

ARMARDA GROUP LIMITED
(Incorporated in Bermuda on 13 August 2003)
(Registration No.: 34050)

**PROPOSED ACQUISITION OF 45% OF THE EQUITY INTEREST IN CHINA SATELLITE
MOBILE COMMUNICATIONS GROUP LIMITED BY ARMARDA GROUP LIMITED**

The Board refers to the announcement dated 29 March 2011 (the “**March Announcement**”) relating to the proposed acquisition of 45% of the equity interest in China Satellite Mobile Communications Group Limited by the Company.

Unless otherwise specified herein or where the context otherwise requires, capitalised terms used in this Announcement shall have the same meaning as used in the March Announcement.

1. RULING BY THE SECURITIES INDUSTRY COUNCIL

The Board wishes to announce that the Securities Industry Council has on 12 August 2011 granted the waiver to the Vendors and their concert parties from their obligations to make a general offer for the Company under the Singapore Code on Takeovers and Mergers (the “**Code**”) following the issue of (i) the Consideration Shares, and (ii) the 55% Call Option Consideration Shares to the Vendors, subject to conditions, *inter alia*:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, held before (i) the issue of the Consideration Shares to the Vendors, and (ii) the 55% Call Option to the Company, a resolution (the “**Whitewash Resolution**”) by way of a poll to waive their rights to receive a general offer from the Vendors and their concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Vendors, parties acting in concert with them and parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Vendors and their concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the circular to its shareholders (the “**Circular**”)):
 - (i) during the period between the March Announcement and the date shareholders’ approval is obtained for the Whitewash Resolution; and
 - (ii) in the 6 months prior to the date of the March Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Acquisition and the 55% Acquisition;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:

- (i) details of Proposed Acquisition and the 55% Acquisition;
 - (ii) the dilution effect to its existing shareholders upon (i) the issue of the Consideration Shares to the Vendors and (ii) the exercise of the 55% Call Option by the Company;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Vendors and their concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be issued to the Vendors upon (i) the completion of the Proposed Acquisition, and (ii) the exercise of the 55% Call Option by the Company;
 - (v) specific and prominent reference to the fact that the issue of the Consideration Shares to the Vendors and the exercise of the 55% Call Option by the Company may result in the Vendors and their concert parties holding Shares carrying over 49% of the voting rights of the Company, and that in such an event, the Vendors and their concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - (vi) that shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Vendors and their concert parties at the highest price paid or agreed to be paid by the Vendors and their concert parties for the Shares in the past 6 months preceding the commencement of the offer;
 - (vii) that shareholders, by voting for the Whitewash Resolutions, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the 55% Call Option;
- (g) the Circular states that the waiver granted by Securities Industry Council to the Vendors and their concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated above;
 - (h) the Company obtains Securities Industry Council's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
 - (i) to rely on the Whitewash Resolution, the Proposed Acquisition and the issuance of the 55% Call Option to the Company must be completed within 3 months of the approval of the Whitewash Resolution and the acquisition of the 55% Call Option Consideration Shares by the Vendors upon the exercise of the 55% Call Option by the Company must be completed within 5 years from the date of issue of the 55% Call Option.

2. RESPONSIBILITY STATEMENT

The Directors of the Company (including any who may have delegated detailed supervision of the preparation of this Announcement) have collectively and individually accepted full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquires, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are

fair and accurate in all material aspects as at the date hereof, and that there are no material facts the omission for which would make this Announcement misleading.

Any development on the Proposed Acquisition and further details on, *inter alia*, the special general meeting of the Company to be convened for shareholders of the Company to consider and approve, *inter alia*, the Proposed Acquisition will be announced in due course.

BY ORDER OF THE BOARD

Luk Chung Po, Terence
Executive Director
15 August 2011

*This Announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this Announcement, including the correctness of any of the statements or opinions made or reports contained in this Announcement.*

This Announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made or reports contained in this Announcement.

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