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VANDA SYSTEMS & COMMUNICATIONS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Directors have noted the recent increase in the market price of the shares of Vanda Systems & Communications Holdings Limited ("the Company") and wish to state that they are not aware of any reason for such increase except as disclosed below.

The Directors would like to announce that the Company is in preliminary discussion with a potential investor for a possible investment in the Company. The terms and the size of the investment have not been finalized and the possible investment may or may not proceed.

A further announcement will be made of any significant further development. Investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

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

The Directors have noted the recent increase in the market price of the shares of the Company and wish to state that they are not aware of any reason for such increase except as disclosed below.

The Directors would like to announce that the Company is in preliminary discussion with a potential investor for a possible investment in the Company which may involve the issue of securities by the Company. The potential investor is an independent third party not connected with the Directors or substantial shareholders or chief executives of the Company or its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The terms and the size of the investment have not been finalized and the possible investment may or may not proceed.

A further announcement will be made of any significant further development. Investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

Apart from the above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement by the Company. The Boards of the Company are not aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement save for the above information, which is or may be of a price sensitive nature.

Made by the order of the Board of the Company, 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, 25 September, 2001