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CCT TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 138)

DISCLOSEABLE AND CONNECTED TRANSACTION

ACQUISITION OF THE PROPERTY AND ISSUE OF CONVERTIBLE BOND

AND

RESUMPTION OF TRADING IN THE SHARES OF CCT TELECOM HOLDINGS LIMITED

The Board announced that on 27 April 2006, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into a conditional Agreement with the Vendor, a company controlled by Mr. Mak and his associates, pursuant to which the Purchaser will acquire from the Vendor the Property for a consideration of HK$80 million.

The Consideration was determined after arm's length negotiation and with reference to the independent valuation on the Property of HK$80.5 million as at 27 April 2006, conducted by Jones Lang Lasalle Limited.

As the Vendor is controlled by Mr. Mak and his associates and Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under the Listing Rules. The Acquisition is subject to the Independent Shareholders' approval and Mr. Mak and his associates will abstain from voting on the resolution(s) approving the Agreement and the Acquisition to be proposed at the SGM, which will be conducted by way of a poll.

The Acquisition also constitutes a discloseable transaction for the Company under the Listing Rules.

A circular containing, amongst others, details of the Agreement and the Acquisition, a letter from the independent board committee of the Company, a letter of advice from the independent financial adviser and a notice of the SGM will be sent to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 28 April 2006 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 2 May 2006.

THE AGREEMENT

Date: 27 April 2006

Parties:

The Vendor: Fine Bonus Enterprises Limited, a company controlled by Mr. Mak and his associates. Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director. Mr. Mak and his associates are interested in approximately 19.37% of the issued share capital of the Company as at the date of this announcement

The Purchaser: Rich Full International Industries Limited, an indirect wholly-owned subsidiary of the Company

Sale and Purchase:

Pursuant to the Agreement entered into between the Vendor and the Purchaser on 27 April 2006, the Vendor will sell and the Purchaser will purchase the Property in accordance with the terms of the Agreement. The Property will be sold with vacant possession.

The Property:

The property is House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong. The Property is a semi-detached duplex house, comprising a total gross floor area of approximately 3,980 square feet. The Property enjoys an unobstructed full sea view of the southern side of Hong Kong Island.

The Consideration:

The Consideration is HK$80 million, which shall be satisfied on completion of the Acquisition in the following manner:

(a) HK$50 million shall be paid by the Purchaser to the Vendor in cash which will be used by the Vendor to repay the existing mortgage loan on the Property; and

(b) at the request and by the direction of the Vendor, HK$30 million shall be satisfied by the 2009 Convertible Bond to be issued by the Company to Capital Winner Investments Limited (a company controlled by Mr. Mak and his associates) or any other person(s) or company nominated by the Vendor.

The Consideration was determined after arm's length negotiation with reference to the independent valuation on the Property of HK$80.5 million as at 27 April 2006 which was carried out by Jones Lang Lasalle Limited, a property valuer independent of the Purchaser and the Vendor. The Consideration of HK$80 million represents a discount of approximately 0.6% to the valuation of the Property. The Directors consider that the Consideration to be fair and reasonable so far as the Company and the Shareholders as a whole are concerned. The stamp duty and registration fees relating to the acquisition of the Property will be borne by the Purchaser. It is estimated that the total acquisition costs of the Property including the Consideration, stamp duty, registration fees and legal costs will amount to approximately HK$84 million.

The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Purchaser intends to borrow a mortgage loan from a bank in order to finance the cash portion of the Consideration. The balance of the Consideration will be satisfied by the 2009 Convertible Bond. Therefore, the Group will not need to use any substantial amount of its existing cash resources to fund the Acquisition.

Terms of the 2009 Convertible Bond:

Issuer: The Company

Bondholder: Capital Winner Investments Limited or such other person(s) or company nominated by the Vendor

Principal amount: HK$30 million

Interest: The 2009 Convertible Bond does not bear any interest

Conversion price: HK$1.13 per Share, subject to adjustments in accordance with the terms and conditions of the 2009 Convertible Bond

Conversion right: Subject to the exercise of the right of redemption by the Company, the 2009 Convertible Bond may be converted in whole or in part (in an amount not less than HK$100,000 or its multiple at any one time), at any time from the date of issue of the 2009 Convertible Bond to the fifth business day immediately prior to the maturity thereof. In the event that at any time the outstanding principal amount of the 2009 Convertible Bond is less than HK$100,000, the whole (but not part only) of the principal amount of the 2009 Convertible Bond may be converted

Maturity/Redemption: The Company shall, unless the 2009 Convertible Bond has previously been converted, repay the outstanding principal amount of the 2009 Convertible Bond on the third anniversary of the date of issue of the 2009 Convertible Bond. The Company shall have the right, at any time by written notice to the holder(s) of the 2009 Convertible Bond, to redeem at par of the whole or part of the outstanding principal amount of the 2009 Convertible Bond

Transferability: The 2009 Convertible Bond may be assigned to a third party subject to compliance with the terms and conditions of the 2009 Convertible Bond and further subject to the conditions, approvals, requirements and any other provisions of or under all applicable laws and regulations and the Listing Rules. If the 2009 Convertible Bond is transferred to a connected person(s) of the Company or its associates (other than a subsidiary or holding company or the subsidiary of such holding company of the bondholder), the Company shall immediately notify the Stock Exchange and all such transfers will be made subject to full compliance with the Listing Rules

Listing: No application will be made for the listing of the 2009 Convertible Bond on the Stock Exchange or any other recognised stock exchanges. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon exercise of the conversion rights attaching to the 2009 Convertible Bond. Such Shares, when issued, will rank *pari passu* in all respects with all Shares in issue or to be issued

Voting: The holder of the 2009 Convertible Bond shall not be entitled to receive notices of, attend or vote at any general meetings of the Company by reason only of it being the holder of the 2009 Convertible Bond

The 2009 Convertible Bond is interest free and will be repaid/redeemed at par value if it is not converted into the Shares. The holder of the 2009 Convertible Bond will not earn any yield or return by holding the 2009 Convertible Bond to maturity.

Upon full conversion of the 2009 Convertible Bond, a total of 26,548,672 Shares will be issued at the initial conversion price of HK$1.13 per Share, which represent approximately 4.05% of the entire existing issued share capital of the Company and approximately 3.89% of the entire issued share capital of the Company as enlarged by the Shares to be issued upon full conversion of the 2009 Convertible Bond.

The initial conversion price of HK$1.13 per Share represents (i) the average closing price as quoted on the Stock Exchange for the last 3 trading days up to and including 26 April 2006, being the last trading day immediately before the entering into the Agreement; (ii) a discount of approximately 2.6% to the closing price of HK$1.16 per Share as quoted on the Stock Exchange on 26 April 2006; (iii) a discount of approximately 8.7% to the average closing price of approximately HK$1.238 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 26 April 2006; (iv) a discount of approximately 7.2% to the average closing price of approximately HK$1.218 per Share as quoted on the Stock Exchange for the last 20 trading days up to and including 26 April 2006; and (v) a discount of approximately 6.3% to the average closing price of approximately HK$1.206 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including 26 April 2006.

Conditions of the Agreement:

Completion is conditional on:

(a) all requisite resolution(s) being passed by the Independent Shareholders by way of a poll at the SGM approving the terms of and the transactions contemplated in the Agreement and the implementation thereof;

(b) the Stock Exchange having granted the listing of, and permission to deal in, the Shares falling to be issued upon exercise of the conversion rights attaching to the 2009 Convertible Bond; and

(c) the granting of the requisite approval(s)/consent(s) by the Bermuda Monetary Authority for the issue of the Shares falling to be issued upon exercise of the conversion rights attaching to the 2009 Convertible Bond.

All the above Conditions cannot be waived and there is no current intention to waive any of the Conditions. In the event that any of the Conditions shall not have been fulfilled on or before 31 August 2006 or such later date as the parties may mutually agree, the Agreement shall be cancelled. In such event, the parties hereto shall enter into an agreement terminating the Agreement.

Completion:

Subject to the fulfillment of the Conditions, completion of the Acquisition shall take place on or before 21 September 2006.

REASON FOR THE ACQUISITION

Other than its manufacturing business, the Group has also engaged in investment in properties. The Company has confidence in the future of the luxury property market in Hong Kong. After completion of the Acquisition, the Company intends to let out the Property to an independent third party. As the Property is located in a prime luxury residential area and the supply of the luxury houses is scarce in Hong Kong, the Directors believe that the Acquisition will produce satisfactory recurrent rental income and potential good long-term capital gain in the future.

EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding of the Company (a) as at the date of this announcement; and (b) immediately after full conversion of the 2009 Convertible Bond, assuming all the Conditions will be fulfilled and completion of the Acquisition and full conversion of the 2009 Convertible Bond will be taken place, is as follows:

Name of the Shareholders	Existing shareholding as at the date of this announcement No. of the Shares	(%)	The shareholding immediately after full conversion of the 2009 Convertible Bond No. of the Shares	(%)
Mr. Mak and his associates	126,996,292	19.37	153,544,964	22.51
Directors (other than Mr. Mak):				
Cheng Yuk Ching, Flora	14,196,713	2.17	14,196,713	2.08
Tam Ngai Hung, Terry	1,868,000	0.28	1,868,000	0.27
William Donald Putt	591,500	0.09	591,500	0.09
Samuel Olenick	545,000	0.08	545,000	0.08
Public Shareholders	511,495,803	78.01	511,495,803	74.97
TOTAL	**655,693,308**	**100.00**	**682,241,980**	**100.00**

GENERAL

The Group is principally engaged in (i) the manufacture, sale, design and development of telecom products and electronic products; (ii) the manufacture of power supply and plastic components; (iii) the manufacture and sale of baby products; and (iv) investment in properties and securities.

The Vendor is principally engaged in property holding. As the Vendor is a company controlled by Mr. Mak and his associates and Mr. Mak is a substantial Shareholder, the Chairman of the Board and an executive Director, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under the Listing Rules. The Acquisition is therefore subject to the approval by the Independent Shareholders by way of a poll and Mr. Mak and his associates will abstain from voting in respect of the resolution(s) to approve the Agreement and the Acquisition at the SGM.

The Acquisition also constitutes a discloseable transaction for the Company under the Listing Rules.

An independent board committee of the Company has been formed to advise the Independent Shareholders. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders.

A circular containing, amongst others, details of the Agreement and the Acquisition, a letter from the independent board committee of the Company, a letter of advice from the independent financial adviser and a notice of the SGM will be sent to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 28 April 2006 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 2 May 2006.

DEFINITIONS

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

"Acquisition"	the acquisition of the Property by the Purchaser from the Vendor subject to the terms of the Agreement
"Agreement"	the conditional sale and purchase agreement dated 27 April 2006 entered into between the Purchaser and the Vendor relating to the sale and purchase of the Property
"associates"	has the same meaning ascribed to it under the Listing Rules
"Board"	the board of the Directors
"Company"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange
"Conditions"	the conditions precedent set out under the heading of "Conditions of the Agreement" of this announcement
"connected person"	has the same meaning ascribed to it under the Listing Rules
"Consideration"	HK$80 million for the sale and purchase of the Property and to be satisfied in the manner as set out in the Agreement
"2009 Convertible Bond"	the zero coupon convertible bond in the principal amount of HK$30 million, due on the third anniversary of the date of the issue of the 2009 Convertible Bond, to be issued by the Company on completion date of the Acquisition at the request and direction of the Vendor to Capital Winner Investments Limited, a company controlled by Mr. Mak and his associates, or such other person(s) or company nominated by the Vendor, to satisfy part of the Consideration in the amount of HK$30 million
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"HK$"	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
"Independent Shareholders"	the Shareholders other than Mr. Mak and his associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, a substantial Shareholder, the Chairman of the Board and an executive Director
"Property"	House No. 7, Rosecliff, No. 20 Tai Tam Road, Tai Tam, Hong Kong
"Purchaser"	Rich Full International Industries Limited, an indirect wholly-owned subsidiary of the Company, which is the Purchaser under the Agreement to acquire the Property from the Vendor
"SGM"	the special general meeting of the Company to be convened and held for the purpose of approving the Agreement and the Acquisition or any adjournment thereof (as the case may be)
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the same meaning ascribed to it under the Listing Rules
"Vendor"	Fine Bonus Enterprises Limited, a company incorporated in Hong Kong with limited liability and controlled by Mr. Mak and his associates, which is the Vendor under the Agreement

By Order of the Board of
CCT TELECOM HOLDINGS LIMITED
Tam Ngai Hung, Terry
Executive Director

Hong Kong, 28 April 2006

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