

Armarda's associate CMSCG to bundle mobile satellite services with mobile telecommunication reselling services to tap into China's 1.2 billion mobile users

- Seamless mobile telecommunications services offered as bundled services with China Mobile Limited's traditional mobile telecommunication services and Thuraya's mobile satellite services
- CMSCG to jointly promote the bundled services with PETC in China

Singapore, 15 April 2014 – China Mobile Satellite Communications Group Limited ("CMSCG" or "the Group") announced today that it will be partnering with China PTAC E-commerce Technology Co., Ltd ("PETC") to offer a new bundled service to mobile users in China. The new bundled service, which combines CMSCG's mobile satellite services and PETC's newly acquired mobile telecommunication reselling (MTR) services¹ from China Mobile Limited, offers seamless mobile telecommunications services with mobile satellite network as a backup to the large mobile user-base of 1.2 billion² in China.

PETC is a subsidiary of China National Postal and Telecommunications Appliances Corp ("PTAC") which operates in the telecommunication and electronic product distribution, logistics, retail, e-commerce, and product repair and maintenance telecom chain. PTAC is one of the largest sellers of telecom electronic terminal products in China with 696 point of sales throughout China and currently commands a 20% market share for the sales of telecommunications equipment in the country.

CMSCG, the only mobile satellite service partner of Thuraya and strategic partner of China Telecom Satellite Communications Limited ("CTS"), has maintained a collaborative and operational relationship with PETC since last year, with PETC being the sole import agent and key distributor of Thuraya's mobile satellite products in China. PETC recently signed a MTR cooperation agreement with China's largest telecommunication group, China Mobile Limited³. The agreement will enable PETC to resell the latter's mobile network services to users in China at independent pricing and packaging. PETC will also become the Group's only value-added service partner for its mobile satellite services through this contract.

CMSCG commented on the announcement, "Being in the mobile telecommunications industry, we need to understand and anticipate what consumers need, want and value. By combining the MTR services with mobile satellite network, we are offering our customers a unique telecommunication solution with dual-mode connectivity that is undisruptive anytime and anywhere and at reasonably affordable pricing.

China is a huge market and we are riding onto its telecommunication space to grow our mobile satellite business. With this new bundled service, we envisage new business opportunities via this collaborative effort between us and PETC."

¹ MTR operator is a mobile operator that does not own spectrum, nor does it own network infrastructure. An MTR operator has business arrangements with traditional mobile operators to buy mobile network time, which it then resells to its own customers. Outside China, MTR operators are commonly known as mobile virtual network operators (MVNO). For more information, please refer to <u>Techopedia's website</u>.

² China's wireless mobile users are estimated at 1.2 billion based on China Mobile Limited's market share of 62.2%, which represents 775.7 million mobile users. Please refer to Forbes's article, <u>China Mobile Racing Ahead Of Rivals In</u> 3G & 4G Subscriptions, for more details.

³ PETC's MTR licensing is subject to Ministry of Industry and Information Technology's final approval.

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About China Mobile Satellite Communications Group Limited

China Mobile Satellite Communications Group Limited ("CMSCG") was formed in 2010 and has entered into an exclusive agreement with Thuraya Telecommunications Company ("Thuraya") to distribute the mobile satellite communication services and products of Thuraya in China. CMSCG will sell and distribute the Thuraya mobile satellite communication hardware and provide voice and data services to the nascent Chinese market.

45% equity interests of China Satellite Mobile Communication Group Limited ("CSMCG"), the wholly owned parent company of CMSCG, has been acquired by Singapore-listed Armarda Group Limited ("Armarda") on 21 March 2012. Armarda has been listed in the Catalist board of Singapore since 2004.

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