

CHAIRMAN'S LETTER

The year of 2003 has been a year of success and growth for the Group.

CCT Tech International Limited (the "Company") and its subsidiaries (together the "Group") underwent a solid and stable economic recovery as a result of the completion of the Group's restructuring in May 2002 (the "Group Restructuring"). In June 2003, the Group received a further boost from its acquisition of the telecom product design and manufacturing business from its ultimate holding company, CCT Telecom Holdings Limited ("CCT Telecom"), through the acquisition of Empire Success Holdings Limited ("ESH") and its subsidiaries (together the "ESH Group").

As a result of the acquisition of the ESH Group in the second half year, I am very pleased to report that the business of the Group achieved a net profit of approximately HK\$72.7 million with turnover of approximately HK\$1,926.3 million for the year ended 31 December 2003, representing an increase of 17 times in turnover as compared to that of the last fifteen months ended 31 December 2002. The net profit in 2002 of approximately HK\$98.2 million was due to the one-off restructuring gain arising from the Group Restructuring.

Outlook

The acquisition of the ESH Group from CCT Telecom has enabled the Group to significantly expand its scope of business. The Group is now an integrated enterprise engaging in high radio frequency telecom products with particular focus on its ODM and OEM business.

Building on the solid foundation of being the major supplier to a number of world-renowned brand names in Europe and the United States, we will strive to bring in other well-known brands as our customers to extend our reach to Europe and the Asia Pacific region including Japan, South Korea, the PRC and others. With the anticipated recovery of the world economy, in particular, the economy of the United States, we are confident that there will be ample opportunities for the Group's business to continue to grow. To keep pace with this anticipated growth and to keep abreast of our competitors, we will continue to invest prudently in our research and development capabilities so as to develop more innovative and competitive telecom products, such as, the recently launched 5.8 GHz digital multi-handset products. We will also continue to upgrade and expand our existing manufacturing facilities in the PRC in order to meet ever-increasing customer demands and volumes. Furthermore, we will be constantly on the look-out for suitable investment opportunities with an aim to expand the Group through acquisition and co-operation.

Acknowledgements

I, on behalf of the Board, would like to take this opportunity to thank the management team for its sound leadership, our staff for their hard work and excellent team spirit and our shareholders, bankers, business partners and associates for their continuing support.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 23 April 2004

