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If you have sold all your shares in CASIL Telecommunications Holdings Limited, you should at once hand this document and the accompanying 2002 Annual Report and form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

If you are in any doubt as to any aspect of this document or as to any action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.



CASIL TELECOMMUNICATIONS HOLDINGS LIMITED
(航天科技通信有限公司)*
(Incorporated in the Cayman Islands with limited liability)

PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SECURITIES
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of CASIL Telecommunications Holdings Limited to be held at 21/F, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong, on Wednesday, 30 April 2003 at 10:00 a.m. is set out on pages 9 to 12 of this document.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's principal office in Hong Kong at 21/F, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

24 March 2003

* the Chinese name of the Company is for reference only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Chairman	
Introduction	2
Closure of Register of Members	3
General Mandate to Issue Shares	3
Explanatory Statement on the General Mandate to Repurchase Securities	4
Recommendation	7
Notice of Annual General Meeting	7
Appendix – Traded Prices of Shares	8
Notice of Annual General Meeting	9

DEFINITIONS

In this document, the following expressions have the following meanings, unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held on 30 April 2003 at 10:00 a.m. the notice of which is set out on pages 9 to 12 of this circular
“Board”	the board of Directors
“Company”	CASIL Telecommunications Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	directors of the Company
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 March 2003, being the latest practicable date prior to the printing of this document for ascertaining certain information referred to in this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the Company’s share registrar in Hong Kong, Standard Registrars Limited, G/F, BEA Harbourview Centre, 56 Gloucester Road, Wanchai, Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE CHAIRMAN



CASIL TELECOMMUNICATIONS HOLDINGS LIMITED
(航天科技通信有限公司)*

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mr. Rui Xiaowu (*Chairman*)
Mr. Wang Xiaodong (*Vice-chairman*)
Mr. Zhou Xiaoyun
Mr. Leung Che Wah
Mr. Han Jiang
Mr. Zhang Tao

Registered Office:

Ugland House
South Church Street
P.O. Box 309, George Town
Grand Cayman, Cayman Islands
British West Indies

Non-executive Directors:

Mr. Sit Kien Ping, Peter (*Independent*)
Mr. Zhu Shixiong (*Independent*)
Mr. Moh Kwen Yung (*Independent*)
Mr. Lau Tit Shing (*Independent*)
Mr. Ma Yucheng

Principal Office in Hong Kong:

21/F, China Aerospace Tower
Concordia Plaza, 1 Science Museum Road,
Tsimshatsui East, Kowloon
Hong Kong

24 March 2003

To Shareholders of the Company

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SECURITIES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

It is proposed that at the Annual General Meeting of CASIL Telecommunications Holdings Limited to be held on Wednesday, 30 April 2003, the notice of which is set out on pages 9 to 12 of this document, ordinary resolutions will be proposed to grant the Directors general mandates to issue and repurchase shares of HK\$0.10 each in the capital of the Company.

* *the Chinese name of the Company is for reference only*

LETTER FROM THE CHAIRMAN

In accordance with the Listing Rules, the Company is required to send to its shareholders an explanatory statement containing all the information reasonably necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to the Directors to exercise the powers of the Company to purchase its own Shares. The purpose of this document is to set out such information in relation to the proposed mandate and to convene the Annual General Meeting. Details of the proposed renewal of the general mandates to issue Shares and to repurchase securities are set out below.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of Shareholders to vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 24 April 2003 to Wednesday, 30 April 2003 (both days inclusive).

In order to attend and vote at the forthcoming Annual General Meeting, Shareholders must lodge any transfers of Shares (with the relevant share certificates) with the Company's Registrar in Hong Kong, Standard Registrars Limited of G/F, BEA Harbourview Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Wednesday, 23 April 2002.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed whereby the Directors will be given a general and unconditional mandate to allot, issue and otherwise deal with new Shares representing up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date the resolution is passed. In addition, conditional upon the proposed resolution to authorise the repurchase of securities as is more particularly described under the paragraph headed "Shareholders' Approval" in the section headed "Explanatory statement on the general mandate to repurchase securities" being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the authority to repurchase. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase of Shares by it, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which are outstanding prior to such purchase, without the prior approval of the Stock Exchange.

LETTER FROM THE CHAIRMAN

EXPLANATORY STATEMENT ON THE GENERAL MANDATE TO REPURCHASE SECURITIES

Shareholders' Approval

At the Annual General Meeting, an ordinary resolution will be proposed for Shareholders' approval whereby the Directors will be given a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this document.

While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase securities, the Directors believe that the grant of a general mandate to repurchase securities would give the Company additional flexibility that would be beneficial. The repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

On the basis of the consolidated financial position of the Company as at 31 December 2002 (being the date to which the latest published audited financial statements of the Company have been made up) and the number of Shares now in issue, the Directors consider that there may be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position as at 31 December 2002, being the date of the latest audited financial statements of the Company).

Source of funds

The Company is empowered by its Memorandum and Articles of Association to purchase its Shares. Purchase of Shares would be funded entirely from the Company's available cash flow or working capital and out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association and the laws of the Cayman Islands.

Directors and connected persons

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquires, any of the associates (as defined in the Listing Rules) of any of the Directors have any present intention, in the event that the grant to the Directors of a repurchase mandate is approved by Shareholders, to sell Shares to the Company.

LETTER FROM THE CHAIRMAN

No persons who are connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make purchases of Shares. In accordance with the Listing Rules, the Company shall not knowingly purchase Shares from a connected person on the Stock Exchange and a connected person shall not knowingly sell his Shares to the Company.

Undertaking to the Stock Exchange

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Hong Kong and the Cayman Islands (the jurisdiction in which the Company is incorporated), and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

Share capital

On the Latest Practicable Date, there were in issue an aggregate of 877,139,763 Shares. On the basis of this figure and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, not more than 87,713,976 Shares may be repurchased on the Stock Exchange.

In addition, the general mandate to repurchase shares covers purchases and repurchases made only during the period ending on the earliest of the conclusion of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by law or the Company's Articles of Association and the date upon which such authority is revoked or varied.

Hong Kong Code on Takeovers and Mergers

If, as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change in control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rule 26 of the Takeovers Code.

LETTER FROM THE CHAIRMAN

As at the Latest Practicable Date, and according to the register of substantial shareholders' interests maintained pursuant to the Securities (Disclosure of Interests) Ordinance (Chapter 396) of the Laws of Hong Kong, the following Shareholders were interested in 10 per cent. or more of the issued share capital of the Company:

Name	Number of Shares held	Proportion to total issued share capital of the Company
China Aerospace Science & Technology Corporation ("CASC")	449,244,000(<i>note 1</i>)	51.22%
Jetcote Investments Limited ("Jetcote")	449,244,000(<i>note 1</i>)	51.22%
China Aerospace International Holdings Limited ("CASIL")	449,244,000(<i>note 2</i>)	51.22%
Astrotech Group Limited ("Astrotech")	449,244,000(<i>note 2</i>)	51.22%

Notes:

1. CASC and Jetcote are both deemed to be interested in 449,244,000 Shares as Jetcote together with its subsidiaries, Sin King Enterprises Limited, Burhill Company Limited and other companies, collectively hold approximately 41.86% of the issued share capital of CASIL, whereas Jetcote is a wholly-owned subsidiary of CASC.
2. Astrotech is a wholly-owned subsidiary of CASIL, and accordingly, CASIL is deemed to be interested in all the shares held by Astrotech.

Save as disclosed above, the Company had not been notified of any other Shareholders holding any interest representing 10 per cent. or more of the Company's issued share capital as at the Latest Practicable Date.

The Directors are not aware of any general offer obligations for the substantial shareholders of the Company upon full exercise of the repurchase mandate under the Takeovers Code.

Miscellaneous

During the six months preceding the Latest Practicable Date, no Shares have been purchased by the Company.

The highest and lowest traded prices of Shares on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date are set out in the Appendix to this document.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors are of the opinion that the proposed general mandates to issue and repurchase Shares are in the best interests of the Company and recommend that you vote in favour of the ordinary resolutions to be proposed at the Annual General Meeting to approve the above proposals.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 9 to 12 of this document.

A form of proxy is enclosed with this document for use at the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the enclosed form of proxy to the Company's principal office in Hong Kong at 21/F, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the meeting. Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

Yours faithfully,
Rui Xiaowu
Chairman

During the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices of Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2002		
March	0.420	0.360
April	0.455	0.400
May	0.570	0.410
June	0.520	0.385
July	0.420	0.250
August	0.300	0.243
September	0.270	0.214
October	0.285	0.220
November	0.280	0.216
December	0.255	0.210
2003		
January	0.241	0.208
February	0.240	0.210
March (up to the Latest Practicable Date)	0.228	0.200

NOTICE OF ANNUAL GENERAL MEETING



CASIL TELECOMMUNICATIONS HOLDINGS LIMITED (航天科技通信有限公司)*

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that an annual general meeting of CASIL Telecommunications Holdings Limited (the “Company”) will be held on Wednesday, 30 April 2003 at 10:00 a.m. at 21/F, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong for the following purposes:

1. To receive and adopt the audited financial statements of the Company and the reports of the directors and the auditors of the Company for the year ended 31 December 2002.
2. To consider the re-election of the retiring directors, and to authorise the board of directors to fix the directors’ remuneration.
3. To consider the re-appointment of Messrs. Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

4. **“THAT:**
 - (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;

* the Chinese name of the Company is for reference only

NOTICE OF ANNUAL GENERAL MEETING

(iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of subscription rights attaching to any warrants of the Company or on the exercise of any options granted under the share option scheme of the Company or on the exercise of the conversion rights attaching to any convertible notes of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(iv) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable law or the Articles of Association of the Company to be held; and
- (c) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution;

“Right Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on

NOTICE OF ANNUAL GENERAL MEETING

which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of shares which are authorised to be repurchased by the directors of the Company pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(iii) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
- (c) the passing of an ordinary resolution of the Company in the general meeting revoking or varying the authority set out in this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional on the passing of the resolution no. 5 set out in the notice convening this meeting of which this resolution forms part, the general mandate granted to the directors of the Company to allot, issue and deal with new shares pursuant to the resolution no. 4 set out in the notice convening this meeting of which this resolution forms part be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution no. 5 set out in the notice convening this meeting of which this resolution forms part, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

By Order of the Board
Tang Chi Kei
Secretary

Hong Kong, 24 March 2003

Notes:

1. The Register of Members of the Company will be closed from 24 April 2003 (Thursday) to 30 April 2003 (Wednesday) (both days inclusive) during which no share transfer will be registered.
2. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of that power or authority must be deposited at the Company's principal office in Hong Kong at 21/F, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.