



CASIL TELECOMMUNICATIONS HOLDINGS LIMITED

(航天科技通信有限公司)*

(Incorporated in the Cayman Islands with limited liability)

PLACING OF NEW SHARES

The Company and the Placing Agent entered into a placing and underwriting agreement on 11 September 2003 for the placing of 40,000,000 Placing Shares at a placing price of HK\$0.30 per Placing Share to not less than six independent individual or institutional investors.

The Placing Shares represent approximately 4.56 per cent. of the existing issued share capital of the Company and approximately 4.36 per cent. of the issued share capital of the Company as enlarged by the Placing Shares.

The net proceeds to be raised from the Placing in the amount of approximately HK\$11.4 million will be used for general working capital purpose.

THE PLACING

The Placing and Underwriting Agreement dated 11 September 2003

Issuer

CASIL Telecommunications Holdings Limited, a company incorporated in the Cayman Islands with limited liabilities, the shares of which are listed on the Stock Exchange

Placing Agent

CM-CCS Securities Limited

Placees

Not less than six independent individual or institutional investors

Independence of the Placing Agent and placees

The Placing Agent is, and the placees and their respective beneficial owners will be, independent of and not connected with the Company, directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

Number of Placing Shares

40,000,000 new Shares, representing approximately 4.56 per cent. of the existing issued share capital of the Company and approximately 4.36 per cent. of the issued share capital of the Company as enlarged by the Placing Shares.

Placing Price

HK\$0.30 per Placing Share

The Placing Price which was arrived at after arm's length negotiations between the Company and the Placing Agent and represents:

- (i) a discount of approximately 23.1 per cent. to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on 11 September 2003, being the date of the Placing and Underwriting Agreement; and
- (ii) a discount of approximately 18.5 per cent. to the average closing price of approximately HK\$0.368 per Share as quoted on the Stock Exchange for the last ten trading days prior to and including 11 September 2003.

Mandate to issue the Placing Shares

The Placing Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 30 April 2003. The Company confirmed that such general mandate has not been used.

Ranking of the Placing Shares

The Placing Shares, when fully paid, will rank pari passu in all respects with the Shares in issue at the date of allotment of the Placing Shares.

Condition of the Placing

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

In the event that the above condition is not fulfilled on or before 30 September 2003 or such other date as may be agreed between the Company and the Placing Agent in writing, the Placing Agreement will lapse and be of no further effect.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of and permission to deal in the Placing Shares.

Completion

Completion of the Placing will take place before the sixth Business Day after fulfillment of the condition referred to in the paragraph headed "Condition of the Placing" (or such later date as the Company and the Placing Agent may agree in writing).

Reason for the Placing and use of proceeds

The Company is an investment holding company. The principal activities of the Group are ITS business, broadband business, manufacture and selling of telecommunication products and property investment.

The Directors consider that it is the interests of the Company to raise capital from the equity market by way of the Placing as the Placing enhances both the shareholders base and the capital base of the Company.

The net proceeds to be raised from the Placing in the amount of approximately HK\$11.4 million will be used for general working capital purpose. The Company has not identified any specific usage for the net proceeds from the Placing.

Substantial shareholder's interest in the Company

The shareholding of Astrotech Group Limited, a wholly-owned subsidiary of China Aerospace International Holdings Limited, will be diluted from approximately 51.22 per cent. to 48.98 per cent. upon completion of the Placing.

DEFINITIONS

"Company"	CASIL Telecommunications Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placing"	a private placing by the Placing Agent of Placing Shares at the Placing Price with independent investors
"Placing Agent"	CM-CCS Securities Limited
"Placing and Underwriting Agreement"	a placing and underwriting agreement dated 11 September 2003 entered into between the Company and the Placing Agent
"Placing Price"	the placing price of HK\$0.30 per Placing Share
"Placing Share(s)"	40,000,000 new Shares to be issued under the Placing
"Share(s)"	share(s) of HK\$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
CASIL Telecommunications Holdings Limited
Han Jiang
Executive Director

Hong Kong, 11 September 2003

* For identification only