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CASIL TELECOMMUNICATIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The Board would like to clarify press articles on a possible change in shareholding to the Company and China Aerospace International Holdings Limited ("CAIHL"), in which CAIHL has a 48.98% shareholding of the Company, and a possible asset injection into the Company and CAIHL subsequently from its ultimate shareholder.

This statement is made at the request of The Stock Exchange of Hong Kong Limited. The Board of Directors (the "Board") has noted the recent increase in the trading volume of the shares of the Company and wishes to state that save for the press articles referring to a possible change in shareholding to the Company and China Aerospace International Holdings Limited ("CAIHL"), in which CAIHL has a 48.98% shareholding of the Company, and a possible asset injection into the Company and CAIHL subsequently from China Aerospace Science & Technology Corporation ("CASC"), the ultimate shareholder of the Company, the Board is not aware of any reason for such increase.

The Board has no idea about the source of the press articles and the accuracy of the contents in relation to the Company thereof.

The Board confirms that proper disclosures will be made in accordance with Paragraphs 2 and 3 of the Listing Agreement and Chapter 14 of the Listing Rules respectively, when necessary.

The Board also confirms that there are no negotiations or agreements relating to any acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement. Neither is the Board aware of any matter discloseable under general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The Directors of the Company individually and jointly accept responsibility for the accuracy of this statement.

Investors are advised that they should exercise caution in dealings of the Company's securities.

By Order of the Board
Rui Xiaowu
Chairman

Hong Kong, 29 January, 2004