

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

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

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**1. INTRODUCTION**

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.

The Board wishes to announce that the Company has on 29 September 2011 entered into a supplemental agreement with the Vendors (the “**Supplemental Agreement**”) to amend, vary and/or supplement the terms of the S&P Agreement.

*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.*

**2. SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT**

**(a) Consideration**

The S&P Agreement provides that the Purchase Consideration shall be satisfied by the Company by way of:

- (i) the issue and allotment of the Consideration Shares;
- (ii) payment of HK\$25 million Cash Consideration; and
- (iii) the issuance of HK\$20 million Loan Notes.

Pursuant to the Supplemental Agreement, the Parties have agreed that the Purchase Consideration shall instead be satisfied by the Company by way of:

- (1) the issue and allotment of the Consideration Shares;
- (2) the issuance of loan notes of HK\$25 million (the “**Loan Notes A**”); and
- (3) the issuance of HK\$20 million Loan Notes.

Notwithstanding any terms to the contrary on the face of and/or in the terms and conditions of the Loan Notes A and the Loan Notes, the Loan Notes A and the Loan Notes shall become due and payable upon, and the Company’s obligation to make payment on the Loan Notes A and the Loan Notes shall be subject to and conditional upon the execution and delivery of the PRC Operator Agreement (as defined below) by the PRC Operator (as defined below) and the relevant Target Companies who are parties thereto; provided always that the Loan Notes

A and the Loan Notes shall be deemed to be due and payable by the Company in the event that (i) the 55% Call Option is exercised by the Company; or (ii) the Buyback Option lapses or is otherwise terminated in accordance with the provisions of the S&P Agreement, whichever is earlier.

In this Announcement:

**“PRC Operator”** means a licensed telecommunications provider(s) in the PRC who has the requisite licences, approvals and permits to provide basic telecommunications services including mobile satellite communications services to retail and/or enterprise users in the PRC;

**“PRC Operator Agreement”** means the agreement entered or to be entered into between the relevant Target Companies and the PRC Operator pursuant to which, *inter alia*:

- (i) the relevant Target Companies and the PRC Operator shall agree and undertake to collaborate and cooperate together in such manner as to, *inter alia*:
  - (1) enable the Target Companies to construct, set up and operate the virtual gateway and use the virtual gateway for the provision of mobile satellite communications services (including sales and marketing of Thuraya Mobile Satellite Products (as defined below) and satellite air-time from the Thuraya Satellite System (as defined below)) to retail and/or enterprise users in collaboration or cooperation with or otherwise through the PRC Operator; and
  - (2) enable the Target Companies to construct, set up and operate the earth station(s) and use the earth station(s) for the provision of mobile satellite communications services (including sales and marketing of Thuraya Mobile Satellite Products and satellite air-time from the Thuraya Satellite System) to retail and/or enterprise users in collaboration or cooperation with or otherwise through the PRC Operator;
- (ii) the PRC Operator shall agree and undertake to purchase the Thuraya Mobile Satellite Products from the relevant Target Companies for purposes of, and in connection with its provision of mobile satellite communications services to retail and/or enterprise users in the PRC;
- (iii) the PRC Operator shall agree and undertake to procure a certain number of users or subscribers and/or certain amount of satellite air-time usage revenue for purposes of, and in connection with its provision of mobile satellite communications services to retail and/or enterprise users in the PRC;
- (iv) the relevant Target Companies and the PRC Operator shall collaborate and co-operate with each other for the provision of mobile satellite communications services (including sales and marketing of Thuraya Mobile Satellite Products and satellite air-time from the Thuraya Satellite System) to retail and/or enterprise users in the PRC;

- (v) the Target Companies will agree with the PRC Operator on a fees and/or revenue payment arrangement pursuant to which substantially all of the revenue due or payable by the PRC Operator to the Target Companies collectively pursuant to the PRC Operator Agreement will accrue and be due and payable directly to the Target Group as a separate and independent right of (and corresponding obligation of the PRC Operator to) the Target Group, while the remaining portion of such revenue will accrue and be due and payable directly to Jianhua as a separate and independent right of (and corresponding obligation of the PRC Operator to) Jianhua,

all on terms satisfactory to the Company (acting reasonably);

**“Thuraya Mobile Satellite Products”** means the mobile satellite products and equipment manufactured by Thuraya (as defined below) and covered under the Thuraya Service Provider Agreement (as defined below) which includes dual mode handheld phones, ship (vehicles) telephones, public telephones, high speed internet terminals, solar cells, outdoor antenna, satellite modules, and other accessory products; and

**“Thuraya Satellite System”** means the Thuraya satellite system, which is a network of 3 Geosynchronous Orbit Satellites (having L-Band operating frequency), that presently provide coverage for a major part of the earth, including Europe, Africa, Middle East, Asia and Australia.

**(b) Conditions Precedent to Completion of the Proposed Acquisition**

Pursuant to the Supplemental Agreement, the Parties have agreed that in addition to the conditions precedent set out in paragraph 3.3 of the March Announcement, completion of the sale and purchase of the Sale Shares shall also, subject to the waiver by the relevant Parties to the S&P Agreement, be conditional upon the final form of the PRC Operator Agreement to be entered into by the relevant Target Companies with the PRC Operator being agreed upon by the Target Companies and the PRC Operator.

**(c) Consideration Shares Credited into the Respective Securities Account(S) of the Vendors on Completion of the Proposed Acquisition**

Pursuant to the Supplemental Agreement, the Parties have agreed that in the event the Consideration Shares are to be credited into the respective securities account(s) of the Vendors on Completion, the Consideration Shares shall be earmarked under no sale or transfer and/or moratorium restrictions in accordance with the terms of the S&P Agreement.

**(d) Conditions Precedent to the Exercise of the 55% Call Option**

The S&P Agreement provides that the 55% Call Option may only be exercised by the Company by serving the 55% Call Option Notice, within a period of 30 days (or such period as the Parties may agree) from the later (i) the fulfilment of the Target Milestone by the Target (provided that Completion would have take place

prior thereto) and (ii) the Completion Date (provided that the Target Milestone would have been met prior thereto), failing which the 55% Call Option will lapse.

Pursuant to the S&P Agreement, the Parties have agreed that the term "Target Milestone" be amended to mean the occurrence, meeting or fulfillment of each of the following events:

- (i) the entering into by CMSCG and/or the Target PRC Subsidiary of such contractual arrangements or obtaining confirmed orders on terms satisfactory to the Company (acting reasonably) with licensed telecommunication provider(s) in the PRC (or such other parties to be agreed upon) for the sale of at least 10,000 units of satellite phones;
- (ii) the due execution and delivery of the PRC Operator Agreement by the PRC Operator and the relevant Target Companies; and
- (iii) in relation to the Thuraya Service Provider Agreement dated 15 October 2010 and entered into between Thuraya Communications Company ("Thuraya") and CMSCG (the "**Thuraya Service Provider Agreement**"), Thuraya and CMSCG shall have entered into such agreement(s) or undertaking(s) or exchanged letter(s) or correspondence(s) to confirm or to amend, vary, modify or otherwise to supplement or provide for further agreement(s), understanding(s) or arrangement(s) on certain matters arising out of or in connection with the Thuraya Service Provider Agreement, including but not limited to matters relating to the meeting of certain milestones in securing new subscribers by CMSCG and/or in meeting certain purchase targets for satellite phones by CMSCG as originally contemplated under the Thuraya Service Provider Agreement (the "**Thuraya Supplemental Agreement**") where the form and substance and net effect of the Thuraya Supplemental Agreement shall, in the opinion of the Company acting reasonably, be such as to give CMSCG no less favourable rights and benefits than the rights and benefits as a whole as originally contemplated under the Thuraya Service Provider Agreement and shall otherwise put CMSCG in a no worse-off position economically than its position as originally contemplated under the Thuraya Service Provider Agreement.

**(e) Amendment of Long Stop Date**

Pursuant to the Supplemental Agreement, the Parties have agreed that the Long Stop Date be extended to 30 November 2011.

Save as amended, varied and/or supplemented by the terms of the Supplemental Agreement, all the terms and conditions of the S&P Agreement shall continue to apply and remain in full force and effect.

**3. DOCUMENTS FOR INSPECTION**

Whilst the registered office of the Company is in Bermuda, the principal office of the Company is in Hong Kong. Taking into account that Hong Kong is a more accessible location than Bermuda, a copy of the S&P Agreement and the Supplemental Agreement will be made available for inspection during normal business hours at the principal office

of the Company at Room 3501, 35/F, West Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong for a period of 3 months from the date of this Announcement.

#### 4. RESPONSIBILITY STATEMENT

This Announcement has been approved by all the Directors. The Directors (including any Director 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 enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Supplemental Agreement, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where the information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

#### BY ORDER OF THE BOARD

Luk Chung Po, Terence  
Executive Director  
29 September 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.*

*The contact person for the Sponsor is Mr. H K Liao.  
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