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CCT TELECOM HOLDINGS LIMITED

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

(Stock Code: 00138)

VERY SUBSTANTIAL DISPOSAL, VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

CCT TECH INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

PROPOSED CAPITAL REORGANISATION, MAJOR ACQUISITION, CONNECTED TRANSACTION, CONTINUING CONNECTED TRANSACTIONS AND RESUMPTION OF TRADING

THE PROPOSED CAPITAL REORGANISATION

The CCT Tech Board proposes to put forward the proposal to the CCT Tech Shareholders to effect the Capital Reorganisation which involves:

(i) the Share Consolidation;

(ii) the Capital Reduction;

(iii) the Credit Transfer; and

(iv) the Capital Increase, Reclassification and Re-designation.

The proposed Capital Reorganisation is conditional upon, among others, the CCT Tech Shareholders' approval of the proposed Capital Reorganisation and the Independent CCT Tech Shareholders' approval of the Agreement and the Transaction at the CCT Tech SGM.

THE AGREEMENT AND THE TRANSACTION

CCT Telecom and CCT Tech entered into the Agreement, pursuant to which CCT Telecom has agreed to sell the Sale Share and the Sale Shareholder's Loan to CCT Tech or its designated nominee(s) at a total consideration of HK$346,311,000, which shall be satisfied by the allotment and issue of an aggregate of 3,463,110,000 Convertible Preference Shares by CCT Tech at the subscription price of HK$0.10 each in favour of Expert Success and CCT Assets, both of which are indirect wholly-owned subsidiaries of CCT Telecom. The Sale Share represents the entire issued share capital of CCT Industrial, a direct wholly-owned subsidiary of CCT Telecom.

The Convertible Preference Shares are convertible into the CCT Tech Ordinary Shares initially at the Conversion Ratio on a one to one basis (subject to adjustment in the future event of a consolidation or subdivision of the CCT Tech Ordinary Shares but not otherwise).

No part of the Convertible Preference Shares will be listed on the Stock Exchange, but an application will be made for the listing of and permission to deal in the Conversion Shares.

CCT Telecom is the ultimate controlling shareholder of CCT Tech and indirectly holds 33,026,391,124 CCT Tech Existing Shares, representing approximately 50.49% of the total issued share capital of CCT Tech as at the date of this announcement. CCT Telecom is therefore a substantial shareholder and hence a connected person of CCT Tech under the Listing Rules. Accordingly, the Transaction constitutes a non-exempt connected transaction for CCT Tech under the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 25% but not more than 100% for CCT Tech, the Transaction also constitutes a major acquisition for CCT Tech under the Listing Rules. The Agreement and the Transaction will subject to the approval of the Independent CCT Tech Shareholders by way of poll at the CCT Tech SGM. CCT Telecom and its associates will abstain from voting in respect of the resolution(s) to approve the Agreement and the Transaction at the CCT Tech SGM.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 75% for CCT Telecom, the Transaction constitutes a very substantial disposal for CCT Telecom under the Listing Rules. The Transaction will subject to the approval of the CCT Telecom Shareholders by way of poll at the CCT Telecom SGM. No CCT Telecom Shareholder is required to abstain from voting on the resolution(s) to approve the Agreement and the Transaction at the CCT Telecom SGM.

The future conversion of the Convertible Preference Shares may result in the possible increase of 17.14% in the percentage of CCT Telecom's shareholdings in CCT Tech from 50.49% (the percentage of CCT Telecom's shareholdings in CCT Tech as at the date of this announcement) to the maximum percentage of 67.63%. The Possible Maximum Increase of the percentage of CCT Telecom's shareholdings in CCT Tech will constitute a possible very substantial acquisition for CCT Telecom under Rule 14.24 of the Listing Rules. Accordingly, the possible very substantial acquisition is subject to the requirements of reporting, announcement and shareholders' approval under Chapter 14 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

After Completion, CCT Industrial and its subsidiaries will become wholly-owned subsidiaries of CCT Tech and therefore, the following transactions between the CCT Tech Group, which will include the CCT Industrial Group after Completion and the CCT Telecom Remaining Group will constitute continuing connected transactions for CCT Tech under the Listing Rules:

1. the lease of the Dongguan Factory by CCT Property (an indirect wholly-owned subsidiary of CCT Telecom and a member of the CCT Telecom Remaining Group) to FPHL (a direct wholly-owned subsidiary of CCT Industrial) under the Dongguan Tenancy Agreement; and

2. the manufacture of moulds and toolings by the CCT Tech Group for the CCT Telecom Remaining Group under the Moulds Manufacturing Agreement.

As the applicable percentage ratios for each of the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement on an annual basis are, and are expected to be, less than 2.5%, the continuing transactions contemplated under each of the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement will constitute continuing connected transactions for CCT Tech and are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.34 of the Listing Rules.

GENERAL

As Mr. Chen Li is a common independent non-executive director of both CCT Tech and CCT Telecom, Mr. Chen Li has not been appointed as a member of the Independent Board Committee to advise on the Transaction. The Independent Board Committee comprising Mr. Chow Siu Ngor and Mr. Lau Ho Kit, Ivan (all being independent non-executive directors of CCT Tech and not having material interest in the Transaction) has been established to advise the Independent CCT Tech Shareholders as to whether or not the terms of the Agreement are fair and reasonable and in the interests of CCT Tech and the Independent CCT Tech Shareholders as a whole. An independent financial adviser of CCT Tech will be appointed to advise the Independent Board Committee and the Independent CCT Tech Shareholders in this regard.

A circular of CCT Tech containing information (amongst other things) regarding (i) the Capital Reorganisation and further details of the Transaction and the Agreement; (ii) a letter of advice from the Independent Board Committee regarding the Transaction; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent CCT Tech Shareholders in relation to the Transaction; and (iv) a notice convening the CCT Tech SGM will be despatched to the CCT Tech Shareholders as soon as possible in accordance with the Listing Rules.

A circular of CCT Telecom containing information (amongst other things) regarding further details of the Transaction and the Agreement and a notice convening the CCT Telecom SGM will be despatched to the CCT Telecom Shareholders as soon as possible in accordance with the Listing Rules.

As the Completion is subject to the fulfillment of a number of conditions precedent, the Transaction may or may not proceed. CCT Telecom Shareholders and CCT Tech Shareholders and potential investors of CCT Telecom and CCT Tech should exercise caution in dealing in the securities of CCT Telecom and CCT Tech.

Trading in the CCT Telecom Shares and the CCT Tech Existing Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 April 2009 at the request of CCT Telecom and CCT Tech, respectively pending the release of this announcement. Applications have been made by CCT Telecom and CCT Tech for the resumption of trading of the CCT Telecom Shares and the CCT Tech Existing Shares respectively on the Stock Exchange with effect from 9:30 a.m. on 12 May 2009.

THE PROPOSED CAPITAL REORGANISATION

The CCT Tech Board proposes to put forward a proposal to the CCT Tech Shareholders to effect the Capital Reorganisation which involves:

(1) the Share Consolidation under which every 10 issued CCT Tech Existing Shares of HK$0.01 each of CCT Tech will be consolidated into one issued Consolidated Share of HK$0.10 each;

(2) the Capital Reduction under which the par value of each issued Consolidated Share will be reduced from HK$0.10 to HK$0.01 by canceling HK$0.09 paid-up capital on each issued Consolidated Share;

(3) the Credit Transfer by transferring the credit in the amount of approximately HK$588,725,946 arising from the Capital Reduction of the issued share capital of CCT Tech to the contributed surplus account of CCT Tech which will be applied to set-off against the accumulated losses of CCT Tech on the date the Capital Reduction becoming effective; and

(4) subject to and forthwith upon the Share Consolidation and Capital Reduction becoming effective, the Capital Increase of the authorised share capital of CCT Tech from HK$120,000,000 divided into 12,000,000,000 shares of par value of HK$0.01 each of CCT Tech to HK$240,000,000 divided into 24,000,000,000 shares of par value of HK$0.01 each and the Reclassification and Re-designation of the increased authorised share capital so that it shall become HK$240,000,000 divided into 24,000,000,000 shares of par value of HK$0.01 each comprised of 3,463,110,000 Convertible Preference Shares of par value of HK$0.01 each and 20,536,890,000 CCT Tech Ordinary Shares of par value HK$0.01 each and the re-designation of all of the then issued shares of CCT Tech into the issued CCT Tech Ordinary Shares of par value of HK$0.01 each.

The CCT Tech Directors have no present intention of issuing any part of the increased authorised share capital of CCT Tech other than for the purpose of allotment and issue of the Convertible Preference Shares and the Conversion Shares.

Effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of CCT Tech is HK$1,200,000,000 divided into 120,000,000,000 shares of CCT Tech of HK$0.01 each. The existing issued share capital of CCT Tech is HK$654,139,939.90 divided into 65,413,993,990 CCT Tech Existing Shares of

HK$0.01 each, which are issued and fully paid. Subject to the approval by the CCT Tech Shareholders on the Capital Reorganisation and the approval by the Independent CCT Tech Shareholders on the Agreement and the Transaction and on the assumption that no further shares of CCT Tech will be issued from the date of this announcement up to and including the date when the Capital Reorganisation becoming effective, the authorised share capital of CCT Tech immediately upon the Capital Reorganisation becoming effective will be HK$240,000,000 divided into 24,000,000,000 shares of HK$0.01 each, comprised of 3,463,110,000 Convertible Preference Shares of par value of HK$0.01 each and 20,536,890,000 CCT Tech Ordinary Shares of par value HK$0.01 each, of which 6,541,399,399 CCT Tech Ordinary Shares will be in issue. Fractional CCT Tech Ordinary Shares will not be issued to the CCT Tech Shareholders but will be aggregated and, if possible, sold for the benefit of CCT Tech.

Based on the 6,541,399,399 issued Consolidated Shares immediately before the Capital Reduction, a credit of approximately HK$588,725,946 will arise as a result of the Capital Reduction of the issued share capital of CCT Tech and will be transferred to the contributed surplus account of CCT Tech and applied to set-off against the accumulated losses of CCT Tech on the date the Capital Reduction becoming effective (the "**Credit Transfer**").

As at the date of this announcement, CCT Tech has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for the unissued existing shares of CCT Tech.

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the CCT Tech Group or the proportionate interests of the CCT Tech Shareholders in CCT Tech, except for the payment of related expenses (which are expected to be insignificant) and the Credit Transfer. The CCT Tech Board believes that the Capital Reorganisation will not have any adverse effect on the financial position of the CCT Tech Group and that on the date the Capital Reorganisation becoming effective, there are no reasonable grounds for believing that CCT Tech is, or after the Capital Reorganisation will be, unable to pay its liabilities as they fall due. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of CCT Tech or the repayment to the CCT Tech Shareholders of any paid-up capital of CCT Tech. Upon completion of the Capital Reorganisation, the CCT Tech Ordinary Shares will rank pari passu in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the CCT Tech Shareholders.

Conditions of the Capital Reorganisation

The Capital Reorganisation (which will be effected in accordance with the bye-laws of CCT Tech and the Companies Act) is conditional upon:

(i) the passing of necessary resolution(s) by the CCT Tech Shareholders to approve the Capital Reorganisation at the CCT Tech SGM;

(ii) the passing of necessary resolution(s) by the Independent CCT Tech Shareholders to approve the Agreement and the Transaction at the CCT Tech SGM;

(iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the CCT Tech Ordinary Shares in issue following completion of the Capital Reorganisation; and

(iv) (a) publication of a notice in relation to the Capital Reduction in Bermuda in accordance with section 46(2)(a) of the Companies Act; and (b) that on the date when the Capital Reduction is to take effect, there are no reasonable grounds for believing that CCT Tech is, or after the Capital Reduction will be, unable to pay its liabilities as they fall due.

Assuming that the above conditions are fulfilled, it is expected that the Capital Reorganisation will become effective at 4:30 p.m. on the date of the passing of the relevant resolution(s) to approve the Capital Reorganisation. Subject to the passing of the relevant resolution(s) at the CCT Tech SGM approving the Capital Reorganisation and compliance with the applicable requirement under the Companies Act, the Capital Reorganisation will comply with the laws of Bermuda.

Reasons for the Capital Reorganisation

The proposed Capital Reorganisation is effected to cater for the issue of the Convertible Preference Shares and the Conversion Shares pursuant to the terms of the Agreement. CCT Tech will not proceed with the proposed Capital Reorganisation if the Independent CCT Tech Shareholders do not approve the Agreement and the Transaction at the CCT Tech SGM.

Listing and dealings

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the CCT Tech Ordinary Shares in issue following completion of the Capital Reorganisation.

The CCT Tech Ordinary Shares will be identical in all respects and will rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the CCT Tech Ordinary Shares on the Stock Exchange, the CCT Tech Ordinary Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the CCT Tech Ordinary Shares on the Stock Exchange, or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Arrangement for odd lot trading

In order to facilitate the trading of odd lots (if any) of the CCT Tech Ordinary Shares arising form the Capital Reorganisation, a designated broker will be appointed to match the purchase and sale of odd lots of the CCT Tech Ordinary Shares at the relevant market price per CCT Tech Ordinary Share for the period from Wednesday, 8 July 2009 to Tuesday, 28 July 2009 (both dates inclusive). Holders of odd lots of the CCT Tech Ordinary Shares should note that the above matching service is on a best

effort basis only and successful matching of the sale and purchase of odd lots of the CCT Tech Ordinary Shares is not guaranteed. Any CCT Tech Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Free exchange of share certificates for CCT Tech Ordinary Shares

Subject to the Capital Reorganisation becoming effective, CCT Tech Shareholders may submit share certificates for their CCT Tech Existing Shares, to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange from Tuesday, 23 June 2009 to Thursday, 30 July 2009 (both dates inclusive), at the expense of CCT Tech for share certificates of the CCT Tech Ordinary Shares. Thereafter, share certificates for the CCT Tech Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such higher amount as may, from time to time, be allowed by the Stock Exchange) for each share certificate of the CCT Tech Existing Shares cancelled or each new share certificate issued for the CCT Tech Ordinary Shares, whichever number of share certificates cancelled or issued is higher. The existing share certificates will be valid for trading and settlement up to 4:00 p.m. on Tuesday, 28 July 2009, being the latest time for trading in board lots of 8,000 of CCT Tech Ordinary Shares in the form of existing share certificates (or such other date as may be announced by CCT Tech) and will continue to be good evidence of legal title after the Capital Reorganisation has become effective, and may be exchanged for share certificates of the CCT Tech Ordinary Shares at any time in accordance with the foregoing.

Expected timetable

The expected timetable in respect of the proposed Capital Reorganisation is set out as follows:

2009

Expected date of despatch of the circular of CCT Tech in relation to the Capital Reorganisation to the CCT Tech Shareholders	Friday, 29 May
CCT Tech SGM	Monday, 22 June
Publication of the announcement of the results of the CCT Tech SGM	Tuesday, 23 June
Effective date of the Capital Reorganisation	Tuesday, 23 June
First day of free exchange of share certificates for the CCT Tech Existing Shares into new share certificate for the CCT Tech Ordinary Shares	Tuesday, 23 June
Commencement in dealings in the CCT Tech Ordinary Shares	9:30 a.m., Tuesday, 23 June
Original counter for trading in the CCT Tech Existing Shares in existing share certificates in board lots of 80,000 CCT Tech Existing Shares temporarily closes	9:30 a.m., Tuesday, 23 June

Temporary counter for trading in the CCT Tech Ordinary Shares in board lots of 8,000 CCT Tech Ordinary Shares (in the form of existing share certificates) opens . . . . . 9:30 a.m., Tuesday, 23 June

Original counter for trading in the CCT Tech Ordinary Shares in board lots of 80,000 CCT Tech Ordinary Shares (in the form of new share certificates in board lots of 80,000 CCT Tech Ordinary Shares) re-opens . . . . . Wednesday, 8 July

Parallel trading commences on . . . . . Wednesday, 8 July

Designated broker starts to stand in the market to provide matching service . . . . . Wednesday, 8 July to Tuesday, 28 July

Temporary counter for trading in the CCT Tech Ordinary Shares in board lots of 8,000 CCT Tech Ordinary Shares (in the form of existing share certificates) closes . . . . . 4:00 p.m. Tuesday, 28 July

Last day for free exchange of share certificates . . . . . Thursday, 30 July

THE AGREEMENT AND THE TRANSACTION

The Agreement

The sale and purchase agreement dated 29 April 2009 as amended by the supplemental agreement dated 7 May 2009 were entered into between the following parties in relation to the sale and purchase of the following assets:

Vendor:	CCT Telecom
Purchaser:	CCT Tech
Assets to be acquired:	CCT Telecom has conditionally agreed to sell the Sale Share and the Sale Shareholder's Loan to CCT Tech or its designated nominee(s) at a total consideration of HK$346,311,000. The Sale Share represents the entire issued share capital of CCT Industrial, a direct wholly-owned subsidiary of CCT Telecom.

CCT Telecom is the ultimate controlling shareholder of CCT Tech and indirectly holds 33,026,391,124 CCT Tech Existing Shares, representing approximately 50.49% of the total issued share capital of CCT Tech as at the date of this announcement. CCT Telecom is therefore a substantial shareholder and hence a connected person of CCT Tech under the Listing Rules.

Consideration of the Transaction

The total consideration of HK$346,311,000 shall be satisfied at Completion by the allotment and issue of 3,463,110,000 Convertible Preference Shares credited as fully paid at the subscription price of HK$0.10 each in favour of the following indirect wholly-owned subsidiaries of CCT Telecom:

(a) as to 1,731,555,000 Convertible Preference Shares in favour of Expert Success; and

(b) as to 1,731,555,000 Convertible Preference Shares in favour of CCT Assets.

The Convertible Preference Shares carry the right to convert into CCT Tech Ordinary Shares at the Conversion Ratio on a one to one basis (subject to adjustment in the future event of a consolidation or subdivision of the CCT Tech Ordinary Shares but not otherwise) and shall have the rights, benefits and subject to restrictions set out in sub-section headed "Rights, benefits and restrictions of the Convertible Preference Shares" below. The Conversion Shares to be issued upon the conversion of the Convertible Preference Shares will be issued under a specific mandate of CCT Tech.

The issue price of the Convertible Preference Shares at HK$0.10 each is equal to each of the following adjusted closing prices per CCT Tech Ordinary Share:

(a) the adjusted closing price of approximately HK$0.10 per CCT Tech Ordinary Share, based on the closing price of HK$0.01 per CCT Tech Existing Share as quoted on the Stock Exchange immediately before the suspension of trading on the Last Trading Date and adjusted for the effect of the Capital Reorganisation;

(b) the adjusted average closing price of approximately HK$0.10 per CCT Tech Ordinary Share, based on the average closing price of approximately HK$0.01 per CCT Tech Existing Share as quoted on the Stock Exchange immediately for the five consecutive trading days up to and including the Lasting Trading Date and adjusted for the effect of the Capital Reorganisation;

(c) the adjusted average closing price of approximately HK$0.10 per CCT Tech Ordinary Share, based on the average closing price of approximately HK$0.01 per CCT Tech Existing Share as quoted on the Stock Exchange immediately for the 10 consecutive trading days up to and including the Lasting Trading Date and adjusted for the effect of the Capital Reorganisation;

(d) the adjusted average closing price of approximately HK$0.10 per CCT Tech Ordinary Share, based on the average closing price of approximately HK$0.01 per CCT Tech Existing Share as quoted on the Stock Exchange immediately for the 30 consecutive trading days up to and including the Lasting Trading Date and adjusted for the effect of the Capital Reorganisation; and

(e) the adjusted average closing price of approximately HK$0.10 per CCT Tech Ordinary Share, based on the average closing price of approximately HK$0.01 per CCT Tech Existing Share as quoted on the Stock Exchange immediately for the 60 consecutive trading days up to and including the Lasting Trading Date and adjusted for the effect of the Capital Reorganisation.

The issue price of the Convertible Preference Share represents a discount of approximately 9.1% to the audited consolidated net asset value of approximately HK$0.11 per CCT Tech Ordinary Share as at 31 December 2008, as adjusted for the effect of the Capital Reorganisation.

The issue price of the Convertible Preference Shares was arrived at arm's length negotiation between CCT Tech and CCT Telecom with reference to the market price of the CCT Tech Existing Shares and adjusted for the effect of the Capital Reorganisation. The CCT Tech Directors consider that the issue price of the Convertible Preference Shares of HK$0.10 each, which equal to the adjusted market price of the CCT Tech Ordinary Shares is fair and reasonable and in the best interests of CCT Tech and the CCT Tech Shareholders as a whole. Although the Convertible Preference Shares will be issued at a slight discount of approximately 9.1% to the adjusted audited consolidated net asset value of CCT Tech, such discount is acceptable in view of the prevailing market conditions.

The Sale Shareholder's Loan shall be assigned to CCT Tech or its designated assignee(s) at its book value. The Consideration of HK$346,311,000 was determined based on the net total of (i) the unaudited consolidated net deficit in the amount of HK$47,680,000 of the CCT Industrial Group after deduction of the Sale Shareholder's Loan as at 31 December 2008; and (ii) the book value of the Sale Shareholder's Loan in the amount of HK$393,991,000 as at 31 December 2008. The Consideration was determined after arm's length negotiation between the parties to the Transaction and with reference to the net asset value (before deduction of the Sale Shareholder's Loan) of the CCT Industrial Group as at 31 December 2008 in the amount of HK$346,311,000 and taking into account the following factors in arriving at the consideration:

a. current market environment;

b. current financial position and historical financial performance of the CCT Industrial Group; and

c. potential income generation of the CCT Industrial Group.

The CCT Telecom Directors consider the Consideration to be fair and reasonable to CCT Telecom, on normal commercial terms and in the interests of CCT Telecom and its shareholders as a whole.

The CCT Tech Directors consider the Consideration to be fair and reasonable to CCT Tech, on normal commercial terms and in the interests of CCT Tech and its shareholders as a whole.

Rights, benefits and restrictions of the Convertible Preference Shares

On Completion, the share capital of CCT Tech will comprise CCT Tech Ordinary Shares and Convertible Preference Shares. The Convertible Preference Shares will only carry limited voting rights, have no right to dividend payment by CCT Tech but can be converted into CCT Tech Ordinary Shares

at the Conversion Ratio on a one to one basis. The Conversion Ratio will only be adjusted where there is an alteration to the nominal value of a CCT Tech Ordinary Share as a result of consolidation or subdivision of the CCT Tech Ordinary Shares. Save for the foregoing, the Conversion Ratio will not be subject to any other adjustment event.

The rights of the Convertible Preference Shares will be set out in the Resolution and a summary of which is set out below:

Issuer	:	CCT Tech
Issue price	:	HK$0.10 per Convertible Preference Share
Conversion Ratio	:	Each Convertible Preference Share carries the right to convert into one CCT Tech Ordinary Share (subject to adjustment only in the event of an alteration to the nominal value of the CCT Tech Ordinary Shares as a result of consolidation or subdivision of the CCT Tech Ordinary Shares and not otherwise).
Dividend	:	Holders of Convertible Preference Share are not entitled to any dividend payment or any distribution (including bonus issue) of CCT Tech.
Conversion	:	Holders shall have the right to convert, in whole or in part, during the Conversion Period, each Convertible Preference Share into one CCT Tech Ordinary Share at the Conversion Ratio provided that the public float of the CCT Tech Ordinary Shares shall not be less than 25% or the minimum percentage as set out in the Listing Rules from time to time, immediately following the exercise of such conversion right.
Conversion period	:	Perpetual as from the date of issue.
Transferability	:	Convertible Preference Shares are freely transferrable from the date of issue.
Voting right	:	Holders of Convertible Preference Shares shall be entitled to receive notices of and attend any shareholders' meeting of CCT Tech but shall not be entitled to vote at any shareholders' meeting of CCT Tech by reason only of being holders of Convertible Preference Shares save where the resolutions in question relate to the dissolution or winding up of CCT Tech or variation or abrogation of the rights attaching to the Convertible Preference Shares in which cases the holders of the Convertible Preference Shares will have the same voting rights as those attaching to the CCT Tech Ordinary Shares on an as-converted basis.
Ranking	:	Rank in priority to the CCT Tech Ordinary Shares as to a return of capital on a winding up or otherwise up to the aggregate of the amounts paid up or credited as paid up on all outstanding Convertible Preference Shares. The Conversion Shares shall rank pari passu in all respect with all other CCT Tech Ordinary Shares in issue.

Redemption : Without prejudice to the power of CCT Tech to purchase its shares in accordance with the bye-laws of CCT Tech, the Convertible Preference Shares are non-redeemable.

Listing : No listing of the Convertible Preference Shares will be sought on the Stock Exchange or on any other stock exchanges. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares.

Upon full conversion of the 3,463,110,000 Convertible Preference Shares, a total of 3,463,110,000 CCT Tech Ordinary Shares will be issued, subject to adjustment to the Conversion Ratio, which represent approximately 52.94% of the total issued CCT Tech Ordinary Shares immediately after the Capital Reorganisation becoming effective but before Completion and approximately 34.62% of the total issued share capital of CCT Tech as enlarged by the Conversion Shares to be issued upon full conversion of the Convertible Preference Shares.

Neither issue nor conversion of the Convertible Preference Shares will result in any change of control in CCT Tech.

Conditions precedent of the Agreement

Completion is conditional upon the fulfillment or waiver of the following conditions precedent:

(a) CCT Telecom having complied fully with the obligations and having performed all of the covenants and agreements required to be performed by it under the Agreement;

(b) the warranties given by CCT Telecom under the Agreement remaining true and accurate and not misleading;

(c) the warranties given by CCT Tech under the Agreement remaining true and accurate and not misleading;

(d) the approval by the Independent CCT Tech Shareholders at the CCT Tech SGM of (i) the acquisition by CCT Tech of the Sale Share and the Sale Shareholder's Loan and the transactions contemplated under the Agreement; and (ii) the issue and allotment of the Convertible Preference Shares and the Conversion Shares by CCT Tech pursuant to the Agreement having been obtained; and the approval by the CCT Tech Shareholders at the CCT Tech SGM of the Capital Reorganisation having been obtained;

(e) all requisite resolutions being passed by the CCT Telecom Shareholders at the CCT Telecom SGM approving the terms of and the transactions contemplated under the Agreement and the implementation thereof, in compliance with Listing Rules;

(f) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the CCT Tech Ordinary Shares in issue following completion of the Capital Reorganisation and the Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Preference Shares;

(g) the granting of the requisite approval/consent(s) by the Bermuda Monetary Authority, where applicable, for the issue of the Convertible Preference Shares and the Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Preference Shares; and

(h) all necessary consents from third parties (including governmental or official authorities) in connection with the transactions contemplated under the Agreement having been obtained by CCT Telecom and no statute, regulations or decision which would prohibit, restrict or materially delay the sale and purchase of the Sale Share and the Sale Shareholder's Loans having been proposed, enacted or taken by any governmental or official authority.

CCT Tech shall have the right to waive the conditions set out in paragraphs (a), (b) and (h) above at any time by notice in writing to CCT Telecom. CCT Telecom shall have the right to waive the condition in paragraph (c) above at any time by notice in writing to CCT Tech.

In the event that any of the conditions shall not have been fulfilled or waived on or before 24 June 2009 or such later date as agreed by the parties to the Agreement in writing, the Agreement shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Agreement.

Completion

Completion of the Transaction is expected to take place on or before the third Business Day after all of the conditions have been fulfilled or waived (which shall be fulfilled by no later than the Long Stop Date). The Convertible Preference Shares will be issued in favour of Expert Success and CCT Assets on the date of Completion.

Upon Completion, all the members of the CCT Industrial Group will be accounted for as subsidiaries of CCT Tech.

Further information about the CCT Industrial Group

CCT Industrial is an investment holding company and the CCT Industrial Group is principally engaged in the manufacture and sale of the Components. Most of the Components are sold to the CCT Tech Group for the production of telecom and electronic products. Some of the Components are sold to independent third parties. The production plants of the CCT Industrial Group are located in the cities of Huiyang and Dongguan, Guangdong Province, the PRC. The manufacturing operations of the CCT Industrial Group are substantial and are vertically integrated. Besides the production of the Components, the CCT Industrial Group is also engaged in the plastic mould making and secondary operation of plastic products such as spraying, silk-screening & UV printing, hot-stamping, laser marking, and ultrasonic welding. The CCT Industrial Group is equipped with a large number of

advance machines, including plastic mould injection machines, automatic robot arm plastic moulding machines, electrical injection machines, tooling making machines, digital milling machines, wire-cutting machines, EDM and CNC processing centres, High Stabilized Programmable AC Source and Temperature & Humidity Controlled Chamber.

Besides the plant and machinery and fixed assets used in its operations, CCT Industrial Group also holds the Land with a site area of approximately 450,000 square metres which was acquired by the CCT Telecom Group in 2000 at a cost of HK$160 million from a third party independent of and not connected with the substantial shareholders, chief executive and directors of the CCT Telecom Group. As at the date of this announcement, the Land is vacant and is adjunct to the factory complex of the CCT Tech Group located in the Huiyang City. After Completion, the Land is available for future development and expansion of the CCT Industrial Group as well as the CCT Tech Group. The carrying book value of the Land as at 31 December 2008 is approximately HK$142 million.

The unaudited consolidated turnover of the CCT Industrial Group for the two years ended 31 December 2007 and 2008 were approximately HK$525 million and HK$446 million, respectively. The unaudited consolidated loss before tax of the CCT Industrial Group for the two years ended 31 December 2007 and 2008 were approximately HK$8 million and HK$110 million, respectively. The unaudited consolidated loss after tax of the CCT Industrial Group for the two years ended 31 December 2007 and 2008 were approximately HK$10 million and HK$110 million, respectively. As at 31 December 2008, the unaudited consolidated net assets of the CCT Industrial Group before deduction of the Sale Shareholders' Loan were HK$346,311,000 and the unaudited consolidated net deficit of the CCT Industrial Group after deduction of the Sale Shareholder's Loan was HK$47,680,000.

The CCT Industrial Group was profitable in years prior to 2006. During the two years of 2007 and 2008, the CCT Industrial Group operated under adverse business difficult environment and its performance was adversely affected by uncontrollable outside factors including (i) high production costs due to high material costs of plastic resins (as a result of high petroleum price until September last year) and metal, surge of labour costs in the Guangdong Province and appreciation of Renminbi against U.S. dollar; (ii) the financial turmoil which has resulted in global economic downturn and drop in the sales orders of the CCT Tech Group which in turn lowered the production orders of the CCT Industrial Group; and (iii) exceptional impairment loss of fixed asset in the amount of approximately HK$65 million in 2008 due to the discontinuation of the retail telephony business in North America by the largest single customer of the CCT Tech Group which resulted in under-utilisation of certain fixed assets of the CCT Industrial Group.

Various measures and initiatives have been taken by the CCT Industrial Group to trim down costs and overheads and improve its efficiency and competitiveness and these measures have shown positive effect to the performance of the CCT Industrial Group. Although the CCT Industrial Group is currently loss-making, it has been a reliable source for the supply of a large volume of good quality Components to the CCT Tech Group at competitive prices.

Information on CCT Tech and CCT Telecom

CCT Tech is the holding company of the CCT Tech Group which is principally engaged in the design, manufacture and sale of telecom and electronic products before Completion.

CCT Telecom is the holding company of the CCT Telecom Group whose principal activities before Completion are (i) manufacture and sale of telecom and electronic products through the CCT Tech Group; (ii) manufacture and sale of the Components through the CCT Industrial Group; (iii) manufacture and sale of infant and child products; (iv) securities business; (v) property development and holding; and (vi) the forestry resources business through CCT Resources Holdings Limited (whose shares are listed on the Growth Enterprise Market of the Stock Exchange and in which CCT Telecom has a substantial shareholding).

After Completion, the Components Business of the CCT Industrial Group (which accounted for 100% of the revenue and loss of the CCT Industrial Group in 2008) will be transferred to the CCT Tech Group and the CCT Telecom Remaining Group will continue to be engaged in the businesses set out in (iii) to (vi) above.

Change to the shareholding of CCT Tech

The table below shows the shareholding movements of CCT Tech before and immediately after the Capital Reorganisation but before the Completion, immediately after the Capital Reorganisation and the Completion and after full conversion of the Convertible Preference Shares:

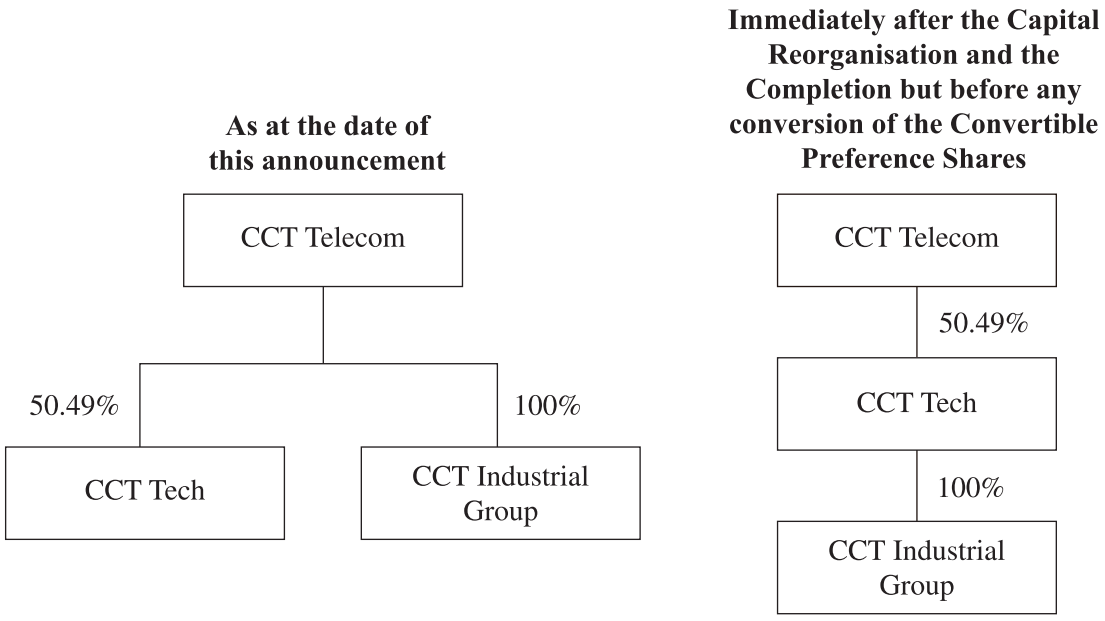
CCT Tech Shareholders	**As at the date of this announcement**	**%**	**Immediately after the Capital Reorganisation becoming effective**	**%**	**Immediately after the Capital Reorganisation and the Completion but before any conversion of the Convertible Preference Shares**	**%**	**Immediately after the Capital Reorganisation and the Completion and full conversion of the Convertible Preference Shares**	**%**
Jade Assets Company Limited*	29,326,391,124	44.83	2,932,639,112	44.83	2,932,639,112	44.83	2,932,639,112	29.31
Expert Success*	2,350,000,000	3.59	235,000,000	3.59	235,000,000	3.59	1,966,555,000	19.66
CCT Assets*	1,350,000,000	2.07	135,000,000	2.07	135,000,000	2.07	1,866,555,000	18.66
CCT Telecom Total	33,026,391,124	50.49	3,302,639,112	50.49	3,302,639,112	50.49	6,765,749,112	67.63
CCT Tech Directors	168,000,000	0.26	16,800,000	0.26	16,800,000	0.26	16,800,000	0.17
Public	32,219,602,866	49.25	3,221,960,287	49.25	3,221,960,287	49.25	3,221,960,287	32.20
Total	65,413,993,990	100.00	6,541,399,399	100.00	6,541,399,399	100.00	10,004,509,399	100.00

* *all are indirect wholly-owned subsidiaries of CCT Telecom.*

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the CCT Tech Ordinary Shares in issue following completion of the Capital Reorganisation, the Conversion Shares to be issued upon the conversion of the Convertible Preference Shares.

Group charts before and after the Transaction

The following diagrams illustrate a simplified corporate and shareholding structure of CCT Telecom and CCT Tech before and after the group charts before and following the Capital Reorganisation and the Completion:



Reasons for and benefits of the proposed Transaction

The CCT Tech Directors are of the view that the Transaction will result in the following benefits to the CCT Tech Group:

(a) the enlarged CCT Tech Group, consisting of the existing telecom product business of the CCT Tech Group and the Components Business of the CCT Industrial Group will significantly increase scale of operations of the enlarged CCT Tech Group, improve its resource integration and allocation, which would help to create meaningful synergies and strengthen the overall competitiveness of the CCT Tech Group;

(b) to enable the CCT Tech Group to vertically integrated with the Components Business of the CCT Industrial Group and to capture further economies of scale and savings of management costs by means of centralising the existing management and resources and rationalising and streamlining the businesses of the respective groups;

(c) to enlarge the capital base of CCT Tech by the allotment and issue of the Convertible Preference Shares;

(d) to enable the CCT Tech Group to focus on its operations after Completion which will enhance management and operational effectiveness with greater focus on its core strength and competencies including dedication of resources on its businesses and development of new businesses;

(e) to reduce the continuing connected transactions of CCT Tech as members of the CCT Industrial Group will cease to be connected persons of CCT Tech and the existing continuing connected transactions between CCT Tech Group and the CCT Industrial Group will cease to be continuing connected transactions for CCT Tech after Completion; and

(f) to attach a clearer corporate identity for CCT Tech (whose core businesses are principally manufacture of telecom, electronic products and the Components) after Completion, with a view to enabling a better appreciation of the value of its businesses.

In light of the benefits above, the CCT Tech Directors believe that the terms of the Agreement are on normal terms and are fair and reasonable, and in the interests of CCT Tech Shareholders as a whole.

The CCT Telecom Directors are of the view that the Transaction will result in the following benefits to the CCT Telecom Group:

(a) to enable the CCT Telecom Remaining Group to focus on its remaining businesses after Completion which will enhance management and operational effectiveness with greater focus on its core strength and competencies including dedication of resources on its businesses and development of new businesses;

(b) to attach a clearer corporate identity for CCT Telecom (whose core businesses excluding the manufacturing businesses of the CCT Tech Group are not principally manufacture and are relatively more diversified) after Completion, with a view to enabling a better appreciation of the value of its businesses; and

(c) to enable CCT Telecom to increase its interest in CCT Tech through the Convertible Preference Shares which are convertible into the CCT Tech Ordinary Shares and will enable CCT Telecom to benefit from possible improved performance of CCT Tech as a result of the potential synergies and the improved competitiveness created through better resources integration and allocation, centralised management and planning after integration with the Components Business.

In light of the benefits above, the CCT Telecom Directors believe that the terms of the Agreement are on normal commercial terms and are fair and reasonable, and in the interests of the CCT Telecom Shareholders as a whole.

Financial effects of the Transaction on CCT Tech

Upon Completion, each member of the CCT Industrial Group will become a wholly-owned subsidiary of CCT Tech. The assets and results of the CCT Tech Group will be enlarged by the CCT Industrial Group and the assets and results of the CCT Industrial Group will be consolidated into the accounts of the CCT Tech Group. The CCT Tech Directors expect that the acquisition of the CCT Industrial Group

will enlarge the capital base of CCT Tech and will help to create meaningful synergies and strengthen the overall competitiveness of the CCT Tech Group. Further details of the financial effects of the Transaction, including the effects of the Transaction on the financial position of the CCT Tech Group and the earnings of the CCT Tech Group will be set out in the circular of CCT Tech to be despatched to the CCT Tech Shareholders as soon as practicable.

Financial effects of the Transaction on CCT Telecom

Before Completion, all members of the CCT Industrial Group are wholly-owned subsidiaries of CCT Telecom and the assets and results of the CCT Industrial Group have been consolidated into the accounts of CCT Telecom. Upon Completion, each member of the CCT Industrial Group will become a wholly-owned subsidiary of CCT Tech and an indirect non wholly-owned subsidiary of CCT Telecom through CCT Tech. The assets and results of the enlarged CCT Tech Group, including CCT Industrial Group, will continue to be consolidated into the accounts of CCT Telecom. The CCT Telecom Directors expect that there will be a gain of approximately HK$14 million arising from the Transaction upon Completion which is calculated based on the difference of the increase in CCT Telecom's share of the consolidated net assets of the CCT Tech Group as enlarged by the Transaction and the net book value of the CCT Industrial Group with reference to the accounts of the CCT Tech Group and the CCT Industrial Group as at 31 December 2008. Further details of the financial effects of the Transaction, including the effects of the Transaction on the financial position of the CCT Telecom Group and the earnings of the CCT Telecom Group will be set out in the circular of CCT Telecom to be despatched to the CCT Telecom Shareholders as soon as practicable.

CONTINUING CONNECTED TRANSACTIONS

CCT Telecom holds 33,026,391,124 CCT Tech Existing Shares through its indirect wholly-owned subsidiaries, representing approximately 50.49% of the total issued share capital of CCT Tech at the date of this announcement. CCT Telecom is therefore a substantial shareholder of CCT Tech and hence a connected person of CCT Tech under the Listing Rules. The continuing transactions between the CCT Telecom Remaining Group and the CCT Tech Group therefore constitute continuing connected transactions for CCT Tech under the Listing Rules.

As at the date of this announcement, the CCT Tech Group and the CCT Telecom Remaining Group has entered into the following continuing connected transactions:

(a) the supply of the Components by the CCT Industrial Group to the CCT Tech Group under the terms of the manufacturing agreement dated 9 November 2006 entered into between CCT Telecom and CCT Tech; and

(b) the provision of the factory space in the factory complex in Huiyang, the PRC by the CCT Tech Group to the CCT Industrial Group for the manufacture of plastic components.

Upon Completion, members of the CCT Industrial Group will become wholly-owned subsidiaries of CCT Tech and the existing continuing transactions set out in paragraphs (a) and (b) above will cease to be continuing connected transactions for CCT Tech. However, upon Completion, the following

continuing transactions between the CCT Tech Group, which will include the CCT Industrial Group upon Completion and the CCT Telecom Remaining Group will therefore constitute continuing connected transactions for CCT Tech under the Listing Rules:

(a) the lease of the Dongguan Factory by CCT Property (an indirect wholly-owned subsidiary of CCT Telecom and a member of the CCT Telecom Remaining Group) to FPHL (a direct wholly-owned subsidiary of CCT Industrial) under the Dongguan Tenancy Agreement for use as factory premises; and

(b) the manufacture of moulds and toolings by the CCT Tech Group for the CCT Telecom Remaining Group under the Moulds Manufacturing Agreement.

The terms of the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement are set out below:

(i) Details of the Dongguan Tenancy Agreement

Date:	5 January 2009
Lessor:	CCT Property
Lessee:	FPHL
Property:	A factory complex located at Zhukan Industrial District, Gaobu Town, Dongguan City, Guangdong Province, the PRC (the "**Dongguan Factory**")
Gross floor area:	15,625 square meters
Rent:	HK$125,000 per month commencing from 1 January 2009, with annual upward adjustment up to 20% with reference to market rental.
Usage:	Factory premises for production
Term:	A fixed term of three years commencing from 1 January 2009.

CCT Property is principally engaged in property holding and FPHL is principally engaged in investment holding.

(ii) Details of the Moulds Manufacturing Agreement

Date:	7 May 2009
Parties:	(1) CCT Telecom (2) CCT Tech
Subject:	CCT Tech shall or shall procure other members of the CCT Tech Group which shall include the CCT Industrial Group after Completion to manufacture moulds and toolings for supply to the members of the CCT Telecom Remaining Group for production of infant and child products. The moulds and toolings to be manufactured by the CCT Tech Group will be manufactured in accordance with the specifications and requirements of the CCT Telecom Remaining Group.
Conditions precedent:	(a) the Completion of the Transaction in accordance with the Agreement; and (b) CCT Tech having fully complied with all relevant rules and regulations under the Listing Rules that are relevant to the continuing connected transactions contemplated under the Moulds Manufacturing Agreement. If the above conditions precedent are not fulfilled on or before 24 June 2009 (or such later date as may be agreed between CCT Telecom and CCT Tech in writing), the Moulds Manufacturing Agreement shall cease to be of force and effect and the parties hereto shall be released from all obligations hereunder.
Term and termination:	The Moulds Manufacturing Agreement has a fixed term of not more than 3 years and shall commence from the date upon the fulfillment of all of the above conditions precedent and shall expire on 31 December 2011. Both parties may renew the Moulds Manufacturing Agreement in writing upon expiry on 31 December 2011 for another three years subject to compliance with the Listing Rules and either party shall have the right to terminate the Moulds Manufacturing Agreement without cause by serving the other party with not less than three months' prior notice in writing.

Pricing:	The prices of moulds and toolings shall be determined on an arm's length basis with reference to market price provided that the prices of moulds and toolings to be manufactured under the Moulds Manufacturing Agreement shall be capped by the total costs of manufacturing the mould and toolings plus a mark-up of no more than 50% of such costs. The pricing policy is comparable with other third party customers of the CCT Tech Group.

Reasons for the continuing connected transactions contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement

The CCT Tech Directors (including the independent non-executive CCT Tech Directors) consider that the terms of the continuing connected transaction contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement were entered into, and will continue to be entered into, in the usual and ordinary course of business of the CCT Tech Group upon Completion. They also consider that the terms of the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement have been, and will be negotiated and will be conducted on an arm's length basis and on normal commercial terms. The CCT Tech Directors consider that it is beneficial to the CCT Tech Group to enter into the Dongguan Tenancy Agreement as this enables the CCT Industrial Group to lease quality factory buildings in the PRC for its manufacturing purpose at reasonable rental and therefore allows effective share of resources and may maximise returns to the CCT Tech Group. The CCT Tech Directors also consider that it is beneficial to the CCT Tech Group to enter into the Moulds Manufacturing Agreement as this enables the CCT Tech Group which will include CCT Industrial Group after Completion to sell some of the moulds and toolings to be manufactured by the CCT Industrial Group to the CCT Telecom Remaining Group at reasonable prices. The CCT Tech Directors (including the independent non-executive CCT Tech Directors) are of the view that the continuing connected transactions contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement and the terms thereof are fair and reasonable and in the best interests of CCT Tech and the CCT Tech Shareholders as a whole.

Historical figures for each of the continuing transactions contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement

The historical amounts for the continuing transactions (which are not continuing connected transactions before Completion given they were made between wholly-owned subsidiaries of CCT Telecom before Completion) contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement for each of the two years ended 31 December 2008 are set out below:

Nature of transactions	Amount for Year ended 31 December 2007	2008
	HK$ million	*HK$ million*
Intra-group rental expense paid for the lease of the Dongguan Factory	1.5	1.5
Intra-group sale of the moulds and toolings for the production of infant and child products	1.2	1.6

Proposed Cap Amounts

The Proposed Cap Amounts are determined with reference to the annual amounts under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement plus any potential increase with reference to the prevailing market rate. The Proposed Cap Amounts for the continuing connected transactions contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement in respect of each of the three years ending 31 December 2009, 2010 and 2011 are as follows:

Nature of transaction	Proposed Cap Amounts for each of the years 2009	2010	2011
	HK$ million	*HK$ million*	*HK$ million*
(i) Estimated maximum rental expenses to be paid by the CCT Tech Group to the CCT Telecom Group under the Dongguan Tenancy Agreement	1.0*	1.8	2.2
(ii) Estimated maximum sale amounts to be charged by CCT Tech Group to the CCT Telecom Remaining Group under the Moulds Manufacturing Agreement	2.0*	5.0	6.0

* *represents the estimated amounts of the transactions for the period from 29 June 2009 (the expected date of Completion) to 31 December 2009.*

LISTING RULES IMPLICATIONS

(a) Major transaction and connected transaction for CCT Tech

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 25% but not more than 100% for CCT Tech, the Transaction constitutes a major acquisition for CCT Tech under the Listing Rules. CCT Telecom is the ultimate controlling shareholder of CCT Tech and indirectly holds 33,026,391,124 CCT Tech Existing Shares representing approximately 50.49% of the total issued share capital of CCT Tech as at the date of this announcement. As CCT Telecom is a substantial shareholder and therefore a connected person of CCT Tech, the Transaction also constitutes a connected transaction for CCT Tech under the Listing Rules.

The Agreement and the transactions contemplated thereunder are therefore subject to the approval of the Independent CCT Tech Shareholders by way of poll at the CCT Tech SGM. CCT Telecom and its associates will abstain from voting in respect of the resolution(s) to approve the Agreement and the Transaction at the CCT Tech SGM.

(b) Very substantial disposal for CCT Telecom

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 75% for CCT Telecom, the Transaction constitutes a very substantial disposal for CCT Telecom under the Listing Rules. The Transaction will be subject to the approval of the CCT Telecom Shareholders by way of poll at the CCT Telecom SGM. As no CCT Telecom Shareholder has a material interest in the Transaction, and therefore no CCT Telecom Shareholder is required to abstain from voting on the resolution(s) to approve the Agreement and the Transaction at the CCT Telecom SGM.

(c) Possible very substantial acquisition for CCT Telecom

As set out in the shareholding table under the sub-section headed "Change to the shareholding of CCT Tech" under the section headed "THE AGREEMENT AND THE TRANSACTION", the future conversion of the Convertible Preference Shares may result in the possible increase of 17.14% of the percentage of CCT Telecom's shareholdings in CCT Tech from 50.49% (the percentage of CCT Telecom's shareholdings in CCT Tech as at the date of this announcement) to the maximum percentage of 67.63%. As the Transaction constitutes a very substantial disposal for CCT Telecom, the maximum possible increase of the percentage of CCT Telecom's shareholdings in CCT Tech (the "**Possible Maximum Increase**") constitutes a very substantial acquisition for CCT Telecom under Rule 14.24 of the Listing Rules. Accordingly, the possible very substantial acquisition is subject to the requirements of reporting, announcement and shareholders' approval under Chapter 14 of the Listing Rules. As no CCT Telecom Shareholder has a material interest in the Transaction, and therefore no CCT Telecom Shareholder is required to abstain from voting on the resolution(s) to approve the Possible Maximum Increase at the CCT Telecom SGM.

(d) Continuing connected transactions for CCT Tech

As the applicable percentage ratios (except for the profits ratio) under Rule 14.07 for the continuing connected transactions contemplated under each of the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement on an annual basis are, and are expected to be, less than 2.5%, the continuing transactions contemplated under each of the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement will constitute continuing connected transactions for CCT Tech and are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.34 of the Listing Rules.

GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares.

As Mr. Chen Li is a common independent non-executive director of both CCT Tech and CCT Telecom, he has not been appointed as a member of the Independent Board Committee. The Independent Board Committee, comprising independent non-executive directors of Mr. Lau Ho Kit, Ivan and Mr. Chow Siu Ngor who do not have material interest in the Transaction, has been set up to advise the Independent CCT Tech Shareholders as to whether or not the terms of the Agreement are fair and reasonable, and in the interests of CCT Tech and the Independent CCT Tech Shareholders as a whole. An independent financial adviser shall be appointed for the purpose of providing independent advice to the Independent Board Committee and the Independent CCT Tech Shareholders in connection with the Transaction and the Agreement.

A circular of CCT Tech containing information (amongst other things) regarding (i) the proposed Capital Reorganisation and further details of the Transaction and the Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent CCT Tech Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent CCT Tech Shareholders regarding the Transaction; and (iv) a notice convening the CCT Tech SGM will be despatched to the CCT Tech Shareholders as soon as possible in accordance with the Listing Rules.

A circular of CCT Telecom containing information (amongst other things) regarding further details of the Transaction and the Agreement and a notice convening the CCT Telecom SGM will be despatched to the CCT Telecom Shareholders as soon as possible in accordance with the Listing Rules.

As the Completion is subject to the fulfillment of a number of conditions precedent, the Transaction may or may not proceed. CCT Telecom Shareholders and CCT Tech Shareholders and potential investors of CCT Telecom and CCT Tech should exercise caution in dealing in the securities of CCT Telecom and CCT Tech.

At the respective request of CCT Telecom and CCT Tech, trading in the CCT Telecom Shares and the CCT Tech Existing Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 April 2009 pending the release of this announcement. Applications have been made by CCT Telecom and CCT Tech for the resumption of trading of the CCT Telecom Shares and the CCT Tech Existing Shares on the Stock Exchange with effect from 9:30 a.m. on 12 May 2009.

DEFINITIONS

"Agreement"	the conditional agreement dated 29 April 2009 as amended by the supplemental agreement dated 7 May 2009 entered into between CCT Telecom as vendor and CCT Tech as purchaser in respect of the Transaction;
"associate(s)"	has the meaning as ascribed to it under the Listing Rules;
"Business Day"	a day (other Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are open for business;
"Capital Increase"	subject to and forthwith upon the Share Consolidation and the Capital Reduction becoming effective, the proposed increase of the authorised share capital of CCT Tech from HK$120,000,000 divided into 12,000,000,000 shares of par value of HK$0.01 each to HK$240,000,000 divided into 24,000,000,000 shares of par value of HK$0.01 each;
"Capital Reduction"	the proposed reduction of the par value of each issued Consolidated Share from HK$0.10 each to HK$0.01 each by canceling HK$0.09 paid-up capital on each issued Consolidated Share upon the Share Consolidation becoming effective;
"Capital Reorganisation"	the proposed share capital reorganisation of CCT Tech which includes the Share Consolidation, the Capital Reduction, the Credit Transfer, and the Capital Increase, Reclassification and Re-designation as more fully set out under the section headed "The Proposed Capital Reorganisation" in this announcement;
"CCASS"	Central Clearing and Settlement System established and operated by HKSCC;
"CCT Assets"	CCT Assets Management Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CCT Telecom;
"CCT Industrial"	CCT Industrial Products Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of CCT Telecom;

"CCT Industrial Group"	CCT Industrial and its subsidiaries;
"CCT Property"	CCT Properties (Dongguan) Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of CCT Telecom;
"CCT Tech"	CCT Tech International Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
"CCT Tech Board"	the board of the CCT Tech Directors;
"CCT Tech Director(s)"	the director(s) (including the independent non-executive directors) of CCT Tech;
"CCT Tech Existing Share(s)"	the existing issued share(s) of CCT Tech of par value HK$0.01 before the Capital Reorganisation becoming effective;
"CCT Tech Group"	CCT Tech and its subsidiaries;
"CCT Tech Ordinary Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of CCT Tech upon the Capital Reorganisation becoming effective;
"CCT Tech SGM"	the special general meeting of the CCT Tech Shareholders to be convened to consider and, if thought fit, inter alia, approve the Agreement, the Transaction and the Capital Reorganisation;
"CCT Tech Shareholder(s)"	the holder(s) of the CCT Tech Existing Share(s) before the Capital Reorganisation becoming effective or the holder(s) of the CCT Tech Ordinary Shares after the Capital Reorganisation becoming effective;
"CCT Telecom"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda 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) (including the independent non-executive directors) of CCT Telecom;
"CCT Telecom Group"	CCT Telecom and its subsidiaries;
"CCT Telecom Remaining Group"	the CCT Telecom Group excluding the CCT Tech Group and excluding the CCT Industrial Group after Completion;

"CCT Telecom SGM"	the special general meeting of the CCT Telecom Shareholders to be convened to consider and, if thought fit, inter alia, approve the Agreement and the Transaction and the possible very substantial acquisition arising from the Possible Maximum Increase;
"CCT Telecom Share(s)"	the ordinary share(s) of HK$0.10 each in the capital of CCT Telecom;
"CCT Telecom Shareholder(s)"	the shareholder(s) of CCT Telecom;
"Companies Act"	the Companies Act 1981 of Bermuda;
"Completion"	completion of the Transaction pursuant to the Agreement;
"Components"	plastic casing, plastic components, linear mode power supplies, switching mode power supplies, transformers, adaptors, and other electronic components manufactured by the CCT Industrial Group for supply to the CCT Tech Group and other third party manufacturers for production of telecom and electronic products;
"Components Business"	the existing business of the CCT Industrial Group in the manufacture of the Components, most of which have been supplied to the CCT Tech Group;
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules;
"Consideration"	HK$346,311,000 for the Transaction under the Agreement;
"Consolidated Share(s)"	share(s) of HK$0.10 each in the issued share capital of CCT Tech immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction;
"Conversion Period"	the perpetual period commencing from date of issue of the Convertible Preference Shares in which holder(s) of the Convertible Preference Shares are eligible to convert the Convertible Preference Shares into CCT Tech Ordinary Shares;
"Conversion Ratio"	the ratio of conversion of the Convertible Preference Shares into CCT Ordinary Tech Shares, at the initial ratio of one Convertible Preference Share convertible into one CCT Tech Ordinary Share, subject to adjustment only in the event of an alternation to the nominal value of the CCT Tech Ordinary Shares as a result of consolidation or subdivision of the CCT Tech Ordinary Shares and not otherwise;

"Conversion Shares"	CCT Tech Ordinary Shares to be allotted and issued by CCT Tech upon conversion of the Convertible Preference Shares, from time to time;
"Convertible Preference Shares"	the non-voting and non-redeemable convertible preference shares of par value of HK$0.01 each created by the Capital Reorganisation to be issued by CCT Tech at the issue price of HK$0.10 each pursuant to the terms of the Agreement and having the rights and benefits and subject to the restrictions to be set out in the Resolution;
"Credit Transfer"	has the meaning as referred to in the section headed "The Proposed Capital Reorganisation" in this announcement;
"Dongguan Factory"	a factory complex with an construction area of 15,625 square meters located at Zhukan Industrial District, Gaobu Town, Dongguan City, Guangdong Province, the PRC;
"Dongguan Tenancy Agreement"	the tenancy agreement dated 5 January 2009 entered into between CCT Property as the lessor and FPHL as the lessee in relation to the leasing of the Dongguan Factory;
"Expert Success"	Expert Success International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CCT Telecom;
"FPHL"	First Precision Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of CCT Industrial;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Board Committee"	the independent board committee of CCT Tech comprising Mr. Lau Ho Kit, Ivan and Mr. Chow Siu Ngor, the independent non-executive directors of CCT Tech not having material interest in the Transaction, established for the purpose of advising the Independent CCT Tech Shareholders on the Transaction;
"Independent CCT Tech Shareholders"	CCT Tech Shareholders other than the CCT Telecom Group and its associates;

"Land"	the plot of land located at Shang Pai Lot Ban Pai, Shi Wei Ai Ling, Danshui Town, Huiyang City, Guangdong Province, the PRC with a site area of 450,000 square meters;
"Last Trading Date"	29 April 2009, being the last day on which the CCT Tech Existing Shares were traded on the Stock Exchange prior to the release of this announcement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	24 June 2009, or such later date as agreed by the parties to the Agreement in writing;
"Moulds Manufacturing Agreement"	the conditional moulds manufacturing agreement dated 7 May 2009 entered into between CCT Telecom and CCT Tech in relation to the manufacture and supply of moulds and toolings by the CCT Tech Group to the CCT Telecom Remaining Group for the production of the infant and child products by the CCT Telecom Remaining Group;
"Possible Maximum Increase"	has the meaning as referred to in the subsection headed "Possible very substantial acquisition for CCT Telecom" under the section "Listing Rules Implications" in this announcement;
"PRC"	the People's Republic of China, excluding Hong Kong for the purpose of this announcement;
"Proposed Cap Amounts"	the proposed cap amounts for the continuing connected transactions contemplated under the Dongguan Tenancy Agreement and the Moulds Manufacturing Agreement respectively as set out in the sub-section headed "Proposed Cap Amounts" under the section headed "Continuing Connected Transactions" in this announcement;
"Reclassification and Re-designation"	the reclassification and re-designation of the authorised share capital of CCT Tech subject to and forthwith upon the Capital Increase becoming effective so that the authorised share capital of CCT Tech shall become HK$240,000,000 divided into 24,000,000,000 shares of par value of HK$0.01 each, comprised of 3,463,110,000 Convertible Preference Shares of par value of HK$0.01 each and 20,536,890,000 CCT Tech Ordinary Shares of par value HK$0.01 each and the proposed re-designation of the then issued shares of CCT Tech into issued CCT Tech Ordinary Shares;
"Resolution"	the resolution to be proposed at the CCT Tech SGM in relation to, inter alia, the creation of the Convertible Preference Shares;
"Sale Share"	one share of US$1.00 each in CCT Industrial, representing the entire issued share capital of CCT Industrial;

"Sale Shareholder's Loan"	the outstanding interest-free loan due from CCT Industrial to CCT Telecom as at Completion, which amounted to HK$393,990,107 as at the date of the Agreement;
"Share Consolidation"	the proposed consolidation of every 10 issued CCT Tech Existing Shares of HK$0.01 each in the share capital of CCT Tech into one issued Consolidated Share of HK$0.10 each;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder(s)"	has the meaning as ascribed to it under the Listing Rules;
"Transaction"	the proposed acquisition of the Sale Share and the Sale Shareholder's Loan by CCT Tech from CCT Telecom as contemplated under the Agreement; and
"%"	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, 11 May 2009

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. Tam King Ching, Kenny, Mr. Lau Ho Man, Edward and Mr. Chen Li.

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 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.

This announcement will be published and remains on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the day of its publication and will be published and remains on the website of CCT Telecom at www.cct.com.hk and on the website of CCT Tech at www.cct-tech.com.hk.