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VANDA SYSTEMS & COMMUNICATIONS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The board of directors (“Board”) of Vanda Systems & Communications Holdings Limited (“Company”) noted the increase in the trading volume of the shares in the Company today. The Board wishes to state that, save for the disposal of a total of 4,800,000 shares in the Company (representing approximately 1.14% of the total issued share capital of the Company) by Lam Ma & Wai Limited on 19 May 2003, the Board is not aware of any reasons for such increase. Lam Ma & Wai Limited is the controlling shareholder of the Company and is beneficially owned by Mr. Lam Hon Nam, Mr. Ma Chun Kwong, Edmund and Mr. Wai Yee Jan, who are directors of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board noted the increase in the trading volume of the shares in the Company today. The Company has been informed by Lam Ma & Wai Limited that it has disposed of 4,800,000 shares in the Company on 19 May 2003. Such shares represent approximately 1.14% of the total issued share capital of the Company. After the disposal of such shares, the interest of Lam Ma & Wai Limited in the issued share capital of the Company will be reduced from approximately 31.97% to approximately 30.83%. Lam Ma & Wai Limited is the controlling shareholder of the Company and is beneficially owned by Mr. Lam Hon Nam, Mr. Ma Chun Kwong, Edmund and Mr. Wai Yee Jan, who are directors of the Company.

Save as disclosed in this announcement, the Board is not aware of any reasons for the increase in the trading volume of the shares in the Company.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, nor is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

Made by the order of the Board
Lam Hon Nam
Chairman

Hong Kong, 19 May 2003

“Please also refer to the published version of this announcement in China Daily”