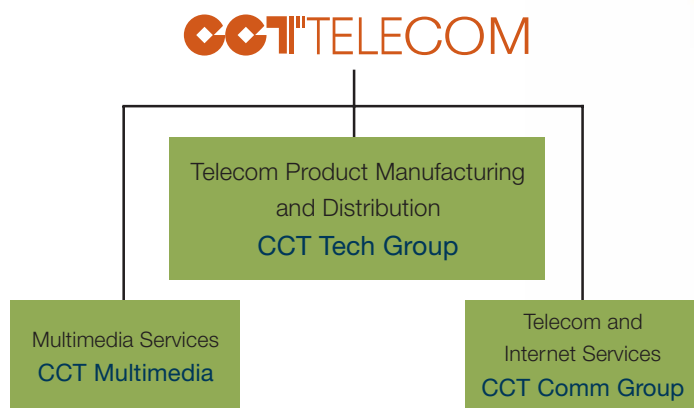


# Operating Philosophy

## Complementary Business Mix

CCT Telecom's growth as an organisation is characterised by deliberate and prudent progression. It is a company with a mixture of old and new economy businesses to base its future upon. The old economy business is stable in terms of financial returns and provides a solid base from which to invest, and the new economy business provides enormous development potential for future growth.



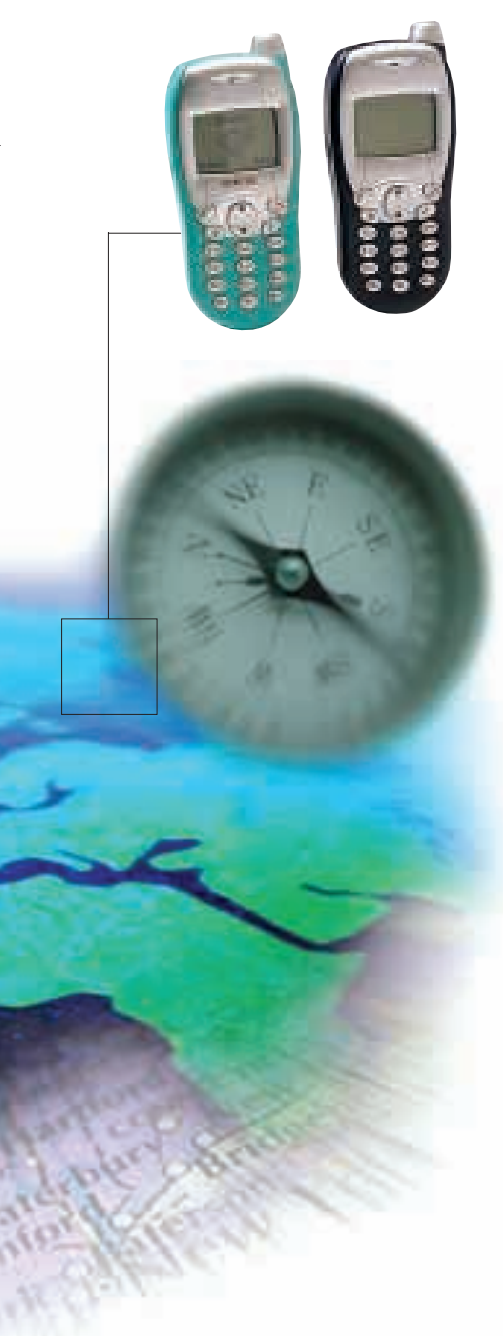
## Setting our Eyes on the Global Market

CCT Telecom's cordless phone manufacturing and distribution business has a strong presence in the US and European markets. We plan to maintain this leading global position by strengthening our presence in high-end, high frequency, and high growth products in the coming years.

Our mobile phone development has a two-tiered focus. In the domestic PRC market, we will leverage on Haier's brand name and distribution network. At the same time, we will develop new business internationally with a view to becoming a leading contract manufacturer for the substantial export market.

Similarly, our multimedia services business will initially be targeted at Greater China and subsequently at the international arena.

These three main streams of operation all have clear goals for the short and long term, and all are directed ultimately towards the vast global market. Development potential is virtually unlimited, and our culture of creativity at CCT Telecom will help to ensure numerous opportunities for growth.

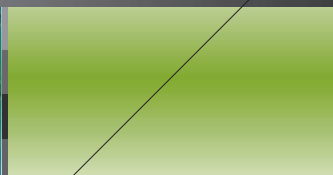


## Leveraging on Partnership

CCT Telecom works in partnership with a number of companies that are able to bring different strengths to our business. Our philosophy of leveraging on the diverse strengths of these partners to mutual gain, has proven very successful over the years.

Partners with whom we have beneficial relationships to strategic advantage include Thomson Multimedia, Haier Group and NTT Communications.

These companies give us a presence in different specialised fields, through technical expertise and technology transfer as well as marketing support. Moreover, they complement our growth strategy and help to assure us a place in the burgeoning international marketplace.



## Thomson Multimedia



Thomson Multimedia is one of the world's largest suppliers of consumer electronics products, with sales of Euro 9.1 billion in 2000. It operates in over 30 countries, and is a global leader in the R&D, design, manufacturing and distribution of consumer electronics products.

In 2000, Thomson Multimedia's Communications Division merged with Alcatel's Residential Telephone Business Unit to form a joint venture, Atlinks ([www.atlinks.com](http://www.atlinks.com)), which is now the leading telecom product distributor in America and Europe. Atlinks distributes the Alcatel, General Electric, RCA and Thomson brands, and CCT Telecom is the largest cordless phone manufacturer for Atlinks.



## Haier Group



Haier Group ([www.haier.com](http://www.haier.com)) is the largest home electrical appliance manufacturer and distributor in China, with 9,200 products in 58 lines under its umbrella. CCT Telecom has entered into a joint venture with Haier to manufacture and distribute mobile phones in the vast PRC market as well as export.

Haier Group products are all of a high quality, outstanding design and advanced technology, and for the past 16 years the Haier brand has been the number one choice amongst consumers in China.

## NTT Communications



NTT Communications ([www.ntt.co.jp](http://www.ntt.co.jp)), the Tokyo-based subsidiary of Nippon Telegraph and Telephone Corporation (NTT), provides long distance and international telecommunications reaching over 200 countries worldwide. In conjunction with Verio Inc., a wholly-owned US-based subsidiary of NTT Communications, the NTT Communications Group ranks among the top IP service providers globally.

NTT Communications and CCT Telecom are the parent companies of HKNet, a leading provider of Internet services in Hong Kong.

The NTT Group is the largest telecom provider in the world. The Group provides local, long distance, global and cellular telecom services, data communications and multimedia services.

