



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 agreement on 3 March, 2004 for the placing of 100,000,000 Placing Shares at a placing price of HK\$0.41 per Placing Share to not less than six independent individual or institutional investors.

The Placing Shares represent approximately 10.90 per cent. of existing issued share capital of the Company and approximately 9.83 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\$40 million will be used for general working capital purpose.

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 3 March 2004 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 4 March 2004.

THE PLACING

The Placing Agreement dated 3 March, 2004

Issuer

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

Placing Agent

China Everbright Securities (Hong Kong) 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, not connected persons to the Company and 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 associate (as defined in the Listing Rules).

Number of Placing Shares

100,000,000 new Shares, representing approximately 10.90 per cent. of the exiting issued share capital of the Company and approximately 9.83 per cent. of the issued share capital of the Company as enlarged by the Placing Shares.

Placing Price

HK\$0.41 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 16.33 per cent. to the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on 2 March, 2004; and
- (ii) a discount of approximately 16.16 per cent. to the average closing price of approximately HK\$0.489 per Share as quoted on the Stock Exchange for the last ten trading days prior to and including 2 March, 2004.

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 completely.

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.

If the condition is not fulfilled on or prior to 31 March, 2004 or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save in respect of any antecedent breaches of the Placing Agreement.

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 the permission to deal in the Placing Shares.

Completion

Subject to the fulfillment of the condition mentioned above, completion of the Placing will take place on or before 31 March, 2004. (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 form the equity market by way of the Placing as the Placing enhances both the shareholders base and the capital base of the Company. The Directors further consider that the terms of the Placing Agreement and the Placing Price are fair and reasonable and are in the best interest of the shareholders of the Company as a whole.

The net proceeds to be raised from the Placing in the amount of approximately HK\$40 million will be used for general working capital purpose. The Company has not identified any specific usage for the net proceeds form the Placing.

Substantial shareholder's interest in the Company

The table below sets out the Company's shareholding structure before and after the completion of the Placing Agreement:

	Existing Shareholding	Approximate %	Shareholding upon issue of Placing Shares	Approximate %
Astrotech Group Limited	449,244,000	48.98	449,244,000	44.17
Placees	-	-	100,000,000	9.83
Other public	467,895,763	51.02	467,895,763	46.00
Total	<u>917,139,763</u>	<u>100</u>	<u>1,017,139,763</u>	<u>100</u>

Fund raising exercise during the past twelve months

On 11 September, 2003, the Company placed 40,000,000 new Shares at a placing price of HK\$0.30 per Share to not less than six independent individual or institutional investors. The net proceeds raised from such placing was approximately HK\$11.4 million, which was intend to be used as general working capital and the entire amount was used up as intended as described above.

Resumption of trading

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 3 March 2004 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 4 March 2004.

DEFINITIONS

"Company"	CASIL Telecommunications Holdings Limited, a company incorporated in the Cayman Island 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"	China Everbright Securities (Hong Kong) Limited
"Placing Agreement"	a placing agreement dated 3 March, 2004 entered into between the Company and the Placing Agent
"Placing Price"	the placing price of HK\$0.41 per Placing Share
"Placing Share(s)"	100,000,000 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, 3 March, 2004

* For identification only