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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)

ANNOUNCEMENT

The Board of the Company announces that on 28 November 2006, the Company's wholly-owned subsidiary, CATSZ, CALT and Finance Company entered into a Loan Agreement, pursuant to which CALT entrusted Finance Company to lend to CATSZ a loan for the sum of RMB170,000,000 in utilizing CALT's funds.

The Loan may constitute a general obligation for disclosure under Rule 13.09 of the Listing Rules by virtue of its size.

LOAN AGREEMENT ENTERED INTO ON 28 NOVEMBER 2006

Parties

Entrusting Party : CALT
Entrusted Lender : Finance Company
Borrower : CATSZ

Pursuant to the Loan Agreement entered into on 28 November 2006, CALT entrusted Finance Company to lend to CATSZ a loan for the sum of RMB170,000,000 in utilizing CALT's funds.

Term

The term of the Loan is approximately 5 years, maturing on 29 August 2011, extensible twice, each for another 5 years.

Interest

The interest shall accrue on any outstanding amount of the Loan at a rate of 5.04% per annum, reflecting normal commercial term.

Repayment of the Loan

The Loan shall be repaid in full on its maturity date.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LOAN AGREEMENT

The purpose of entering into the Loan Agreement is to offer to the Company and its subsidiaries the funds for financing its investments in wind energy projects.

RELATIONSHIPS BETWEEN THE PARTIES AND CONNECTED TRANSACTION

CALT indirectly owns 44.17% of total issued share capital of the Company as at the date of this announcement and, being a controlling shareholder of the Company, is a connected person of the Company. Finance Company is a subsidiary of CASC, which holds 100% of the issued share capital of CALT and is thus an associate of the connected person of the Company under the Listing Rules.

The Loan accordingly constitutes a connected transaction for the Company and its subsidiary pursuant to Rule 14A.13 of the Listing Rules but is exempt from disclosure requirement and the approval by the independent shareholders under Rule 14A.65(4) of the Listing Rules by virtue of commercial term of interest rate 5.04% per annum and no security over assets of the Group as the conditions for the provision.

Nevertheless, the Loan may constitute a general obligation for disclosure by virtue of its size under Rule 13.09 of the Listing Rules.

GENERAL

The Company is a holding company of the Group that is engaged in businesses of manufacture and sales of communication product, distribution of Intelligent Transportation System in application of Global Positioning System, distribution of broadband wireless system. The Group had increased its investments in wind energy facilities, aiming at exploring operations for its future development.

TERMS USED IN THE ANNOUNCEMENT

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“CALT”	China Academy of Launch Vehicle Technology Ltd. (“中國運載火箭技術研究院”), which indirectly holds 44.17% of the total issued share capital of the Company
“CASC”	China Aerospace Science & Technology Corporation (“中國航天科技集團公司”), which holds 100% of the issued share capital of CALT
“CATSZ”	航天科技通信(深圳)有限公司, a wholly-owned subsidiary of the Company incorporated in PRC
“Company”	CASIL Telecommunications Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Finance Company”	航天科技財務有限責任公司, a subsidiary, incorporated in PRC, of CASC, which holds 100% of the issued share capital of CALT, thereby being an associate of a connected person of the Company under the Listing Rules

“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	a loan for the sum of RMB170,000,000 lent by Finance Company under CALT’s trust to CATSZ in utilizing CALT’s funds
“Loan Agreement”	the agreement for the Loan entered into on 28 November 2006 after trading hours
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	People’s Republic of China

By Order of the Board
Wang Xiaodong
Executive Director

Hong Kong, 28 November 2006

As at the date hereof, the Board of the Company 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 Chinese name of the Company is for reference only*

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