

---

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

**If you have sold** all your shares in CASIL Telecommunications Holdings Limited, you should at once hand this document and the accompanying 2003 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)*

**(Stock Code: 1185)**

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SECURITIES**

---

A notice convening the Annual General Meeting of CASIL Telecommunications Holdings Limited to be held at 21st Floor, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong, on Friday, 7 May 2004 at 10:00 a.m. is set out on pages 9 to 15 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 21st Floor, 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.

7 April 2004

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

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
 <b>Letter from the Chairman</b>	
Introduction .....	2
Closure of Register of Members .....	3
Amendments to the Articles .....	3
General Mandate to Issue Shares .....	4
Explanatory Statement on the General Mandate to Repurchase Securities .....	4
Recommendation .....	7
Notice of Annual General Meeting .....	7
 <b>Appendix – Traded Prices of Shares</b> .....	 8
 <b>Notice of Annual General Meeting</b> .....	 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 7 May 2004 at 10:00 a.m. the notice of which is set out on pages 9 to 15 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”	7 April 2004, 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)*

**(Stock Code: 1185)**

*Executive Directors:*

Mr. Rui Xiaowu (*Chairman*)  
Mr. Wang Xiaodong (*Vice-chairman*)  
Mr. Zhou Xiaoyun  
Mr. Han Jiang  
Mr. Guo Xianpeng  
Mr. Xu Jian Hua

*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:*

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

7 April 2004

*To Shareholders of the Company*

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SECURITIES**

**INTRODUCTION**

The purpose of this document is to provide you with information regarding (i) the proposed amendments to the Articles of Association of the Company (the "Articles"); and (ii) the proposed granting of general mandates to the directors of the Company to issue and allot ordinary shares of the Company and to exercise the power of the Company to repurchase its own ordinary shares. Such proposals will be considered at the forthcoming Annual General Meeting of the Company to be held on Friday, 7 May 2004 at 10:00 a.m..

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

---

## LETTER FROM THE CHAIRMAN

---

### 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 Tuesday, 4 May 2004 to Friday, 7 May 2004 (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 Ground Floor, BEA Harbourview Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Monday, 3 May 2004.

### AMENDMENTS TO THE ARTICLES

The Stock Exchange of Hong Kong Limited has revised the Rules Governing the Listing of Securities on the Stock Exchange and the new Listing Rules will take effect on 31 March 2004. In addition, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") has become effective on 1 April 2003. The board of directors of the Company therefore proposes to make certain amendments to the Articles in compliance with the new Listing Rules and at the same time bring the Articles up to date with SFO.

A summary of the proposed amendments to the Articles is set out below:

Article 2	Amendments regarding adoption of the definitions of "recognised clearing house", and "subsidiary" and "holding company" within the meaning of SFO and the Listing Rules respectively
New Article 85	A new provision in respect of votes cast in contravention of the Listing Rules
Articles 107(c) and (f)	Amendments regarding voting of Directors at board meeting on any matter in which a Director and/or his associates has/have a material interests as required under Appendix 3 to the new Listing Rules
Article 120	Amendments regarding disclosure of information on proposed Directors before election at general meeting and notices to be given in relation thereto

Specific amendments to the Articles that are proposed have been set out in the notice of Annual General Meeting contained on pages 9 to 15 of this document.

---

## LETTER FROM THE CHAIRMAN

---

### 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.

### 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 2003 (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

---

## LETTER FROM THE CHAIRMAN

---

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 2003, 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.

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 917,139,763 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 91,713,976 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.

---

## LETTER FROM THE CHAIRMAN

---

### Hong Kong Code on Takeovers and Mergers

If as a result of a share repurchase by the Company, a substantial shareholder's proportionate interest in voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Codes on Takeovers and Mergers (the "Codes"). Accordingly, a shareholder, or group of shareholders acting in concert, could, depending on the level of increase of the increase, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Codes.

As at the Latest Practicable Date and to the best of knowledge and belief of the Company, the following persons were directly or indirectly interested in 5% of more of the nominal value of the ordinary shares that carry a right to vote in all circumstances at general meetings of the Company:

Name	Number of Shares held <i>(Note 1)</i>	Proportion to total issued share capital of the Company
China Aerospace Science & Technology Corporation ("CASC")	449,244,000 (L) <i>(note 2)</i> 21,000,000 (S)	48.98%
China Aerospace International Holdings Limited ("CASIL")	449,244,000 (L) <i>(note 3)</i> 21,000,000 (S)	48.98%
Astrotech Group Limited ("Astrotech")	449,244,000 (L) <i>(note 3)</i> 21,000,000 (S)	48.98%

*Notes:*

1. The letters "L" and "S" denote the shareholder's long position and short position in the shares respectively.
2. CASC is deemed to be interested in 449,244,000 shares and the short position of 21,000,000 shares as it holds approximately 41.86% of the issued share capital of CASIL.
3. Astrotech is a wholly owned subsidiary of CASIL. Accordingly, CASIL is deemed to be interested in all the shares and in the short position held by Astrotech.

In the event that the Directors exercised in full the power to repurchase shares of the Company based on the existing issued capital of 917,139,763 Shares in accordance with the terms of the ordinary resolution no. 5 to be proposed at the AGM, the aforesaid interests of



---

## LETTER FROM THE CHAIRMAN

---

CASC, CASIL and Astrotech in the existing issued share capital of the Company would be proportionally increased to approximately 54.43%, 54.43% and 54.43% respectively. As at the Latest Practicable Date, the Directors are not aware of the consequences of such increases or as a result of repurchases of shares that would result in any of the aforesaid persons or any shareholder, or group of shareholders acting in concert, becoming obliged to make a mandatory offer under the Codes. Moreover, the Directors have no present intention to exercise the Repurchase Mandate to such extent as would give rise to an obligation to make a mandatory offer under the Codes.

### **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.

### **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 15 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 21st Floor, 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>
<b>2003</b>		
April	0.230	0.186
May	0.320	0.202
June	0.335	0.250
July	0.345	0.260
August	0.335	0.280
September	0.435	0.320
October	0.550	0.375
November	0.420	0.340
December	0.400	0.310
<b>2004</b>		
January	0.550	0.315
February	0.520	0.450
March	0.550	0.405

---

## 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)*

**(Stock Code: 1185)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of CASIL Telecommunications Holdings Limited (the “Company”) will be held on Friday, 7 May 2004 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 2003.
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.

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

4. **“THAT:**
  - (a) subject to paragraph (c) 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;
  - (b) the approval in paragraph (a) 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;
  - (c) 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 (a) above,

---

## NOTICE OF ANNUAL GENERAL MEETING

---

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

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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
- (iii) 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:**

- (a) subject to paragraph (b) 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 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;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

(b) the aggregate nominal amount of shares which are authorised to be repurchased by the directors of the Company pursuant to the approval in paragraph (a) 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

(c) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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
- (iii) the passing of an ordinary resolution of the Company in the general meeting revoking or varying the authority set out in this resolution.”

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.”

To consider and, if thought fit, pass the following resolutions as Special Resolutions:

7. **“THAT** the Articles of Association of the Company (the “Articles”) be and are hereby amended as follows:

(a) by deleting the definition of “recognised clearing house” in Article 2 in its entirety and replacing it with the following definition:

““recognised clearing house” shall have the meaning ascribed thereto under the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong;”;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (b) by deleting the definition of “subsidiary and holding company” in Article 2 in its entirety and replacing it with the following definition:

““subsidiary” and “holding company” shall have the meanings ascribed to such terms in the Listing Rules;”;

- (c) by adding the following new Article 85A immediately after the existing Article 85:

“85A. In the event that any member is, under the Listing Rules, required to abstain from voting on any particular ordinary resolution or special resolution or restricted to voting only for or only against any particular ordinary resolution or special resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;

- (d) by deleting Article 107(c) in its entirety and replacing it with the following:

“A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Associate(s) has any material interest, but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving of any security or indemnity either:
  - (aa) to the Director or his Associate(s) in respect of money lent or obligations incurred by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
  - (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) has himself (/themselves) assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (iii) any proposal concerning any other company in which the Director or his Associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his Associate(s) is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates (as defined below in paragraph (f)) are not, in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his Associate is derived) or of the voting rights;
  - (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
    - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or any share incentive scheme or share option scheme under which the Director as his Associate(s) may benefit;
    - (bb) the adoption, modification or operation of a person or provident fund or retirement, death or disability benefits scheme which relates both to Directors or his Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his Associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (v) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”;
- (e) by deleting Article 107(f) in its entirety and replacing it with the following:
- “For the purpose of paragraph (c)(iii), “Associates” mean, in relation to any Director of the Company:
- (i) his spouse;
  - (ii) any child or step-child, natural or adopted, under the age of 18 years of such individual or his spouse’s (together with (i) above the “family interests”);

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Hong Kong Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);
- (iv) a holding company of a trustee-controlled company or a subsidiary of any such holding company; and
- (v) any company in the equity capital of which he, any of the trustees referred to in paragraph (iii) above, acting in their capacity as such trustees, and/or any trust interests and/or his family interests taken together are directly or indirectly interested (other than through their respective interests in the capital of the Company) so as to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.”;
- (f) by deleting Article 120 in its entirety and replacing it with the following:

“No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, not less than seven and no earlier than the day after the despatch of the notice of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.””

By Order of the Board  
**Cheng Chai Fu**  
*Secretary*

Hong Kong, 7 April 2004



---

## NOTICE OF ANNUAL GENERAL MEETING

---

*Notes:*

1. The register of Members of the Company will be closed from 4 May 2004 (Tuesday) to 7 May 2004 (Friday) (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 notarially 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.



# CASIL TELECOMMUNICATIONS HOLDINGS LIMITED

## ( 航 天 科 技 通 信 有 限 公 司 ) \*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1185)

### PROXY FORM

**Form of proxy for the Annual General Meeting to be held on Friday, 7 May 2004 at 10:00 a.m. at 21st Floor, China Aerospace Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.**

I/We (Note 1) \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of (Note 2) \_\_\_\_\_ shares of HK\$0.10 each in the capital of CASIL Telecommunications Holdings Limited (the "Company") hereby appoint (Note 3) \_\_\_\_\_  
of \_\_\_\_\_  
or failing him, the Chairman of the meeting, as my/our proxy to attend on my/our behalf at the meeting (and at any adjournment thereof) to vote for me/us in my/our name(s) in respect of the resolutions set out in the notice of the meeting (with or without modifications) as hereunder indicated.

Ordinary Resolutions	FOR (Note 4)	AGAINST (Note 4)
1. To receive and adopt the audited financial statements of the Company and the reports of the directors and the auditors for the year ended 31 December 2003.		
2A. (a) To re-elect Mr. Guo Xianpeng as an executive director. (b) To re-elect Mr. Xu Jian Hua as an executive director. (c) To re-elect Mr. Han Jiang as an executive director. (d) To re-elect Mr. Zhu Shixiong as an independent non-executive director.		
2B. To authorize the board of directors to fix the directors' remuneration.		
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company and to authorize the board of directors to fix their remuneration.		
4. To give a general mandate to the directors to allot, issue and deal with new shares not exceeding 20 per cent. of the issued share capital of the Company.		
5. To give a general mandate to the directors to repurchase shares of the Company not exceeding 10 per cent. of the issued share capital of the Company.		
6. To extend the general mandate granted to the directors to allot, issue and deal with new shares not exceeding the amount of shares repurchased by the Company.		
Special Resolution		
7. (a) To amend Article 2 where recognized clearing house has the meaning ascribed thereto under the Securities and Future Ordinance. (b) To amend Article 2 where subsidiary and holding company have the meanings ascribed to such terms in the Listing Rules. (c) To amend Article 85 where any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted. (d) To amend Article 107(c) where Directors shall abstain from voting at the board meeting on any matter in which any of his associates has a material interest and shall not be counted towards the quorum of such board meeting. (e) To amend Article 107(f) where Associate has the meaning ascribed thereto under the Listing Rule. (f) To amend Article 120 where the minimum length of the period during which the notice of intention to propose a person for election as a director and the notice of the person to be proposed of his willingness to be elected are given shall be at least 7 days and that the period for lodgment of the aforesaid notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.		

Dated this \_\_\_\_\_ 2004

Signature (Note 7) \_\_\_\_\_

**Notes:**

1. Full name(s) and address(es) to be inserted in BLOCK LETTERS.
  2. Please insert the number of shares of HK\$0.10 each in the capital of the Company registered in your name(s); if no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
  3. Full name and address of proxy to be inserted in BLOCK LETTERS. IF NOT COMPLETED, THE CHAIRMAN OF THE MEETING WILL ACT AS YOUR PROXY.
  4. IMPORTANT: IF YOU WISH TO VOTE FOR ANY RESOLUTION, TICK IN THE BOX MARKED "FOR" BESIDE THE APPROPRIATE RESOLUTION. IF YOU WISH TO VOTE AGAINST ANY RESOLUTION, TICK IN THE BOX MARKED "AGAINST" BESIDE THE APPROPRIATE RESOLUTION. If no direction is given, the proxy will be entitled to vote or abstain as he thinks fit. Your proxy will be entitled to vote or abstain at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.
  5. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's principal office at 21st Floor, 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.
  6. In the case of joint holders of a share, the vote of the person whether attending in person or by proxy, whose name stands first on the Register of Members of the Company in respect of such share shall be accepted to the exclusion of the vote(s) of the other joint holder(s).
  7. This form of proxy must be signed by you or your attorney duly authorized in writing or, if you are a corporation, must either be executed under seal or under the hand of an officer or attorney duly authorized.
  8. The proxy need not be a member of the Company but must attend the meeting in person to represent you.
  9. Completion and delivery of this form of proxy shall not preclude you from attending and voting in person if you so wish.
  10. Any alteration to this form of proxy must be initialled by the person who signs it.
- \* the Chinese name of the Company is for reference only.