Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

TELECOM HOLDINGS LIMITED

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

(Stock Code: 00138)

MAJOR TRANSACTION

DISPOSAL OF SHOPPING UNITS

Reference is made to the Company's announcement dated 30 July 2012, the circular dated 14 September 2012, the announcements dated 18 January 2013 and 9 July 2013, respectively, in relation to the Property.

The Board announces that on 17 July 2013, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into an aggregate of 103 sets of Provisional SPAs with the Purchasers, pursuant to which the Vendor will sell the Shopping Units with an aggregate gross floor area of approximately 7,948 square feet to the Purchasers at an aggregate Selling Price of approximately HK$206,000,000.

As one of the applicable percentage ratios, calculated by reference to Rule 14.07 of the Listing Rules, in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained a written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 303,250,731 Shares, representing approximately 50.03% of the issued share capital of the Company as at the date of this announcement. No Shareholder is required to abstain from voting if a special general meeting is convened to approve the Disposal. As such, no special general meeting will be convened for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

A circular of the Company containing, amongst others, further information about the Disposal and a valuation report on the Shopping Units sold under the Provisional SPAs will be despatched to the Shareholders on or before 21 August 2013, as the Company will require more than 15 Business Days after publication of this announcement to prepare the relevant information to be included in the circular.

Shareholders and potential investors should note that the Provisional SPAs may or may not be completed and in the event that the total Selling Price of the Provisional SPAs is not more than HK$483,000,000 on 30 September 2013, the Vendor has the right (but not the obligation) to rescind all the Provisional SPAs and the Formal Agreements. As such, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Reference is made to the Company's announcement dated 30 July 2012, the circular dated 14 September 2012, the announcements dated 18 January 2013 and 9 July 2013, respectively, in relation to the Property.

The Board announces that on 17 July 2013, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into an aggregate of 103 sets of Provisional SPAs with the Purchasers, pursuant to which the Vendor will sell the Shopping Units with an aggregate gross floor area of approximately 7,948 square feet to the Purchasers at an aggregate Selling Price of approximately HK$206,000,000.

THE PROVISIONAL SPAs

Date entered : 17 July 2013

Parties : (i) Goldbay Property (China) Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor; and

(ii) the Purchasers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and in the case of corporate Purchasers, their ultimate beneficial owner(s), are third parties independent of the Company and its connected persons.

Sale and Purchase

Pursuant to the each signed Provisional SPA, the Vendor will sell and the relevant Purchaser will purchase the relevant Shopping Unit(s) upon the terms contained therein. It is provided in the Provisional SPA that the Vendor and the Purchaser will enter into a Formal Agreement within fourteen days after the date of the Provisional SPA.

The Shopping Units with an aggregate gross floor area of approximately 7,948 square feet have been sold by the Vendor to the Purchasers under the Provisional SPAs entered into on 17 July 2013. The total saleable floor area of the Shopping Units sold is approximately 3,974 square feet. The Shopping Units will be sold with vacant possession. Renovation, upgrading and subdivision of the Property into the Shopping Units will be carried out after Completion.

The Vendor will incur at least HK$3,000,000 on the promotion and marketing of the Property as a whole. The Vendor will incur at least HK$40,000,000 in the renovation and the subdivision of the Property and the sum of HK$40,000,000 will be withheld by the Vendor's solicitors from the total Selling Prices as escrow to pay for such costs.

The Vendor will continue to offer the remaining unsold Shopping Units for sale to the public. If the total Selling Price of the Provisional SPAs is not more than HK$483,000,000 on 30 September 2013, the Vendor has the right (but not the obligation) to rescind all the Provisional SPAs and the Formal Agreements and refund the deposits paid by the Purchasers without interest and without any claim for loss or damages from the Purchasers. Such provisions are intended to allow the Vendor the discretion to cancel the transactions in case sale of the Shopping Units is not up to expectation of the Vendor.

If a Purchaser defaults on the transaction, including not signing the Formal Agreement and/or not making any further deposit or any payments in accordance with the Provisional SPA, the Vendor can forfeit the deposit paid up to 10% of the selling price of the relevant Shopping Unit and claim losses and expenses arising from the defaults of the Purchaser in accordance with the terms of the Provisional SPA.

The Selling Price

The total Selling Price of the Disposal is approximately HK$206,000,000, payable in cash.

The selling prices of the Shopping Units were determined after arm's length negotiation, based on a professional valuation of the Shopping Units conducted by Vigers, an independent professional valuer, on behalf of the Vendor, and with reference to the prevailing market prices of the retail properties within close proximity of the Property, taking into account the renovation and upgrading that will be carried out on the Property.

The total Selling Price set out in the signed Provisional SPAs represents a slight discount of approximately 0.2% to the valuation of the Shopping Units sold of HK$206,334,000 as at 9 July 2013 as appraised by Vigers.

The Directors (including the independent non-executive Directors) believe that the Selling Price was fair and reasonable and in the interests of the Shareholders as a whole.

Terms of Payments

In respect of each signed Provisional SPA,

(a) a preliminary deposit of relevant amount was paid by the Purchaser to the Vendor's solicitors, holding in escrow on behalf of the Vendor, upon the signing of the Provisional SPA;

(b) the first installment of further deposit equals to the excess (if any) of 10% of the selling price set out in the Provisional SPA over the preliminary deposit paid will be payable by the Purchaser to the Vendor's solicitors, holding in escrow on behalf of the Vendor, within 14 days from the date of the Provisional SPA;

(c) the second installment of further deposit equals to the excess of 20% of the selling price set out in the Provisional SPA over the total sum of the preliminary deposit and the first installment of the further deposit will be payable by the Purchaser to the Vendor's solicitors, holding in escrow on behalf of the Vendor, within one month from the date of the Provisional SPA; and

(d) the remaining balance of 80% of the selling price set out in the Provisional SPA will be paid by the Purchaser to the Vendor upon completion of the sale which will take place within three months from the date of Provisional SPA.

Incentives to be offered to the Purchasers

The following incentives will be offered by the Vendor to each of the Purchasers:

(1) If the Purchaser elects, the Vendor will guarantee the Purchaser that within the first 2 years commencing from the Completion Date, the Shopping Unit concerned will maintain an annual rental return of not less than 5% of the selling price of the Shopping Unit(s) sold under the relevant Provisional SPA (the "**Rental Guarantee**") on condition that the Purchaser will on Completion Date issue a revocable power of attorney appointing the Vendor or its nominee as its attorney to let or lease the relevant Shopping Unit(s) to any person and on such terms and conditions as the Vendor may see fit during the two-year Rental Guarantee period. Any shortfall between the guaranteed rental of 5% per annum and the actual rent received from the relevant Shopping Unit(s) during the Rental Guarantee period will be borne and be payable by the Vendor to the Purchaser which has elected the Rental Guarantee, on a monthly basis.

(2) The Purchaser may elect to obtain long-term financing from the Vendor to finance part of the selling price for the Shopping Unit(s) sold under the relevant Provisional SPA. If the Purchaser so elects, the Vendor will procure a finance company (which can be a wholly-owned subsidiary of the Company or an independent third party) to provide such financing by way of a mortgage loan to the Purchaser up to 40% of the selling price of the Shopping Unit(s) sold under the relevant Provisional SPA. The mortgage loan will be secured by mortgage on the relevant Shopping Unit and interest will be charged based on prime lending rate of HK$.

(3) The Vendor will reimburse the additional portion of the ad valorem stamp duty arising from the new stamp duty rates announced by the Financial Secretary on 22 February 2013 payable on the sale of the relevant Shopping Unit(s) by the Vendor to the Purchaser, in accordance with the terms of the Provisional SPA.

Completion

Completion of the Disposal under the relevant Provisional SPA will take place on the Completion Date, which is within three months from the date of the Provisional SPA.

INFORMATION ON THE PROPERTY AND THE SHOPPING UNITS

The Property comprises Units No. 1-33, 34A, 34B, 36A, 36B and 38-45 on the Portion of the Basement at the Podium of Blocks 1, 2 and 3, City Garden, No. 233 Electric Road, Hong Kong. The acquisition of the Property by the Vendor was completed on 30 November 2012.

The Vendor will carry out renovation, upgrading and subdivision of the Property after Completion. The Property will be sub-divided into approximately over 300 Shopping Units with total saleable floor area of approximately 15,785 square feet and total gross floor area of approximately 31,570 square feet.

Since completion of the acquisition of the Property on 30 November 2012, license fee income of approximately HK$600,000 (inclusive of building management fee, air conditioning fee and government rent and rates) was earned for the month of December 2012. The Property has been vacant since 1 January 2013. The unaudited operating profit (before finance costs and revaluation gain of the Property) before and after tax of the Property for the month ended 31 December 2012 is approximately HK$339,000. The total book value of the Property as shown in the audited financial statements of the Vendor for the year ended 31 December 2012 was HK$260,000,000.

The gain arising from the Disposal will be computed upon completion of the Disposal based on the difference between the total Selling Price and the sum total of: (i) the proportion of the book value of the Property attributable to the Shopping Units sold under the Provisional SPAs; (ii) the estimated cost of the Rental Guarantee attributable to the Shopping Units sold during the two-year guaranteed period; (iii) the property agent commission, ad valorem stamp duty, legal and professional fees, selling and other expenses arising from the Disposal; and (iv) the proportional share of costs of promotion, renovation, upgrading, and subdivision costs attributable to the relevant Shopping Units sold, to be payable or borne by the Vendor.

REASONS FOR THE DISPOSAL

The value of the Property has surged since its acquisition by the Vendor, partly because of the recent property market condition in Hong Kong and partly because of the Vendor's plan to upgrade and renovate the Property. As such, the Board is of the view that the Disposal provides a good opportunity for the Group to realise its investment in the Property with potential substantial gains and the proceeds from the Disposal will further enhance the financial position of the Group. Furthermore, through the Disposal, the Group will enter into a new property development and property trading business

and a money lending business (in case the financing of part of the Selling Price is provided by the Group to the Purchasers) in Hong Kong. We believe these new businesses have good potential for growth.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional SPAs are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The proceeds from the Disposal will be applied as follows:

(a) to repay the proportional share of the outstanding mortgage loan (which amounted to approximately HK$77,311,531 as at the date of this announcement) of the Property attributable to the Shopping Units sold under the Provisional SPAs;

(b) to finance the mortgage loan if such financing is elected by the Purchasers to finance part (up to the total extent of 40%) of the selling price of the Shopping Units sold under the Provisional SPAs;

(c) to settle property agent commission, ad valorem stamp duty, legal and professional fees and selling and other expenses to be borne or payable by the Vendor in respect of the Disposal;

(d) the renovation, subdivision and promotion expenses of the Shopping Units;

(e) to settle the cost of the Rental Guarantee attributable to the Shopping Units sold under the Provisional SPAs; and

(f) the remaining balance will be used as general working capital of the Group or other possible investment opportunities.

The Board considers that the Disposal will further improve the financial and cash position of the Group.

INFORMATION ON THE VENDOR, THE COMPANY AND THE GROUP

The Vendor is an indirect wholly-owned subsidiary of the Company and its principal activity is property investment and development.

The Company is the holding company of the Group, which is principally engaged in: (i) the manufacture and sale of telecom, electronic and child products; (ii) the manufacture and sale of plastic components; (iii) the securities business; (iv) property development in China; and (v) property investment and holdings in Hong Kong.

Through the Disposal, the Company will enter into the property development and property trading business and the money lending business (in case the financing of part of the Selling Price is provided by the Group to the Purchasers) in Hong Kong.

INFORMATION ON THE PURCHASERS

Of the Purchasers, 80 sets of the Provisional SPAs were entered into by individual purchasers and the other 23 sets by purchasers which are companies, which, to the knowledge of the Directors, are engaged in investment business.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios, calculated by reference to Rule 14.07 of the Listing Rules, in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and no Shareholder is required to abstain from voting if a special general meeting is convened to approve the Disposal.

The Company has obtained a written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 303,250,731 Shares, representing approximately 50.03% of the issued share capital of the Company as at the date of this announcement. The shareholding in Capital Force, New Capital and Capital Winner are wholly-owned by Mr. Mak, his spouse and his two sons. As at the date of this announcement, Mr. Mak, Capital Force, New Capital and Capital Winner holds 8,475,652 Shares, 96,868,792 Shares, 171,357,615 Shares and 26,548,672 Shares

respectively, representing approximately 1.40%, 15.98%, 28.27% and 4.38% respectively of the entire issued capital of the Company. On the basis that (i) no Shareholder is required to abstain from voting if a special general meeting is convened to approve the Disposal; and (ii) Mr. Mak, Capital Force, New Capital and Capital Winner have issued a written approval for the Disposal, no special general meeting will be convened for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

A circular of the Company containing, amongst others, further information about the Disposal and a valuation report on the Shopping Units sold under the Provisional SPAs will be despatched to the Shareholders on or before 21 August 2013, as the Company will require more than 15 Business Days after publication of this announcement to prepare the relevant information to be included in the circular.

The Company will comply with the relevant requirements of the Listing Rules in the event that future disposals of additional Shopping Units to be aggregated with the Shopping Units sold under the Provisional SPAs entered on 17 July 2013 would constitute a very substantial disposal for the Company.

Shareholders and potential investors should note that the Provisional SPAs may or may not be completed and in the event that the total Selling Price of the Provisional SPAs is not more than HK$483,000,000 on 30 September 2013, the Vendor has the right (but not the obligation) to rescind all the Provisional SPAs and the Formal Agreements. As such, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Board"	the board of Directors;
"Business Day(s)"	a day (other than Saturdays, Sundays, and public holidays) on which licensed banks in Hong Kong are open for business;
"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Mak, his spouse and his two sons;

"Capital Winner"	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Mak, his spouse and his two sons;
"Company"	CCT Telecom Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
"Completion"	completion of the each Disposal pursuant to the terms and conditions of the relevant Provisional SPA and the Formal Agreement;
"Completion Date"	the date of completion of each Disposal pursuant to the terms and conditions of the relevant Provisional SPA and the Formal Agreement, which will take place within three months from the date of the Provisional SPA;
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company from time to time;
"Disposal"	the disposal of the Shopping Units by the Vendor to the Purchasers pursuant to the terms and conditions of the Provisional SPAs and the Formal Agreements;
"Formal Agreement(s)"	the formal sale and purchase agreement(s) to be entered into between the Vendor and the Purchaser(s) in relation to the sale and purchase of the relevant Shopping Unit(s);
"Group"	the Company and its subsidiaries from time to time;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, the chairman, the chief executive officer and an executive director of the Company;
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Mak, his spouse and his two sons;
"percentage ratios"	has the meaning ascribed to it under the Listing Rules;
"PRC" or "China"	the People's Republic of China and for the purpose of this announcement excluding Hong Kong, Macau and Taiwan;
"Property"	Units No. 1-33, 34A, 34B, 36A, 36B and 38-45 on the Portion of the Basement at the Podium of Blocks 1, 2 and 3, City Garden, No. 233 Electric Road, Hong Kong before subdivision into the Shopping Units, the acquisition of which by the Vendor was completed on 30 November 2012;
"Provisional SPA(s)"	the provisional sale and purchase agreement(s) entered into between the Vendor and the Purchaser(s) from time to time in relation to the sale and purchase of the Shopping Unit(s);
"Purchaser(s)"	the individual(s) or the company/(companies), as the case may be, which enter into the Provisional SPA(s) from time to time with the Vendor to purchase the Shopping Unit(s);
"Rental Guarantee"	has the meaning defined in the sub-section headed "Incentives to be offered to the Purchasers" under the section headed "The Provisional SPAs" of this announcement;

"Selling Price"	the selling price of the Shopping Units;
"Shares"	the shares of HK$0.10 each in the share capital of the Company;
"Shareholders"	the holders of the issued Shares;
"Shopping Units"	subdivided retail property units of the Property which are being offered for sale by the Vendor;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Vendor"	Goldbay Property (China) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
"Vigers"	Vigers Appraisal and Consulting Limited, an independent professional valuer; and
"%"	per cent.

By Order of the Board of
CCT TELECOM HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 17 July 2013

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. Tam King Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange 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 the Company at www.cct.com.hk/eng/investor/announcements.php.