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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 VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION
RELATING TO THE PROPOSED ACQUISITION OF THE
ENTIRE ISSUED SHARE CAPITAL OF
ADVANCED GRADE HOLDINGS LIMITED;
APPLICATION FOR WHITEWASH WAIVER AND
OPEN OFFER OF 406,855,905 OFFER SHARES ON THE BASIS OF FOUR OFFER SHARES FOR
EVERY TEN EXISTING SHARES IN ISSUE ON THE RECORD DATE**

DELAY IN DESPATCH OF CIRCULAR

Despatch of the Circular will be postponed pending the preparation of proforma financial information of the enlarged Group in accordance with the requirements of the Listing Rules, the accountants' report on Advanced Grade for the period from 13 December 2006 (date of incorporation) to 31 December 2006, the accountants' report on Wan Yuan Industry for the three years ended 31 December 2006, statement of indebtedness and statement of working capital to be incorporated into the Circular.

It is currently expected that the Circular will be despatched to the Shareholders on or before 14 June 2007.

Terms used herein have the meanings ascribed to therein in the announcement dated 2 April 2007 issued by the Company (the "Announcement") unless the context requires otherwise.

DELAY IN DESPATCH OF CIRCULAR

In accordance with Rule 8.2 of the Takeovers Code, a circular of the Company containing, among other things, details of the Proposed Acquisition and the letters of advice from the Independent Board Committee of the Company and the independent financial adviser of the Company respectively (the "Circular") has to be despatched to the Shareholders no later than 23 April 2007. Also, in accordance with Rules 14.38 and 14A.49 of the Listing Rules, the Circular has to be despatched to the Shareholders no later than 24 April 2007.

However, additional time is required for the Company and the reporting accountants to prepare certain proforma financial information of the enlarged Group in accordance with the requirements of the Listing Rules, the accountants' report on Advanced Grade for the period from 13 December 2006 (date of incorporation) to 31 December 2006, the accountants' report on Wan Yuan Industry for the three years ended 31 December 2006, statement of indebtedness and statement of working capital to be incorporated into the Circular. The Despatch of the Circular therefore has to be delayed and the Company has applied to the SFC and to the Stock Exchange for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and with Rules 14.38 and 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 14 June 2007.

On behalf of the Board of
CASIL Telecommunications Holdings Limited
An-Yeung Keung Steve
Company Secretary

Hong Kong, 23 April 2007

As at the date of this announcement, the Board comprises Mr. Han Shuwang, Mr. Wang Xiaodong and Mr. Li Guang as Executive Directors, Mr. Wu Yansheng, Mr. Liang Xiaohong and Mr. Tang Guohong as Non-executive Directors and Mr. Yiu Ying Wai, Mr. Wong Fai, Philip, Mr. Zhu Shixiong and Mr. Moh Kwen Yung as Independent Non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

**For identification only*

Please also refer to the published version of this announcement in The Standard.