent. over the average closing price of HK$0.0214 per CCT Tech Share as quoted on the Stock Exchange over the 180 trading days up to and including 25 October 2005;

— a discount of approximately 4.2 per cent. to the unaudited consolidated net asset value per CCT Tech Share of approximately HK$0.024 as at 30 June 2005.

In determining the Scheme Price, the CCT Telecom Directors and the CCT Tech Directors have taken into account factors such as the trading liquidity and average market prices of the CCT Tech Shares, as well as the factors further discussed in the section headed "Reasons for and benefits of the Proposal" below.

The aggregate amount of cash payable by CCT Telecom for the cancellation of the Scheme Shares is approximately HK$92.7 million. VC Capital is satisfied that CCT Telecom has sufficient financial resources for the implementation of the Proposal.

As at the date of this announcement, there are no other options, warrants or convertible securities issued by CCT Tech other than the 2007 CN and the 2008 CN. As all of the 2007 CN and the 2008 CN are beneficially and indirectly owned by CCT Telecom, no comparable offer will be made for the 2007 CN and the 2008 CN.

## CONDITIONS OF THE PROPOSAL

The Scheme will become effective and binding on CCT Tech and all CCT Tech Shareholders subject to the fulfillment or waiver (as applicable) of the following conditions:

(a) the approval of the Scheme by a majority in number of the Scheme Shareholders (other than Value Partners Limited which will abstain from voting at the Court Meeting) representing not less than three-fourths in value present and voting either in person or by proxy at the Court Meeting, provided that:

  (i) the Scheme is approved (by way of poll) by the Scheme Shareholders (other than Value Partners Limited) present and voting either in person or by proxy at the Court Meeting holding not less than 75 per cent. in value of those CCT Tech Shares that are voted either in person or by proxy by the Scheme Shareholders (other than Value Partners Limited) at the Court Meeting; and

  (ii) the Scheme is not disapproved (by way of poll) by the Scheme Shareholders (other than Value Partners Limited) at the Court Meeting holding more than 10 per cent. in value of all the CCT Tech Shares held by the Scheme Shareholders (other than Value Partners Limited);

(b) the passing of a special resolution to approve and give effect to the reduction of the ordinary issued share capital of CCT Tech as a result of the Scheme by a majority of not less than three-fourths of the votes cast by the CCT Tech Shareholders present and voting in person or by proxy at a special general meeting of CCT Tech;

(c) the passing by the CCT Telecom Shareholders of an ordinary resolution to approve the Proposal for the privatisation of CCT Tech at an extraordinary general meeting of CCT Telecom;

(d) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;

(e) the compliance with the procedural requirements of Section 46 of the Companies Act to effect the reduction of the issued share capital of CCT Tech;

(f) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda and/or Hong Kong and/or any other relevant jurisdictions;

(g) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or in addition to the requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective; and

(h) all necessary consents which may be required under any existing contractual obligations of CCT Tech being obtained.

CCT Telecom reserves the right to waive condition (h) either in whole or in part in respect of any particular matter. Failure to obtain certain Authorisations may not affect the effectiveness and completion of the Scheme. In the event that condition (f) or (g) is not fulfilled by reason of an Authorisation not having been obtained, CCT Telecom reserves the right to assess the materiality of such non-fulfillment and to waive the fulfillment of such condition(s) to such extent where it considers appropriate. Conditions (a) to (e) cannot

be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 31 March 2006 (or such later date as CCT Telecom and CCT Tech may agree or, to the extent applicable, as the Court may direct), failing which the Scheme will lapse.

## SHAREHOLDING STRUCTURE

As at the date of this announcement, there were 15,938,422,562 CCT Tech Shares in issue. CCT Telecom and parties acting in concert with it are beneficially interested in 11,907,179,696 CCT Tech Shares, representing approximately 74.71 per cent. of the issued share capital of CCT Tech. The following table set out the shareholding structure of CCT Tech as at the date of this announcement and immediately after the Scheme becoming effective and the withdrawal of listing of the CCT Tech Shares on the Stock Exchange:

| **CCT Tech Shareholders** | **As at the date of this announcement** | | **Immediately after the Scheme becoming effective and the withdrawal of listing of the CCT Tech Shares on the Stock Exchange** | |
|---|---|---|---|---|
| | *Number of CCT Tech Shares* | *%* | *Number of CCT Tech Shares* | *%* |
| **The CCT Telecom Group:** | | | | |
| CCT Assets Management Limited* | 1,350,000,000 | 8.47 | 1,350,000,000 | 11.33 |
| Jade Assets* | 8,207,179,696 | 51.50 | 8,207,179,696 | 68.94 |
| Expert Success International Limited* | 1,350,000,000 | 8.47 | 1,350,000,000 | 11.33 |
| Noble Team Investments Limited* | 1,000,000,000 | 6.27 | 1,000,000,000 | 8.40 |
| Sub-total of the CCT Telecom Group | 11,907,179,696 | 74.71 | 11,907,179,696 | 100.00 |
| Public CCT Tech Shareholders | | | | |
| Value Partners Limited# | 1,500,000,000 | 9.41 | 0 | 0.00 |
| Other public CCT Tech Shareholders | 2,531,242,866 | 15.88 | 0 | 0.00 |
| TOTAL | 15,938,422,562 | 100.00 | 11,907,179,696 | 100.00 |

* *indirect wholly-owned subsidiaries of CCT Telecom which are parties acting in concert with CCT Telecom*

\# *Value Partners Limited is a company incorporated under the laws of the British Virgin Islands with limited liability whose principal business is fund management.*

As at the date of this announcement, CCT Telecom and parties acting in concert with it held 11,907,179,696 CCT Tech Shares which do not form part of the Scheme Shares and will not be entitled to vote at the Court Meeting.

As at the date of this announcement, there were 4,031,242,866 CCT Tech Shares held by the Scheme Shareholders of which 1,500,000,000 CCT Tech Shares were held by Value Partners Limited which will abstain from voting at the Court Meeting. The balance of 2,531,242,866 CCT Tech Shares held by the Scheme Shareholders other than Value Partners Limited are eligible to vote in the Court Meeting.

As at the date of this announcement, there were no other options, warrants or convertible securities issued by CCT Tech other than the 2007 CN and the 2008 CN. As all of the 2007 CN and the 2008 CN are beneficially and indirectly owned by CCT Telecom, no comparable offer will be made for the 2007 CN and the 2008 CN.

Upon completion of the Proposal, the listing of the CCT Tech Shares on the main board of the Stock Exchange will be withdrawn and CCT Tech will become an indirect wholly-owned subsidiary of CCT Telecom.

## INTENTION OF CCT TELECOM WITH REGARD TO THE CCT TECH GROUP

It is the intention of CCT Telecom to maintain the existing business of the CCT Tech Group after the successful privatisation of CCT Tech.

## REASONS FOR AND BENEFITS OF THE PROPOSAL

### For the Scheme Shareholders

The trading volume of the CCT Tech Shares has been thin, resulting in the low liquidity of the CCT Tech Shares. The average daily trading volume for the past 6 months preceding to the date of this announcement of approximately 24.4 million CCT Tech Shares has been less than 0.16 per cent. of the total number of the issued CCT Tech Shares. Since the close of the Previous Offers, the CCT Tech Shares have been traded at the price range between HK$0.019 and HK$0.024 and most of the time, the closing price of the CCT Tech Shares was below the offer price of the Previous Offers and the Scheme Price.

Given that the CCT Telecom Group has already owned 74.71 per cent. of CCT Tech as at the date of this announcement, CCT Telecom Directors believe that it is unlikely that the Scheme Shareholders will receive any other general offer from a third party to acquire the Scheme Shares, as such offer would not succeed without the approval of CCT Telecom. Moreover, CCT Tech Shareholders should note that no discussion has been taken place with any third parties regarding the disposal of any of the CCT Tech Shares held by CCT Telecom.

As the Scheme Price represents a premium of approximately 4.5 per cent., approximately 11.7 per cent., approximately 12.7 per cent., approximately 11.7 per cent. and approximately 7.5 per cent. over the 1-day, 10-day, 30-day, 60-day and 180-day average closing price per CCT Tech Share respectively and a discount of approximately 4.2 per cent. to the unaudited consolidated net asset value per CCT Tech Share as at 30 June 2005, the CCT Telecom Directors and the CCT Tech Directors believe that the Proposal represents a good opportunity for the Scheme Shareholders to realise their investments at a price above historical trading levels of the CCT Tech Shares.

### For CCT Tech

Given that the low liquidity of the CCT Tech Shares, the CCT Tech Directors believe that the ability of CCT Tech to take advantage of its listing status to raise funds from equity markets might be limited and any significant improvement in this regard in the foreseeable future is unlikely. It would not be justifiable to maintain the listing status after taking into consideration the costs and management resources associated with the maintenance of CCT Tech's listing on the main board of the Stock Exchange.

Moreover, there are numerous continuing connected transactions between the CCT Telecom Group and the CCT Tech Group. Accordingly, there are numerous disclosure and compliance obligations that CCT Tech as a listed company has to comply with. The successful privatisation of CCT Tech would eliminate all such disclosure and compliance obligations and would substantially reduce the compliance costs and administration costs of CCT Tech which in turn would increase profits of CCT Tech. The CCT Tech Directors accordingly consider that the Proposal is in the interests of CCT Tech and CCT Tech Shareholders as a whole as it would bring about more flexibility to take the businesses of CCT Tech forward in an efficient manner.

### For CCT Telecom

The CCT Telecom Directors consider that it would not be in the interest of CCT Telecom for maintaining the listing status of CCT Tech given the low liquidity of the CCT Tech Shares.

The manufacture and sale of telecom and electronic products on the basis of original design manufacturing and contract manufacturing has been the core business of the CCT Tech Group and therefore is also a major core business of the CCT Telecom Group which includes the CCT Tech Group. The CCT Telecom Directors are of the view that the prospects of the CCT Tech Group is promising as evidenced by the continuing trend of growth in terms of both turnover and operating profit of the telecom products business. The Proposal enables CCT Telecom to consolidate the whole equity interests and economic benefits of CCT Tech.

Moreover, there are numerous continuing connected transactions between the CCT Telecom Group and the CCT Tech Group. The successful privatisation of CCT Tech would substantially help reduce the compliance costs of CCT Telecom as well as those of CCT Tech which in turn would increase profit contribution from CCT Tech. The CCT Telecom Directors accordingly consider that the Proposal is in the interests of CCT Telecom and CCT Telecom Shareholders as a whole as it would bring about more flexibility for CCT Telecom Group to combine, relocate and use the resources within the CCT Telecom Group including the CCT Tech Group as private companies. The Proposal, if successfully implemented, would allow CCT Telecom to take the businesses of the CCT Telecom Group forward in a more efficient manner.

## INFORMATION ON CCT TELECOM

CCT Telecom was incorporated in the Cayman Islands on 21 June 1990 and the shares of which are listed on the main board of the Stock Exchange. CCT Telecom, through its subsidiaries, is principally engaged in (i) manufacture, sale, design and development of telecom products and electronic products through the CCT Tech Group; (ii) manufacture of power supply components and plastic products; and (iii) manufacture and sale of plastic components and baby products. As at the date of this announcement, CCT Telecom, through its indirect wholly-owned subsidiaries, held approximately 74.71 per cent. of the issued share capital of CCT Tech.

A summary of the audited consolidated results of CCT Telecom for each of the two financial years ended 31 December 2004 (as extracted from the 2004 annual report of CCT Telecom) and the unaudited results for the six months ended 30 June 2005 (as extracted from the 2005 interim report of CCT Telecom) is set out below:

| | **For the six months ended 30/6/2005 (unaudited)** | **For the year ended 31/12/2004 (audited)** | **31/12/2003 (audited)** |
|---|---|---|---|
| | *HK$ million* | *HK$ million* | *HK$ million* |
| Turnover | 1,800 | 4,057 | 3,441 |
| Profit/(loss) before taxation and minority interests | 172 | 157 | (59) |
| Taxation | (10) | (20) | (12) |
| Profit/(loss) after taxation but before minority interests | 162 | 137 | (71) |

Based on the 2004 annual report of CCT Telecom, the audited consolidated net assets of the CCT Telecom Group were approximately HK$2,295 million as at 31 December 2003 and approximately HK$2,299 million as at 31 December 2004.

Based on the 2005 interim report of CCT Telecom, the unaudited consolidated net assets of the CCT Telecom Group were approximately HK$2,614 million as at 30 June 2005.

## INFORMATION ON CCT TECH

CCT Tech was incorporated in Bermuda as an exempted company on 22 July 2002 and the shares of which are listed on the main board of the Stock Exchange. CCT Tech, through its subsidiaries, is principally engaged in the businesses of manufacture, sale, design and development of telecom products and electronic products on basis of original design manufacturing and contract manufacturing.

A summary of the audited consolidated results of CCT Tech for each of the two financial years ended 31 December 2004 (as extracted from the 2004 annual report of CCT Tech) and the unaudited results for the six months ended 30 June 2005 (as extracted from the 2005 interim report of CCT Tech) is set out below:

| | **For the six months ended** | **For the year ended** | |
|---|---|---|---|
| | **30/6/2005** | **31/12/2004** | **31/12/2003** |
| | **(unaudited)** | **(audited)** | **(audited)** |
| | *HK$ million* | *HK$ million* | *HK$ million* |
| Turnover | 1,737 | 3,847 | 1,926 |
| Profit before tax | 77 | 141 | 82 |
| Tax | (9) | (16) | (9) |
| Profit after tax | 68 | 125 | 73 |

Based on the 2004 annual report of CCT Tech, the audited consolidated net assets of the CCT Tech Group were approximately HK$142 million as at 31 December 2003 and approximately HK$299 million as at 31 December 2004.

Based on the 2005 interim report of CCT Tech, the unaudited consolidated net assets of the CCT Tech Group were approximately HK$383 million or approximately HK$0.024 per CCT Tech Share as at 30 June 2005.

## MAJOR TRANSACTION

Pursuant to the Listing Rules, as the largest of the Applicable Percentage Ratios is more than 25 per cent. but less than 100 per cent., the transactions contemplated under the Proposal when aggregated with the transactions contemplated under the Previous Offers constitute a major acquisition for CCT Telecom under the Listing Rules and are subject to the approval of the CCT Telecom Shareholders at an extraordinary general meeting of CCT Telecom. CCT Telecom will convene an extraordinary general meeting to approve the transactions contemplated under the Proposal. As none of the directors, chief executive and substantial shareholders of CCT Telecom is interested in the CCT Tech Shares, all CCT Telecom Shareholders are eligible to vote in the extraordinary general meeting of CCT Telecom and no one shall abstain from voting.

## WITHDRAWAL OF LISTING OF CCT TECH SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. CCT Tech will apply to the Stock Exchange for the withdrawal of the listing of the CCT Tech Shares on the main board of the Stock Exchange immediately following the Scheme becomes effective. The Scheme Shareholders will be notified by way of a press announcement of the exact dates of the last day for dealing in the CCT Tech Shares and on which the Scheme and the withdrawal of the listing of the CCT Tech Shares on the Stock Exchange will become effective.

The Scheme will lapse if it does not become effective on or before 31 March 2006 (or such later date as CCT Telecom and CCT Tech may agree or as the Court may direct), and under such circumstances, the Scheme Shareholders will be notified by way of a press announcement accordingly.

The listing of the CCT Tech Shares on the Stock Exchange will not be withdrawn if the Proposal is not approved or lapsed.

## OVERSEAS SCHEME SHAREHOLDERS

The making of the Proposal to and acceptance of the Scheme by the Scheme Shareholders not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such Scheme Shareholders should confirm themselves appropriately and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to accept the Scheme to satisfy themselves as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

## DESPATCH OF CIRCULAR AND SCHEME DOCUMENT

A circular containing, among other things, the notice of the extraordinary general meeting of CCT Telecom and further details of the Proposal and information regarding CCT Telecom and CCT Tech will be despatched to the CCT Telecom Shareholders as soon as practicable.

The Scheme Document containing further details of the Proposal and the Scheme, an expected timetable, an explanatory statement as required under the Companies Act, the recommendation of the independent board committee of CCT Tech in relation to the Proposal and the Scheme, information regarding CCT Telecom and CCT Tech, a letter of advice from the independent financial adviser to the independent board committee of CCT Tech and the Scheme Shareholders, a notice of the Court Meeting and a notice of the special general meeting of CCT Tech will be despatched to the CCT Tech Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code. An independent board committee of CCT Tech has been formed to advise the Scheme Shareholders. First Shanghai has been appointed by the independent board committee of CCT Tech in compliance with Rule 2.1 of the Takeovers Code as the independent financial adviser to advise the independent board committee of CCT Tech and the Scheme Shareholders.

## RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquires. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

## GENERAL

The Proposal is made on an arm's length basis and the CCT Telecom Directors and the CCT Tech Directors believe that the terms of the Scheme are fair and reasonable and in the interests of the both CCT Telecom and CCT Tech and their respective shareholders as a whole.

VC Capital has been appointed as the financial adviser to CCT Telecom in respect of the Proposal.

On 31 January 2005, CCT Tech and CCT Telecom jointly made the Previous Offers Announcement that Jade Assets, as the offeror, would make the Previous Offers to acquire all the then issued share capital of CCT Tech and the CCT Tech 2005 CN not already owned at that time by Jade Assets and parties acting in concert with it (other than New Capital Industrial Limited) and to cancel the CCT Tech Options. The Previous Offers were closed on 6 May 2005. As announced by CCT Telecom and CCT Tech in the joint announcement dated 6 May 2005, up to the closing of the Previous Offers, valid acceptances have been received in respect of 7,907,179,696 CCT Tech Shares, the CCT Tech 2005 CN in the amount of HK$45,000,000 (representing all the then outstanding issued CCT Tech 2005 CN) and 1,082,781,000 CCT Tech Options (representing all the then outstanding issued CCT Tech Options). The CCT Tech Options were cancelled and the CCT Tech 2005 CN was transferred to Jade Assets. As a result of the Previous Offers, the interest of Jade Assets together with the parties acting in concert with it in the CCT Tech Shares increased from approximately 34.51 per cent. of the then issued share capital of CCT Tech immediately before the Previous Offers to approximately 84.12 per cent. of the then issued share capital of CCT Tech immediately after the Previous Offers. In order to maintain the then minimum public float of CCT Tech, on 22 July 2005, CCT Telecom and CCT Tech jointly announced that CCT Telecom, Jade Assets and Value Partners Limited entered into a sale and purchase agreement for (i) the sale of 1,500 million CCT Tech Shares owned by Jade Assets to the funds under the management of Value Partners Limited at HK$0.02 for each CCT Tech Share; and (ii) the granting of a put option ("**Put Option**") to Value Partners Limited in accordance with the terms of the sale and purchase agreement. Accordingly, Value Partners Limited shall abstain from voting at the Court Meeting. The principal terms and the exercise price of the Put Option were set out in the joint announcement of CCT Telecom and CCT Tech dated 22 July 2005. Save as disclosed above, CCT Telecom and the parties acting in concert with it has no dealing in the securities of CCT Tech during the six months' period immediately preceding the last full trading day prior to the date of this announcement.

Save for the Proposal and the Scheme itself, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between CCT Telecom or any person acting in concert with it and any other person in relation to CCT Telecom Shares or the CCT Tech Shares which might be material to the Proposal.

## SUSPENSION AND RESUMPTION OF TRADING

At the respective request of CCT Telecom and CCT Tech, trading in each of the CCT Telecom Shares and the CCT Tech Shares was suspended with effect from 9:30 a.m. on 26 October 2005 pending the release of this announcement. A respective application has been made by CCT Telecom and CCT Tech to the Stock Exchange for the resumption of trading of the CCT Telecom Shares and the CCT Tech Shares from 9:30 a.m. on 10 November 2005.

**CCT Telecom Shareholders, CCT Tech Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the conditions in the paragraph headed "Conditions of the Proposal" above and accordingly may lapse if those conditions are not fulfilled or waived. They should exercise caution when dealing in the CCT Telecom Shares and the CCT Tech Shares.**

## DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

| | |
|---|---|
| "2007 CN" | the convertible notes issued by CCT Tech to Jade Assets with an outstanding principal amount of HK$45,000,000 as at the date of this announcement, with a conversion price of HK$0.01 per CCT Tech Share (subject to adjustments according to the terms of the 2007 CN), which replaced the CCT Tech 2005 CN previously transferred by New Capital Industrial Limited to Jade Assets under the Previous Offers as a result of the extension of the due date of the CCT Tech 2005 CN from 17 May 2005 to 31 December 2007 after closing of the Previous Offers |
| "2008 CN" | the convertible notes issued by CCT Tech to an indirect wholly-owned subsidiary of CCT Telecom, Noble Team Investments Limited, a party acting in concert with CCT Telecom, with an outstanding principal amount of HK$615,000,000 as at the date of this announcement, with a conversion price of HK$0.014 per CCT Tech Share (subject to adjustment according to the terms of the 2008 CN) and due on 30 June 2008 |
| "acting in concert" | has the meanings ascribed to it in the Takeovers Code |
| "Applicable Percentage Ratios" | the percentage ratios other than profit ratio (all as defined in Rule 14.04(9) of the Listing Rules) applicable to the transaction contemplated under the Proposal in accordance with Chapter 14 of the Listing Rules |
| "Authorisation" | all necessary authorisations, registration, filings, rulings, consents, permissions and approvals in connection with the Proposal |
| "Business Day" | a day (excluding a Saturday) on which banks are generally open in Hong Kong for general banking transactions for more than four hours |
| "CCT Tech" | CCT Tech International Limited, an exempted company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange |
| "CCT Tech 2005 CN" | the convertible notes originally issued by CCT Tech to New Capital Industrial Limited with an outstanding principal amount of HK$45,000,000, interest free and with a conversion price of HK$0.01 per CCT Tech Share and due on 17 May 2005, which were transferred to Jade Assets under the Previous Offers and were replaced by the 2007 CN as a result of the extension of the due date of the CCT Tech 2005 CN from 17 May 2005 to 31 December 2007 after closing of the Previous Offers |
| "CCT Tech Director(s)" | the director(s) of CCT Tech |
| "CCT Tech Group" | CCT Tech and its subsidiaries |

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| "CCT Tech Options" | the share options granted by CCT Tech to eligible participants conferring on the grantee thereof the right to subscribe for the CCT Tech Shares at an exercise price of HK$0.014 per CCT Tech Share pursuant to the share option scheme of CCT Tech adopted on 17 September 2002 and were subsequently cancelled as a result of the Previous Offers |
| "CCT Tech Share(s)" | the ordinary share(s) of HK$0.01 each in the capital of CCT Tech |
| "CCT Tech Shareholder(s)" | holder(s) of the CCT Tech Share(s) |
| "CCT Telecom" | CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange |
| "CCT Telecom Director(s)" | the director(s) of CCT Telecom |
| "CCT Telecom Group" | CCT Telecom and its subsidiaries |
| "CCT Telecom Remaining Group" | CCT Telecom and it subsidiaries excluding the CCT Tech Group |
| "CCT Telecom Share(s)" | the ordinary share(s) of HK$0.10 each in the capital of CCT Telecom |
| "CCT Telecom Shareholder(s)" | holder(s) of the CCT Telecom Share(s) |
| "Companies Act" | the Companies Act 1981 of Bermuda (as amended) |
| "Court" | the Supreme Court of Bermuda |
| "Court Meeting" | a meeting of the Scheme Shareholders to be convened at the direction of the Court at which the Scheme will be voted upon |
| "Executive" | the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director |
| "First Shanghai" | First Shanghai Capital Limited, a licensed corporation under the SFO permitted to engage in type 6 (advising on corporate finance) of the regulated activity as defined in the SFO |
| "HK$" | Hong Kong dollar(s), the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Jade Assets" | Jade Assets Company Limited, an indirect wholly-owned subsidiary of CCT Telecom |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "PRC" | the People's Republic of China |

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| "Previous Offers" | the previous voluntary conditional cash offer (with securities exchange alternative) of HK$1,840 in cash or the convertible bonds of CCT Telecom with a face value of HK$1,840, for every 80,000 CCT Tech Shares or every CCT Tech 2005 CN with a face value of HK$800 and the previous voluntary conditional cash offer to cancel the CCT Tech Options at the offer price of HK$0.009 per CCT Tech Option made by Jade Assets which commenced on 31 March 2005 and were closed on 6 May 2005 |
| "Previous Offers Announcement" | the joint announcement dated 31 January 2005 jointly made by CCT Telecom and CCT Tech containing, amongst other things, details of the Previous Offers (i) to acquire all the then issued CCT Tech Shares and CCT Tech 2005 CN not already owned at that time by Jade Assets and parties acting in concert with it (other than New Capital Industrial Limited); and (ii) to cancel all the then outstanding CCT Tech Options |
| "Proposal" | the proposal for the privatisation of CCT Tech by CCT Telecom by way of the Scheme |
| "Relevant Authorities" | appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions |
| "Scheme" | a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of the Scheme Shares |
| "Scheme Document" | the circular to be issued to the CCT Tech Shareholders in accordance with the Takeovers Code containing, inter alia, details of the Proposal and the Scheme and the terms and conditions of the Proposal and the Scheme |
| "Scheme Price" | the price of HK$0.023 per Scheme Share payable in cash as by CCT Telecom to the Scheme Shareholders for the cancellation of the Scheme Shares |
| "Scheme Share(s)" | CCT Tech Share(s) held by the Scheme Shareholders |
| "Scheme Shareholders" | CCT Tech Shareholders other than CCT Telecom and parties acting in concert with it (the parties acting in concert with CCT Telecom as defined under the Takeovers Code are CCT Assets Management Limited, Jade Assets, Expert Success International Limited, Noble Team Investments Limited which are indirect wholly-owned subsidiaries of CCT Telecom and were interested in CCT Tech Shares as at the date of this announcement) |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Takeovers Code" | the Hong Kong Code on Takeovers and Mergers |
| "VC Capital" | VC Capital Limited, a licensed corporation under the SFO permitted to engage in types 1 (dealing in securities) and 6 (advising on corporate finance) of the regulated activities as defined in the SFO |
| "%" | per cent. |

*The CCT Telecom Directors 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 CCT Tech Directors jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of the CCT Telecom Remaining 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.*

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, 9 November 2005

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