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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)

MAJOR DISPOSAL TRANSACTION OF CCT TELECOM HOLDINGS LIMITED

SALE OF SHARES OF CCT TECH INTERNATIONAL LIMITED BY CCT TELECOM HOLDINGS LIMITED

AND

POSSIBLE MAJOR ACQUISITION TRANSACTION OF CCT TELECOM HOLDINGS LIMITED

POSSIBLE ACQUISITION OF SHARES OF CCT TECH INTERNATIONAL LIMITED UPON EXERCISE OF THE OPTIONS GRANTED BY CCT TELECOM HOLDINGS LIMITED

AND

RESUMPTION OF TRADING IN THE SHARES OF CCT TECH INTERNATIONAL LIMITED AND CCT TELECOM HOLDINGS LIMITED

The scheme of arrangement in relation to the proposed privatisation of CCT Tech was disapproved at the Court Meeting held on 13 February 2006 and accordingly the proposed privatisation was not proceeded and the CCT Tech Shares remain listed on the Stock Exchange.

As at the date of this announcement, the CCT Telecom Group held 13,407,179,696 CCT Tech Shares, representing approximately 84.12% of the total issued share capital of CCT Tech. The CCT Telecom Group also held the 2007 CN and the 2008 CN, the conversion of which would result in the issue of 4,500,000,000 new CCT Tech Shares and 43,928,571,428 new CCT Tech Shares respectively.

The Stock Exchange has granted a waiver from strict compliance with Rule 8.08 of the Listing Rules up to 12 April 2006. CCT Telecom and CCT Tech have indicated that they and their respective directors will use their reasonable endeavours to restore the public float of CCT Tech by placing or sale of the CCT Tech Shares to ensure sufficient public float exists in the CCT Tech Shares as soon as practicable.

CCT Telecom and Deutsche Bank entered into the conditional S&P Agreement on 17 March 2006 in relation to the sale of the Sale Shares to Deutsche Bank and the Third Party Investors in order to restore the public float of CCT Tech. The price for the sale of the Sale Shares is HK$0.022 per Sale Share.

On 17 March 2006, CCT Telecom and Deutsche Bank entered into the Put Agreement in relation to the Options to be granted by CCT Telecom to Deutsche Bank which give a right to Deutsche Bank to put back the Sale Shares to CCT Telecom at the Strike Price on the Expiration Date or upon occurrence of certain Extraordinary Events. The Consideration under the S&P Agreement will be paid as the Initial Exchange Amount to Deutsche Bank pursuant to the terms of the Put Agreement to effectively serve as collateral to secure CCT Telecom's obligations under the Put Agreement. The Initial Exchange Amount will be refunded to CCT Telecom with interest if Deutsche Bank and/or the Third Party Investors dispose of any of the Sale Shares or upon the Expiration Date.

Completion of the S&P Agreement is subject to the fulfillment or waiver of the Conditions. The sale of the Sale Shares pursuant to the S&P Agreement constitutes a major disposal transaction for CCT Telecom under the Listing Rules. The possible exercise of the Options being granted under the Put Agreement may constitute a possible major acquisition transaction for CCT Telecom under the Listing Rules. The execution of the S&P Agreement and the Put Agreement, the sale of the Sale Shares under the S&P Agreement and the possible acquisition of the CCT Tech Shares pursuant to the Put Agreement are therefore subject to the approval by the CCT Telecom Shareholders at the special general meeting of CCT Telecom. A circular containing, among other things, the notice of the special general meeting of CCT Telecom and further details of the S&P Agreement and the Put Agreement will be sent to the CCT Telecom Shareholders as soon as practicable. No CCT Telecom Shareholders are required to abstain from voting at the special general meeting of CCT Telecom in respect of the Transaction.

SUSPENSION AND RESUMPTION OF TRADING

At the request of CCT Telecom, trading in the CCT Telecom Shares was suspended with effect from 10:00 a.m. on Friday, 17 March 2006 pending the release of this announcement. An application has been made by CCT Telecom to the Stock Exchange for the resumption of trading of the CCT Telecom Shares with effect from 9:30 a.m. on Wednesday, 22 March 2006.

At the request of CCT Tech, trading in the CCT Tech Shares was suspended with effect from 10:00 a.m. on Friday, 17 March 2006 pending the release of this announcement. An application has been made by CCT Tech to the Stock Exchange for the resumption of trading of the CCT Tech Shares with effect from 9:30 a.m. on Wednesday, 22 March 2006.

The CCT Telecom Shareholders, the CCT Tech Shareholders and the potential investors should be aware that the sale of the Sale Shares is subject to the Conditions in the paragraph headed "Conditions" below and accordingly the S&P Agreement may lapse if those Conditions are not fulfilled or waived or if certain events as elaborated under the paragraph headed "Termination" in the section of "Principal Terms of the S&P Agreement" occur before Completion. They should exercise caution when dealing in the CCT Telecom Shares and the CCT Tech Shares.

BACKGROUND

On 25 October 2005, CCT Telecom requested the board of CCT Tech to put forward a proposal to the CCT Tech Shareholders regarding a proposed privatisation of CCT Tech. The scheme of arrangement in relation to the proposed privatisation of CCT Tech by CCT Telecom was disapproved at the Court Meeting held on 13 February 2006. Accordingly, the proposed privatisation was not proceeded and the CCT Tech Shares remain listed on the Stock Exchange.

As at the date of this announcement, the CCT Telecom Group held 13,407,179,696 CCT Tech Shares, representing approximately 84.12% of the total issued share capital of CCT Tech. The CCT Telecom Group also held the 2007 CN and the 2008 CN, the conversion of which would result in the issue of 4,500,000,000 new CCT Tech Shares and 43,928,571,428 new CCT Tech Shares respectively.

The Stock Exchange has granted a waiver from strict compliance with Rule 8.08 of the Listing Rules up to 12 April 2006. CCT Telecom and CCT Tech have indicated that they and their respective directors will use their reasonable endeavours to restore the public float of CCT Tech by placing or sale of the CCT Tech Shares to ensure sufficient public float exists in the CCT Tech Shares as soon as practicable.

THE S&P AGREEMENT

1. Sale of the Sale Shares

CCT Telecom and Deutsche Bank entered into the S&P Agreement on 17 March 2006 for the sale of the Sale Shares, whereby CCT Telecom agreed to procure Jade Assets to sell the Sale Shares, and Deutsche Bank agreed to purchase the First Sale Shares and procure not less than two other independent investors (the "**Third Party Investors**") to purchase the Second Sale Shares, at the Sale Price per Sale Share. Deutsche Bank shall purchase and invest in the First Sale Shares as a beneficial owner. The Third Party Investors have not been identified at the date of this announcement and further announcement will be made when they have been identified. The number of the Third Party Investors will be at least two. Each of Deutsche Bank and the Third Party Investors shall not hold 10% or more of the then issued share capital of CCT Tech immediately upon Completion.

2. Principal terms of the S&P Agreement

Sale Shares

The Sale Shares represent 13,800,000,000 CCT Tech Shares. Immediately before Completion, Jade Assets will convert the 2007 CN and the 2008 CN in full into 48,428,571,428 new CCT Tech Shares, out of which 13,800,000,000 new CCT Tech Shares will be issued and sold to Deutsche Bank and the Third Party Investors as the Sale Shares. The Sale Shares shall rank *pari passu* in all respects with other issued CCT Tech Shares.

Sale Price

The Sale Price is HK$0.022 per Sale Share, which:

(i) represents a discount of approximately 8.33% to the closing price of HK$0.0240 per CCT Tech Share as quoted on the Stock Exchange as at 16 March 2006, being the last trading day of the CCT Tech Shares on the Stock Exchange prior to the date of the S&P Agreement;

(ii) represents a discount of approximately 4.76% to the 10-day average closing price of HK$0.0231 per CCT Tech Share for the last 10 consecutive trading days up to and including 16 March 2006 as quoted on the Stock Exchange; and

(iii) represents a discount of approximately 2.65% to the 30-day average closing price of HK$0.0226 per CCT Tech Share for the last 30 consecutive trading days up to and including 16 March 2006 as quoted on the Stock Exchange.

The Sale Price was determined after arm's length negotiations and on normal commercial terms between CCT Telecom and Deutsche Bank. The board of CCT Telecom considers that the Sale Price is fair and reasonable.

Consideration

The total sale consideration amounted to HK$303,600,000.00, payable in cash, represents the aggregate consideration of the Sale Shares at the Sale Price (the "**Consideration**").

The net amount of the Consideration represents the Consideration net of the settlement expenses, if any. At Completion, the Consideration due from Deutsche Bank and the Third Party Investors shall be paid to the bank account of Deutsche Bank as the Initial Exchange Amount in accordance with the terms of the Put Agreement as further explained under the paragraph headed "Initial Exchange Amount" below.

Conditions

The sale of the Sale Shares is subject to the following Conditions precedent:

(a) the passing by the CCT Telecom Shareholders at the special general meeting of CCT Telecom of an ordinary resolution approving (1) the sale of the Sale Shares by Jade Assets pursuant to the S&P Agreement; and (2) the entering into the Put Agreement with Deutsche Bank by CCT Telecom;

(b) each warranty remaining true, complete and accurate, and not misleading when made and shall be true, complete and accurate, and not misleading in a material respect;

(c) there has, since the date of the S&P Agreement, been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) or general affairs of the CCT Tech Group taken as a whole;

(d) Deutsche Bank confirming to CCT Telecom that the Third Party Investors have been identified and have agreed to purchase the Second Sale Shares;

(e) CCT Telecom confirming that the Third Party Investors are satisfactory to it; and

(f) evidence satisfactory to Deutsche Bank that CCT Tech has sought confirmation from the Stock Exchange that CCT Tech shall comply with the Listing Rules relating to the public float upon Completion if the Sale Shares were sold to Deutsche Bank and the Third Party Investors.

Condition (a) cannot be waived. CCT Telecom has the right to waive the Conditions (d) and (e). Deutsche Bank has the right to waive the Conditions (b), (c) and (f). As at the date of this announcement, CCT Telecom has not indicated its intention as to whether to waive any of Conditions (d) and (e) and CCT Telecom has not been informed of Deutsche Bank's intention as to whether to waive any of the Conditions (b), (c) and (f). If all the Conditions are not fulfilled or waived (as the case may be) on or before the day falling three (3) calendar months following the date of the S&P Agreement (or such later date as may be agreed between the parties to the S&P Agreement in writing), the S&P Agreement shall cease to be of force and effect and the parties thereto shall be released from all obligations thereunder.

Restriction on CCT Telecom to deal with the CCT Tech Shares for 90 days after Completion

Save and except for the sale of the Sale Shares by CCT Telecom pursuant to the S&P Agreement and the grant and exercise of employee options pursuant to CCT Tech's share option scheme, CCT Telecom undertakes to Deutsche Bank that it shall not, without the prior written consent of Deutsche Bank, directly or indirectly, and shall procure that none of its associates (as defined in the Listing Rules) or affiliates or companies controlled by it or any nominee or trustee holding in trust for it shall, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over) any of the CCT Tech Shares in respect of which it is the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such CCT Tech Shares or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such CCT Tech Shares at any time during the period commencing on the date of the S&P Agreement and ending on the date falling 90 days after the date of Completion.

Termination

Deutsche Bank is entitled to terminate the S&P Agreement by giving a notice to CCT Telecom prior to Completion if:

(a) there develops, occurs or comes into effect:

(i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the S&P Agreement), including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material and adverse change in, or which would be expected to result in a material and adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong;

(ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

(iii) any material and adverse change in conditions of local, national or international securities markets;

(iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the CCT Tech Group which shall materially and adversely affect the business or the financial or trading position of the CCT Tech Group as a whole;

(v) any suspension of trading in the CCT Tech Shares for a period exceeding two (2) business days (as defined in the Listing Rules) other than due to insufficient public float, the clearance of the announcement in connection with the sale of the Sale Shares, or other normal compliance with the Listing Rules;

(vi) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere which would materially and adversely affect the business, financial or trading position of the CCT Tech Group as a whole; or

(vii) the instigation of any litigation or claim of material importance by any third party against any member of the CCT Tech Group which would materially and adversely affect the business, financial or trading position of the CCT Tech Group as a whole,

and which would materially prejudice the purchase of the Sale Shares or the enforcement of contracts for sale of the CCT Tech Shares; or

(b) there is any breach of any of the representations, warranties and undertakings by CCT Telecom as set out in the S&P Agreement which has came to the knowledge of Deutsche Bank or any event which has occurred or any matter which has arisen on or after the date of the S&P Agreement and prior to Completion which (i) if it had occurred or arisen before the date of the S&P Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect; or (ii) in the opinion of Deutsche Bank, materially and adversely affect the financial position or business of the CCT Tech Group taken as a whole; or (iii) there has been a breach of, or failure to perform, any other material provision of the S&P Agreement on the part of CCT Telecom.

In the event that Deutsche Bank terminates the S&P Agreement pursuant to the above provisions, the obligations of each of Deutsche Bank and CCT Telecom under the S&P Agreement shall cease and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the S&P Agreement except for any antecedent breach. CCT Telecom will make a further announcement if the S&P Agreement is terminated. If the S&P Agreement is terminated under such circumstances, CCT Telecom and CCT Tech shall use their reasonable endeavours to restore the public float of CCT Tech by finding other investment bankers, placing agents and/or investors to purchase the CCT Tech Shares.

THE PUT AGREEMENT

1. Grant of the Options

CCT Telecom and Deutsche Bank entered into the Put Agreement on 17 March 2006, whereby CCT Telecom agreed to grant the Options to Deutsche Bank in accordance with the terms of the Put Agreement, which comprises the ISDA Master Agreement (including the schedule thereto) and the Confirmation to the ISDA Master Agreement. The Put Agreement is conditional upon Completion of the S&P Agreement. The Put Agreement was executed between CCT Telecom and Deutsche Bank and will cover the total Sale Shares. It is Deutsche Bank's current intention to grant put options (which mirror the terms of the Options) to the Third Party Investors.

The Put Agreement has a term of two years and gives the right to Deutsche Bank to sell back part or whole of the Sale Shares to CCT Telecom upon the date of expiration of the Options or upon occurrence of certain Extraordinary Events. The Consideration under the S&P Agreement will be paid to the account of Deutsche Bank as the Initial Exchange Amount pursuant to the terms of the Put Agreement. The Initial Exchange Amount shall effectively serve as collateral to secure CCT Telecom's obligations under the Put Agreement. The part or whole of the Initial Exchange Amount plus interest thereon shall be paid back by Deutsche Bank to CCT Telecom attributable to the number of the Sale Shares to be disposed of from time to time by Deutsche Bank and/or the Third Party Investors and the balance of the Initial Exchange Amount not yet refunded to CCT Telecom before the Expiration Date plus interest thereon shall be returned to CCT Telecom upon the Expiration Date of the Options. The Options are European options which can only be exercised on the Expiration Date unless certain Extraordinary Events occur, upon which the Options may turn into American options which can then be exercised any time before the Expiration Date. The terms of the Put Agreement have been summarised in the section headed "Principal terms of the Put Agreement" below.

In view of the thin liquidity and share price performance of the CCT Tech Shares, the Put Agreement was entered into to enhance the interest of Deutsche Bank to enter into the S&P Agreement.

2. Principal terms of the Put Agreement

Parties to the Put Agreement

Seller: CCT Telecom
Buyer: Deutsche Bank

CCT Telecom will grant the Options to Deutsche Bank in accordance with the terms of the Put Agreement.

Option type

Put

Term

The term of the Options (the "**Term**") shall commence on the Effective Date and shall end on the Expiration Date.

Effective Date

Completion Date of the S&P Agreement (the "**Effective Date**"). The Put Agreement is subject to and conditional upon Completion of the S&P Agreement.

Expiration Date

The expiration date of the Options (the "**Expiration Date**") being the date falling on the second anniversary of the Effective Date.

Initial Exchange Amount

CCT Telecom will pay to Deutsche Bank (the "**Initial Exchange Amount**") equal to the Consideration on the Effective Date to effectively secure CCT Telecom's obligations under the Options.

Final Exchange Amount

Deutsche Bank shall pay a final exchange amount (the "**Final Exchange Amount**") to CCT Telecom on the Expiration Date, which is equal to the amount of the Initial Exchange Amount attributable to the number of the Options not exercised or unwound prior to the Expiration Date plus the related interest calculated at the Deposit Rate for the 2-year period ending on the Expiration Date.

Swap Rate

The Hong Kong dollar 2-year swap offer rate (expressed as a percentage rate per annum) (the "**Swap Rate**") as determined by reference to the Reuters Screen "ICHKD1" Page under the heading "HKD-IRS" (being the relevant reference page in the Reuters Screen for the Hong Kong dollar swap offer rate) at or around 4:00 p.m., Hong Kong time on the Effective Date.

Deposit Rate

The interest rate (expressed as a percentage rate per annum) (the "**Deposit Rate**") equal to the Swap Rate minus 0.2% per annum.

Option style

Subject to the occurrence of an Extraordinary Event, the Options are European options, which are exercisable only on the Expiration Date, by a written notice of Deutsche Bank to CCT Telecom to be given at any time on or after the day that is the seventh trading day prior to the Expiration Date, provided that such notice shall only take effect on the Expiration Date.

Number of the Options

The number of the Options shall equal to the total number of the Sale Shares, subject to adjustment from time to time on the occurrence of a Potential Adjustment Event and subject to adjustment from time to time in accordance with the provisions headed "Early Unwind" below.

Option Entitlement

1 CCT Tech Share per Option

Initial Reference Price

The initial reference price (the "**Initial Reference Price**") represents the Consideration divided by the total number of the Sale Shares and is equal to HK$0.022.

Strike Price

The Strike Price (the "**Strike Price**") is the amount equal to the Initial Reference Price (subject to adjustments following a Potential Adjustment Event) plus interest at the Swap Rate on such Initial Reference Price for the two-year period if the Options are exercised on the Expiration Date or for the period up to the date immediately before the date of exercise if the Options are exercised before the Expiration Date under certain Extraordinary Events.

Potential Adjustment Events

Certain events upon the occurrence of which the terms of the Options may be adjusted, such as a share subdivision, consolidation, bonus issue, extraordinary dividend, repurchase of shares, or any other events that may have a diluting or concentrative effect (the "**Potential Adjustment Event(s)**").

Exercise of the Options upon the Expiration Date

If any of the outstanding Options are exercised on the Expiration Date, Deutsche Bank shall deliver to CCT Telecom the CCT Tech Shares represented by the Options exercised and CCT Telecom shall pay to Deutsche Bank the amount equal to the multiple of the number of the Options exercised and the Strike Price. The amount payable by CCT Telecom to Deutsche Bank shall be offset against the Final Exchange Amount and the net amount shall be payable by CCT Telecom to Deutsche Bank.

Early Unwind

If Deutsche Bank and/or the Third Party Investors dispose of any of the Sale Shares during any calendar month within the Term, the number of the Options representing the aggregate number of the underlying Sale Shares being disposed of in that particular month shall be unwound and cancelled on the last trading day of that calendar month. Upon the unwind of the Options at each month end, Deutsche Bank shall pay to CCT Telecom that part of the Initial Exchange Amount attributable to the number of the Options being unwound plus the related interest calculated at the Deposit Rate for the period from the Effective Date to the date immediately before the early unwind date.

Extraordinary Events

An event occurs (i) in the nature of a merger, takeover offer, tender offer, nationalisation, insolvency, delisting, change in law, failure to deliver, hedging disruption, increased cost of hedging affecting CCT Tech or the CCT Tech Shares; or (ii) in the nature of force majeure, tax event, tax event upon merger, credit event upon merger affecting CCT Telecom and/or Deutsche Bank (all such terms as defined in the Put Agreement) (the "**Extraordinary Events**").

Provisions applicable following certain Extraordinary Events

Following the occurrence of any of the Extraordinary Events mentioned above, Deutsche Bank may either (i) determine an adjustment to be made to the terms of the Options; or (ii) turn the outstanding Options into American options, upon which the outstanding Options can be exercised in whole or in part at any time before the Expiration Date. Upon early exercise of the Options by Deutsche Bank, CCT Telecom will buy back the CCT Tech Shares at the Strike Price (being the Initial Reference Price plus interest at the Swap Rate for the period up to the date immediately before the exercise date). Deutsche Bank will pay to CCT Telecom that part of the Initial Exchange Amount attributable to the number of Options exercised plus interest at the Deposit Rate for the period up to the date immediately before the exercise date. The two amounts will be offset and CCT Telecom will pay the net interest cost to Deutsche Bank attributable to the number of the Options being exercised.

Early Termination

The Put Agreement may be early terminated due to the occurrence of certain events including an event of default, bankruptcy or breach of agreement. In an early termination of the Put Agreement, a net amount will be determined to be payable between the defaulting or affected party and the non-defaulting or non-affected party.

Fee

CCT Telecom shall pay Deutsche Bank a fee of HK$10,000,000 (the "**Fee Amount**") for its services for the transactions contemplated under the S&P Agreement and the Put Agreement including the arrangement for the sale of the Sale Shares to the Third Party Investors. If any amount is payable by Deutsche Bank to CCT Telecom under the Put Agreement including without limitation the refund of part or all of the Initial Exchange Amount plus interest, such amount shall be offset against the Fee Amount until the Fee Amount is offset in total. Any portion of the Fee Amount which is not offset against such amount(s) shall be payable by CCT Telecom to Deutsche Bank on the settlement date of the Final Exchange.

Lapses of the Options

The Options will lapse if it is not exercised within the Term.

Transferability

The Options are not transferable.

Listing

No application will be made for the listing of the Options on the Stock Exchange or any other stock exchanges.

3. Possible major acquisition transaction upon exercise of the Options

Deutsche Bank may or may not exercise the Options being granted under the Put Agreement and the possible exercise of such Options may or may not constitute a possible major acquisition transaction for CCT Telecom on its own or when aggregated in case of multiple exercises in case of the Extraordinary Events. As a major transaction of CCT Telecom must be made conditional on the approval by the CCT Telecom Shareholders under the Listing Rules, CCT Telecom wishes to seek prior approval of the CCT Telecom Shareholders for the acquisition of the CCT Tech Shares upon any possible exercise(s) of the Options to allow the flexibility of CCT Telecom to acquire the CCT Tech Shares upon the possible exercise of the Options.

INDEPENDENCE OF DEUTSCHE BANK AND THE THIRD PARTY INVESTORS

The boards of directors of CCT Telecom and CCT Tech respectively confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, Deutsche Bank and the Third Party Investors and their respective beneficial owner(s) 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).

REASONS FOR THE TRANSACTION

The CCT Telecom Directors consider the sale of the Sale Shares to be beneficial to both CCT Telecom and CCT Tech. For CCT Telecom, the sale of the Sale Shares will restore the public float of the CCT Tech Shares and represents a good opportunity for CCT Telecom to realise part of its holding of the CCT Tech Shares into cash upon release of the effective collateral, whilst maintaining CCT Tech as its principal and major listed subsidiary. For CCT Tech, the conversion of the 2007 CN and the 2008 CN by Jade Assets will broaden its capital base and will relieve CCT Tech from the financial burden of the substantial annual interest cost payable on the 2008 CN as well as the principal repayment that may arise on the maturity dates of the 2007 CN and the 2008 CN, if they are not converted into the CCT Tech Shares. The sale of the Sale Shares will restore CCT Tech's public float to the minimum requirement of 25% as required by the Listing Rules and will increase the liquidity of the CCT Tech Shares and broaden the shareholders base of CCT Tech.

Given the low liquidity in the trading of the CCT Tech Shares, the Options are therefore granted to Deutsche Bank to enhance its interest in signing the S&P Agreement. The CCT Telecom Directors are aware that there will be a cost for CCT Telecom equal to approximately HK$13 million representing the Fee Amount and legal and other costs if the Options are not exercised. If the Options are exercised in full on the Expiration Date, the cost to CCT Telecom will be increased to approximately HK$14.27 million representing the sum total of the Fee Amount, the legal and other costs, and the net interest of 0.2% per annum being the difference between the Swap Rate and the Deposit Rate on the Initial Exchange Amount. The interest rate difference of 0.2% per annum represents the net interest spread to be earned by Deutsche Bank agreed on a commercial basis between CCT Telecom and Deutsche Bank. Assuming all the Options are exercised on the Expiration Date, the total cost to CCT Telecom represents only approximately 4.70% of the Consideration or approximately 2.35% per annum and is considered to be immaterial. Due to the low liquidity of the CCT Tech Shares and the share price performance of the CCT Tech Shares, it has been difficult for the CCT Telecom Directors to find any potential placing agents or investors who are willing to take up a significant lot of the CCT Tech Shares in the absence of a put option. Furthermore, the interest cost may not be payable if Deutsche Bank and the Third Party Investors dispose of the Sale Shares before the Expiration Date or if the Options are not exercised during the Term.

USE OF PROCEEDS

The estimated net proceeds of the sale of the Sale Shares amount to approximately HK$290 million, after deducting the Fee Amount and the legal and other expenses of approximately HK$13 million. The amount representing the Consideration will be paid to Deutsche Bank upon Completion as an effective collateral to secure CCT Telecom's obligations under the Options being granted.

The Consideration together with the interest thereon calculated at the Deposit Rate will be released and paid by Deutsche Bank to CCT Telecom on a proportionate basis to the extent attributable to the number of the Sale Shares that have been disposed of by Deutsche Bank and/or the Third Party Investors or in accordance with the terms of the Put Agreement. There is no specific project being identified for the use of the proceeds. Upon release of the proceeds to CCT Telecom pursuant to the terms of the Put Agreement, it is currently intended by the CCT Telecom Directors that the proceeds will be applied for the working capital of the CCT Telecom Group. There is a chance that CCT Telecom will not receive any proceeds for the sale of the Sale Shares if Deutsche Bank exercises the Options in full pursuant to the terms of the Put Agreement.

EFFECT OF COMPLETION ON THE SHAREHOLDING STRUCTURE OF CCT TECH

The following table summarises the effect of Completion on the shareholding structure of CCT Tech:

	As at the date of this announcement and before exercise of the 2007 CN and the 2008 CN		**Immediately after exercise of the 2007 CN and the 2008 CN**		**Immediately after Completion**	
	Number of the CCT Tech Shares	*%*	*Number of the CCT Tech Shares*	*%*	*Number of the CCT Tech Shares*	*%*
The CCT Telecom Group						
CCT Assets Management Limited	1,350,000,000	8.47	1,350,000,000	2.10	1,350,000,000	2.10
Jade Assets	9,707,179,696	60.91	58,135,751,124	90.32	44,335,751,124	68.87
Expert Success International Limited	1,350,000,000	8.47	1,350,000,000	2.10	1,350,000,000	2.10
Noble Team Investments Limited	1,000,000,000	6.27	1,000,000,000	1.55	1,000,000,000	1.55
Subtotal of the CCT Telecom Group	**13,407,179,696**	**84.12**	**61,835,751,124**	**96.07**	**48,035,751,124**	**74.62**
Public CCT Tech Shareholders						
Deutsche Bank	0	0.00	0	0.00	6,430,262,699	9.99
Third Party Investor A	0	0.00	0	0.00	3,684,868,651*	5.73
Third Party Investor B	0	0.00	0	0.00	3,684,868,650*	5.73
Other public CCT Tech Shareholders	2,531,242,866	15.88	2,531,242,866	3.93	2,531,242,866	3.93
Total public CCT Tech Shareholders	**2,531,242,866**	**15.88**	**2,531,242,866**	**3.93**	**16,331,242,866**	**25.38**
Total	**15,938,422,562**	**100.00**	**64,366,993,990**	**100.00**	**64,366,993,990**	**100.00**

* Assuming the Second Sale Shares are sold to two Third Party Investors and the number of the Second Sale Shares to be sold to each of the two Third Party Investors is equal.

DISPOSAL OF INTEREST IN CCT TECH

The Sale Shares represent approximately 86.6% of the issued share capital of CCT Tech as at the date of this announcement, and approximately 21.4% of the then issued share capital of CCT Tech as enlarged by 48,428,571,428 new CCT Tech Shares to be issued upon full conversion of the 2007 CN and the 2008 CN. Deutsche Bank and the Third Party Investors will only acquire in total approximately 21.4% of the then total issued share capital of CCT Tech upon Completion.

Based on the unaudited consolidated net assets of CCT Tech of approximately HK$383 million as at 30 June 2005, as adjusted by the increase in net assets after conversion of the 2007 CN and the 2008 CN, the net assets of CCT Tech immediately before Completion would be approximately HK$1,037 million (representing the net assets value of CCT Tech of HK$383 million as shown in the unaudited consolidated balance sheet as at 30 June 2005 plus increase in shareholders' equity of HK$654 million as a result of the full conversion of the total outstanding principal amount of the 2007 CN and the 2008 CN). Accordingly, the net asset value attributable to the 21.4% interest in CCT Tech amounted to approximately HK$221.9 million. Based on the closing price of HK$0.024 per CCT Tech Share as at 16 March 2006 (being the last trading date prior to the date of this announcement), the valuation of the Sale Shares amounted to approximately HK$331 million.

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 of CCT Tech for the two financial years ended 31 December 2004 and for the six months ended 30 June 2005 amounted to approximately HK$82 million, HK$141 million and HK$77 million, respectively; and

— the consolidated net profits after taxation of CCT Tech for the two financial years ended 31 December 2004 and for the six months ended 30 June 2005 amounted to approximately HK$73 million, HK$125 million and HK$68 million, respectively.

GENERAL

CCT Telecom 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 plastic and power supply components; (iii) the manufacture and sale of baby products; and (iv) investment in properties and securities.

CCT Tech 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.

The sale of the Sale Shares pursuant to the S&P Agreement constitutes a major disposal transaction for CCT Telecom under the Listing Rules. The possible exercise of the Options being granted under the Put Agreement may constitute a possible major acquisition transaction for CCT Telecom under the Listing Rules. The execution of the S&P Agreement and the Put Agreement, the sale of the Sale Shares pursuant to the S&P Agreement and the possible acquisition of the CCT Tech Shares pursuant to the Put Agreement are therefore subject to the approval by the CCT Telecom Shareholders at the special general meeting of CCT Telecom. A circular containing, among other things, the notice of the special general meeting of CCT Telecom and further details of the S&P Agreement and the Put Agreement will be sent to the CCT Telecom Shareholders as soon as practicable. No CCT Telecom Shareholders are required to abstain from voting at the special general meeting of CCT Telecom in respect of the Transaction.

PUBLIC FLOAT OF CCT TECH

Subject to the fulfillment or waiver (as the case may be) of the Conditions in respect of the Transaction, the public float of CCT Tech will be restored from approximately 15.88% to approximately 25.38% upon Completion.

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.

SUSPENSION AND RESUMPTION OF TRADING

At the respective request of CCT Telecom and CCT Tech, trading in the CCT Telecom Shares and the CCT Tech Shares were suspended with effect from 10:00 a.m. on Friday, 17 March 2006 pending the release of this announcement. Applications have been made by CCT Telecom and CCT Tech respectively to the Stock Exchange for the resumption of trading in the CCT Telecom Shares and the CCT Tech Shares with effect from 9:30 a.m. on Wednesday, 22 March 2006.

The CCT Telecom Shareholders, the CCT Tech Shareholders and the potential investors should be aware that the sale of the Sale Shares is subject to the Conditions in the paragraph headed "Conditions" above and accordingly the S&P Agreement may lapse if those Conditions are not fulfilled or waived or if certain events as elaborated under the paragraph headed "Termination" in the section of "Principal Terms of the S&P Agreement" occur before Completion. They should exercise caution when dealing in the CCT Telecom Shares and the CCT Tech Shares.

DEFINITIONS

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

"2007 CN"	the convertible note issued by CCT Tech to Jade Assets with an outstanding principal amount of HK$45,000,000 as at the date of this announcement, interest free and with a conversion price of HK$0.01 per CCT Tech Share (subject to adjustments according to the terms of the 2007 CN) and due on 31 December 2007
"2008 CN"	the convertible note issued by CCT Tech to an indirect wholly-owned subsidiary of CCT Telecom, Noble Team Investments Limited, with an outstanding principal amount of HK$615,000,000 as at the date of this announcement, with interest payable at prime or best lending rate plus 2% per annum and with a conversion price of HK$0.014 per CCT Tech Share (subject to adjustments according to the terms of the 2008 CN) and due on 30 June 2008, which was transferred by Noble Team Investments Limited to Jade Assets on 16 February 2006
"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 Director(s)"	the director(s) of CCT Tech
"CCT Tech Group"	CCT Tech and its subsidiaries
"CCT Tech Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of CCT Tech
"CCT Tech Shareholder(s)"	the holder(s) of the CCT Tech Share(s)
"CCT Telecom"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability 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 Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of CCT Telecom
"CCT Telecom Shareholder(s)"	the holder(s) of the CCT Telecom Share(s)
"Completion"	completion of the S&P Agreement
"Conditions"	the conditions precedent set out under the heading of "Principal terms of the S&P Agreement" in this announcement
"Confirmation"	the facsimile agreement confirming the terms and conditions of the Options which supplements, forms a part of and is subject to the ISDA Master Agreement
"Court Meeting"	the meeting of the CCT Tech Shareholders (other than CCT Telecom and parties acting in concert with it) convened and held on 13 February 2006 at the direction of the Supreme Court of Bermuda at which the scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda (as amended) in respect of the proposed privatisation of CCT Tech by CCT Telecom was voted upon
"Deutsche Bank"	Deutsche Bank AG and its Hong Kong branch is a corporation licensed to carry on business in types 1, 4, 6, 7, 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"First Sale Shares"	6,430,262,699 CCT Tech Shares out of the Sale Shares, representing approximately 9.99% of the issued share capital of CCT Tech immediately upon Completion
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"ISDA"	International Swaps and Derivatives Association, Inc
"ISDA Master Agreement"	the ISDA master agreement dated as of 17 March 2006 entered into between CCT Telecom and Deutsche Bank acting through its London branch in respect of the grant of the Options
"Jade Assets"	Jade Assets Company Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CCT Telecom
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Options"	the put options granted by CCT Telecom to Deutsche Bank in relation to the Sale Shares under the terms of the Put Agreement
"PRC"	the People's Republic of China
"Put Agreement"	the ISDA Master Agreement (and the schedule thereto) and the Confirmation
"S&P Agreement"	the conditional sale and purchase agreement dated 17 March 2006 entered into between CCT Telecom and Deutsche Bank acting through its Hong Kong branch in respect of the sale of the Sale Shares
"Sale Price"	the sale price of HK$0.022 per Sale Share
"Sale Shares"	the First Sale Shares and the Second Sale Shares, representing an aggregate of 13,800,000,000 CCT Tech Shares (to be issued upon conversion of the 2007 CN and the 2008 CN) to be sold pursuant to the S&P Agreement
"Second Sale Shares"	7,369,737,301 CCT Tech Shares out of the Sale Shares, representing approximately 11.45% of the issued share capital of CCT Tech immediately upon Completion
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transaction"	the sale by CCT Telecom of the First Sale Shares to Deutsche Bank and the Second Sale Shares to the Third Party Investors at the Sale Price pursuant to the S&P Agreement, the entering into the Put Agreement, and the possible acquisition of the CCT Tech Shares by CCT Telecom upon exercise of the Options by Deutsche Bank pursuant to the terms of the Put Agreement
"%"	per cent.

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 March 2006

As at the date of this announcement, the executive CCT Telecom Directors 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 CCT Telecom Directors are Mr. Samuel Olenick, Mr. Tam King Ching, Kenny and Mr. Lau Ho Man, Edward.

As at the date of this announcement, the executive CCT Tech Directors 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 CCT Tech Directors are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Chen Li.