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## **VANDA SYSTEMS & COMMUNICATIONS HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

### **RESULT OF THE SPECIAL GENERAL MEETING IN RESPECT OF THE PROPOSED AMENDMENT TO THE CONVERSION PRICE AND CONVERSION OF CONVERTIBLE BONDS ISSUED BY THE COMPANY, APPLICATION FOR THE GRANTING OF WHITEWASH WAIVER AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board wishes to announce that all the resolutions approving the transactions contemplated under the Amendment Agreements, the grant of the Whitewash Waiver and the increase in the authorised share capital of the Company were duly passed at the SGM.

As the Shares being held by the public will represent approximately 18.7% of the issued share capital of the Company upon the full conversion of the Bonds, which is currently expected to take place on 3 September 2003, and will be below the public float requirement of not less than 25% of the issued share capital of the Company being held by the public under Rule 8.08(1) of the Listing Rules, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1) for a period of one month after the full conversion of the Bonds. A further announcement will be made by the Company containing further details of such application for waiver upon the full conversion of the Bonds.

Reference is made to the announcement dated 13 August 2003 and the circular dated 13 August 2003 (the “**Circular**”) issued by the Company in relation to, amongst other things, the transactions contemplated under the Amendment Agreements, the Whitewash Waiver and the proposed increase in the authorised share capital of the Company. Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Circular.

#### **RESULTS OF THE SPECIAL GENERAL MEETING**

The Board is pleased to announce that all the resolutions approving the transactions contemplated under the Amendment Agreements, the granting of the Whitewash Waiver and the increase in authorised share capital of the Company set out in the notice of the SGM contained in the Circular have been duly passed as ordinary resolutions today as follows:

- (a) the resolutions relating to the Amendment Agreements and the increase in authorised share capital of the Company were approved by all the Shareholders present and voting in person or proxy at the SGM; and
- (b) the grant of the Whitewash Waiver was approved by the Independent Shareholders holding an aggregate of 12,088,000 Shares, by way of a poll, representing (i) 100% of the shareholding of the Independent Shareholders present and voting in person or proxy at the SGM and (ii) 4.2% of all the Shares held by the Independent Shareholders.

## COMPLETION OF THE AMENDMENT AGREEMENTS

All conditions prescribed under the respective Amendment Agreements have been fulfilled and the Amendment Agreements are expected to complete on or about 3 September 2003. Upon full conversion of the HIL Bond and the DBS Bond at the Amended Conversion Price, 659,888,793 and 454,883,333 Shares will be issued to Hutchison and DBS Private Equity respectively, representing 43.0% and 29.6% respectively of the issued share capital of the Company as enlarged by the issue of such new Shares.

As the Shares being held by the public will represent approximately 18.7% of the issued share capital of the Company upon the full conversion of the Bonds, which is currently expected to take place on 3 September 2003, and will be below the public float requirement of not less than 25% of the issued share capital of the Company being held by the public under Rule 8.08(1) of the Listing Rules, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1) for a period of one month after the full conversion of the Bonds. A further announcement will be made by the Company containing further details of such application for waiver upon the full conversion of the Bonds. Each of Hutchison, DBS Private Equity, the Directors and proposed Directors to be nominated by Hutchison has undertaken to the Stock Exchange that actions will be taken to restore the public float of the Shares to comply with the relevant requirements under the Listing Rules as soon as practicable after full conversion of the Bonds.

**If the Stock Exchange believes that a false market exists or may exist in the Shares or there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.**

## EXCEPTIONAL TURNOVER MOVEMENT

The Directors have noted the increase in trading volume of the Shares today and wish to state that, save for the matters described in the Circular and this announcement, they are not aware of any reasons for such increase.

The Directors also confirm that, save for the matters described in the Circular and this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither 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.

By order of the Board  
**LAM Hon Nam**  
Chairman

Hong Kong, 29 August 2003

*The directors of the Company 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 statements in this announcement misleading.*

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