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CCT TELECOM HOLDINGS LIMITED
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 138)

CCT TECH INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 261)

DISCLOSEABLE TRANSACTION

BUY BACK OF SHARES OF CCT TECH INTERNATIONAL LIMITED BY CCT TELECOM HOLDINGS LIMITED AND CANCELLATION OF THE PUT OPTION

CCT Telecom, Jade Assets (an indirect wholly-owned subsidiary of CCT Telecom) and Value Partners entered into the Supplemental Agreement on 21 December 2005 for the buy back of the Sale Shares by Jade Assets from the funds under the management of Value Partners at the Buy Back Price. The Put Option and the obligations under the Agreement will be cancelled upon completion of the Supplemental Agreement.

Upon completion of the Supplemental Agreement, CCT Telecom and parties acting in concert with it will be 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 will be held by the public. CCT Telecom and CCT Tech have applied a waiver from strict compliance with Rule 8.08 of the Listing Rules for the period starting from the date of completion of the Supplemental Agreement and ending on the date which is one month after the date of the Court Meeting (which is preliminarily scheduled to be held on 13 February 2006) to approve the Scheme.

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

Reference is made to the announcements dated 22 July 2005, 9 November 2005, 30 November 2005 and 20 December 2005 jointly issued by CCT Telecom Holdings Limited ("**CCT Telecom**") and CCT Tech International Limited ("**CCT Tech**") (collectively the "**Announcements**"). Terms defined in the Announcements shall have the same meanings when used herein, unless otherwise stated.

BACKGROUND

On 22 July 2005, CCT Telecom, Jade Assets (an indirect wholly-owned subsidiary of CCT Telecom) and Value Partners Limited ("**Value Partners**") entered into a sale and purchase agreement (the "**Agreement**") in relation to the sale of 1,500,000,000 CCT Tech Shares then owned by Jade Assets to the funds under the management of Value Partners at a price of HK$0.02 per CCT Tech Share. Pursuant to the Agreement, CCT Telecom also granted the Put Option to Value Partners.

On 9 November 2005, CCT Telecom and CCT Tech announced that the Proposal would be put forward to the Scheme Shareholders regarding a proposed privatisation of CCT Tech by CCT Telecom by way of the Scheme. Each of CCT Telecom and CCT Tech has previously applied to the SFC and the Stock Exchange for a waiver to despatch the Scheme Document and the Circular in relation to the Proposal on or before 21 December 2005. As more time is required to schedule the court hearing in Bermuda for the originating summons, whereupon the particulars of the Court Meeting will be finalised and specified in the Scheme

Document and the Circular, applications have been made to the Stock Exchange and the SFC for the further postponement of the timing for the despatch of the Circular and the Scheme Document in respect of the Proposal to a date falling on or before 18 January 2006. A detailed timetable for the Proposal will be set out in the Scheme Document and in the announcement upon despatch of the Scheme Document.

SUPPLEMENTAL AGREEMENT

A. Buy back of the Sale Shares

1. *Buy back of the Sale Shares*

   CCT Telecom, Jade Assets and Value Partners entered into a supplemental agreement (the "**Supplemental Agreement**") on 21 December 2005 for the buy back of the Sale Shares, representing 1,500,000,000 CCT Tech Shares, by Jade Assets from the funds under the management of Value Partners at the price of HK$0.023 per Sale Share (the "**Buy Back Price**").

2. *Parties to the Supplemental Agreement*

   (1) CCT Telecom

   (2) Jade Assets

   (3) Value Partners (The board of directors of CCT Telecom and CCT Tech respectively confirm that to the best of their knowledge, information and belief, having made all reasonable enquiry, Value Partners and the funds under the management of Value Partners 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 Supplemental Agreement*

   Sale Shares: 1,500,000,000 CCT Tech Shares to be sold by the funds under the management of Value Partners to Jade Assets, which represent approximately 9.41% of the issued share capital of CCT Tech as at the date of this announcement.

   Buy Back Price: HK$0.023 per Sale Share, which:

   (i) represents a premium of approximately 9.52% over the closing price of HK$0.0210 per CCT Tech Share as quoted on the Stock Exchange as at 20 December 2005, being the last trading day of the CCT Tech Shares on the Stock Exchange prior to the date of the Supplemental Agreement;

   (ii) represents a premium of approximately 9.52% over the 10-day average closing price of HK$0.0210 per CCT Tech Share for the last 10 consecutive trading days up to and including 20 December 2005 as quoted on the Stock Exchange;

   (iii) represents a premium of approximately 8.49% over the 30-day average closing price of HK$0.0212 per CCT Tech Share for the last 30 consecutive trading days up to and including 20 December 2005 as quoted on the Stock Exchange; and

   (iv) is the same as the exercise price of the Put Option.

	The Buy Back Price was determined after arm's length negotiations between Jade Assets, CCT Telecom and Value Partners.
Buy Back Consideration:	The aggregate consideration for the Sale Shares is HK$34,500,000 and is payable fully in cash.
Completion:	The Supplemental Agreement is not subject to any conditions. The Supplemental Agreement is expected to be completed on 22 December 2005 or such other date as all the relevant parties may agree in writing.

B. Cancellation of the Put Option and release of obligations under the Agreement

Pursuant to the Supplemental Agreement, the Put Option shall be cancelled absolutely and CCT Telecom shall be released from any obligations under the Put Option upon completion of the Supplemental Agreement. Upon completion of the buy back of all the Sale Shares under the Supplemental Agreement, the restriction on Value Partners during the Lock-up Period under the Agreement shall be cancelled absolutely and become void and of no effect and Value Partners shall not be subject to such restriction set out in the Agreement. Upon completion of the buy back of the Sale Shares under the Supplemental Agreement, Jade Assets, CCT Telecom and Value Partners shall fully, absolutely and irrevocably release each other from any and all obligations, liabilities and claims under the Agreement but such release does not include any release (in whole or in part) of any of the obligations, undertakings, conditions, restrictions, warranties and representations that were made under the Supplemental Agreement by any of the parties thereto.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As stated in the section headed "Background" above, CCT Tech is undergoing the Proposal regarding a privatisation of CCT Tech by CCT Telecom by way of the Scheme. Given the fact that the CCT Tech Shares have been traded below HK$0.023 per CCT Tech Share (being the exercise price of the Put Option) since the completion of the Agreement and due to the continuous low liquidity of the CCT Tech Shares, it is unlikely that Value Partners will be able to sell the Sale Shares to the public investors at or above HK$0.023 per Sale Share upon expiry of the Lock-up Period as provided for under the Agreement. As such, it is likely that Value Partners will exercise the Put Option and sell the Sale Shares back to CCT Telecom during the exercisable period immediately after the expiry of the Lock-up Period under the Agreement, which will be 22 January 2006. In order to avoid any misconceptions in the market and to facilitate the progress of the Proposal, CCT Telecom, Jade Assets and Value Partners agreed to enter into the Supplemental Agreement for the buy back of the Sale Shares and for the cancellation of the Put Option.

Immediately upon completion of the Supplemental Agreement, Value Partners will cease to be a CCT Tech Shareholder.

EFFECT OF COMPLETION OF THE SUPPLEMENTAL AGREEMENT ON THE SHAREHOLDING STRUCTURE OF CCT TECH

The following table summarises the effect of completion of the Supplemental Agreement on the shareholding structure of CCT Tech:

	Immediately before completion of the Supplemental Agreement		**Immediately after completion of the Supplemental Agreement**		**Immediately after completion of the Supplemental 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	8,207,179,696	51.50	9,707,179,696	60.91	14,207,179,696	22.07
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 and other subsidiaries of CCT Telecom	11,907,179,696	74.71	13,407,179,696	84.12	61,835,751,124	96.07
Public shareholders						
Value Partners	1,500,000,000	9.41	0	0.00	0	0.00
Other public shareholders	2,531,242,866	15.88	2,531,242,866	15.88	2,531,242,866	3.93
Total public shareholders	4,031,242,866	25.29	2,531,242,866	15.88	2,531,242,866	3.93
Total	15,938,422,562	100.00	15,938,422,562	100.00	64,366,993,990	100.00

INCREASE OF INTEREST IN CCT TECH

The Sale Shares represent approximately 9.41% of the issued share capital of CCT Tech as at the date of this announcement. Based on the unaudited consolidated net assets of CCT Tech of HK$383 million as at 30 June 2005 and the closing price of HK$0.0210 per CCT Tech Share as at 20 December 2005 (being the last trading date prior to the date of this announcement), the net asset value and valuation attributable to the 9.41% interest in CCT Tech amounted to HK$36.0 million and HK$31.5 million respectively. As Jade Assets sold the Sale Shares for HK$30,000,000 under the Agreement, the net cost of the buy back of the Sale Shares would be approximately HK$4.5 million (being the difference between the Buy Back Consideration and the original consideration of the Sale Shares under the Agreement). The CCT Telecom Directors are of the view that the buy back of the Sale Shares under the Supplemental Agreement will not have any material adverse impact on the assets and liabilities of CCT Telecom.

Based on the audited financial statements of CCT Tech for the two financial years ended 31 December 2004 and unaudited financial statements of CCT Tech for the six months ended 30 June 2005:

— the consolidated net profits before taxation attributable to the 9.41% interest in CCT Tech for the two financial years ended 31 December 2004 and for the six months ended 30 June 2005 amounted to HK$7.7 million, HK$13.3 million and HK$7.2 million, respectively; and

— the consolidated net profits after taxation attributable to the 9.41% interest in CCT Tech for the two financial years ended 31 December 2004 and for the six months ended 30 June 2005 amounted to HK$6.9 million, HK$11.8 million and HK$6.4 million, respectively.

The Buy Back Consideration will be financed by internal resources of CCT Telecom.

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 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.

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

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

PUBLIC FLOAT OF CCT TECH

Upon completion of the Supplemental Agreement, CCT Telecom and parties acting in concert with it will be 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 will be held by the public. CCT Telecom and CCT Tech have applied a waiver from strict compliance with Rule 8.08 of the Listing Rules for the period beginning from the date of completion of the Supplemental Agreement and ending on the date which is one month after the date of the Court Meeting (which is preliminarily scheduled to be held on 13 February 2006) to approve the Scheme. Further announcement will be made if the timetable in relation to the Court Meeting is revised. If the Scheme for the privatisation of CCT Tech by CCT Telecom is not approved at the Court Meeting, CCT Telecom and CCT Tech will use their respective reasonable endeavours to place existing CCT Tech Shares or issue new CCT Tech Shares as soon as possible with a view to restore the minimum public float as prescribed under the Listing Rules. However, given the low liquidity of the CCT Tech Shares, the CCT Telecom Directors and the CCT Tech Directors are not confident that they can find any potential placing agents or investors who would be interested in placing or acquiring a substantial volume of the CCT Tech Shares.

The Stock Exchange has indicated that it will closely monitor the trading in the CCT Tech Shares if less than 25% of the issued CCT Tech Shares are held by the public. If the Stock Exchange believes that a false market exists or may exist in the CCT Tech Shares, or there are too few CCT Tech Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the CCT Tech Shares until a sufficient level of public float is attained. Further announcement will be made for any new development in this regard.

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, 21 December 2005

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.

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