

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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 announcement.



VANDA GROUP

VANDA SYSTEMS & COMMUNICATIONS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

COMPLETION OF AMENDMENT AGREEMENTS, APPOINTMENTS AND RESIGNATIONS OF DIRECTORS AND ALTERNATE DIRECTORS AND WAIVER FROM PUBLIC FLOAT REQUIREMENT

Upon completion of the Amendment Agreements which took place on 3 September 2003, certain Directors have been appointed and resigned.

As the Shares being held by the public represent approximately 18.7% of the issued share capital of the Company upon the full conversion of the Bonds which took place on 3 September 2003, and is 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 has applied to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1) for a period of one month from 3 September 2003 to 2 October 2003.

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, it will consider exercising its discretion to suspend trading in the Shares.

Reference is made to the announcements dated 23 July 2003, 13 August 2003 and 29 August 2003 respectively 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.

COMPLETION OF AMENDMENT AGREEMENTS, APPOINTMENTS AND RESIGNATIONS OF DIRECTORS AND ALTERNATE DIRECTORS

The Board is pleased to announce that the Amendment Agreements are completed in accordance with their respective terms on 3 September 2003. Upon such completion:

- (a) Mr. Fok Kin-ning, Canning has been appointed as an executive Director and the Chairman of the Company replacing Mr. Lam Hon Nam who has resigned as the Chairman and President of the Company and remained as an executive Director;

- (b) Mr. Lai Kai Ming, Dominic, currently a non-executive Director, has been designated as an executive Director and appointed as the Deputy Chairman of the Company;
- (c) Mrs. Susan Chow Woo Mo Fong has been appointed as an executive Director;
- (d) Ms. Chan Wen Mee, May, currently a non-executive Director, has been designated as an executive Director;
- (e) Mr. Ma Chun Kwong, Edmund, Mr. Wai Yee Jan and Ms. Ching Wan Kwan have resigned as Directors;
- (f) Mr. Ma Chun Kwong, Edmund has also resigned as the Vice President of the Company and has ceased to be an alternate Director to Mr. Lam Hon Nam; and
- (g) Mr. Lai Kai Ming, Dominic and Ms. Chan Wen Mee, May have been appointed as alternate Director to Mr. Fok Kin-ning, Canning and Mrs. Susan Chow Woo Mo Fong respectively.

The Board would like to express its sincere gratitude to the resigning Directors for their invaluable contribution to the Company during the tenure of their services.

Upon completion of the Amendment Agreements, the Directors are:

Executive Directors:

Mr. Fok Kin-ning, Canning, Mr. Lai Kai Ming, Dominic, Mrs. Susan Chow Woo Mo Fong, Ms. Chan Wen Mee, May, Mr. Lam Hon Nam and Mr. Loh Tiak Koon

Non-executive Directors:

Mr. Tuan Lam, Mr. Stephen Ingram, Mr. Yang Paul Chunyao (as alternate to Mr. Stephen Ingram and Mr. Tuan Lam)

Independent Non-executive Directors:

Mr. Lam Lee G. and Mr. Cheong Ying Chew, Henry

WAIVER FROM PUBLIC FLOAT REQUIREMENT

The Amendment Agreements have been completed on 3 September 2003 and 659,888,793 and 454,883,333 Shares have been issued to Hutchison and DBS Private Equity respectively upon full conversion of the Bonds, representing approximately 43.0% and 29.6% respectively of the issued share capital of the Company as enlarged by the issue of such new Shares. The shareholding structure of the Company is as follows:

Name of Shareholders	<i>Number of Shares</i>	<i>%</i>
Hutchison	659,888,793	43.0%
DBS Private Equity	454,883,333	29.6%
Lam Ma & Wai Limited (<i>Note 1</i>)	130,000,000	8.5%
Mr. Lam Hon Nam, Mr. Ma Chun Kwong, Edmund, Mr. Wai Yee Jan and their respective spouses (<i>Note 2</i>)	2,300,000	0.1%
Ms. Ching Wan Kwan (<i>Note 2</i>)	1,020,000	0.1%
Public	288,287,199	18.7%
	<hr/>	<hr/>
Total	<u>1,536,379,325</u>	<u>100%</u>

Notes:

- (1) The issued share capital of Lam Ma & Wai Limited is owned as to 45.94%, 45.46% and 8.60% by Mr. Lam Hon Nam, Mr. Ma Chun Kwong, Edmund and Mr. Wai Yee Jan respectively.
- (2) Mr. Ma Chun Kwong, Edmund, Mr. Wai Yee Jan and Ms. Ching Wan Kwan have resigned as Directors with effect from 3 September 2003.

As the Shares being held by the public represent approximately 18.7% of the issued share capital of the Company upon full conversion of the Bonds and is 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 has applied to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1) for a period of one month from 3 September 2003 to 2 October 2003.

Each of Hutchison, DBS Private Equity and the Directors 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, which took place on 3 September 2003.

In terms of current plans to restore the Company's public float, approaches have been made to financial advisers with a view to exploring possible placement of Shares. Further announcement will be made by the Company when such Share placement materialises or upon the sufficiency of public float being restored.

Should compliance with Rule 8.08(1) not be achieved by 2 October 2003, the Company will make an application for a further waiver to the Stock Exchange and a further announcement although the waiver may or may not be granted by the Stock Exchange.

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, it will consider exercising its discretion to suspend trading in the Shares.

By order of the Board
FOK Kin-ning, Canning
Chairman

Hong Kong, 3 September 2003

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