
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your Shares, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Exchange takes no responsibility for the contents of this circular, 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 circular.



VODATEL NETWORKS HOLDINGS LIMITED

愛達利網絡控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 8033

DISCLOSEABLE TRANSACTION

**in relation to the sale and purchase agreement
of interest in the Sale Companies**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief:

- (i) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (ii) there are no other matters the omission of which would make any statement herein misleading; and
- (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the "Latest Company Announcements" page of the GEM website and on the website of the Company at www.vodatelsys.com for 7 days from the date of its posting.

* for identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Subscription Shares and the Newco Shares pursuant to the Agreement
“Agreement”	the sale and purchase agreement entered into between the Company, VIHL, THI and the Skene Brothers on 25th March 2004
“Associates”	the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday) on which banks are open for business in Hong Kong and the Netherlands
“Company”	Vodatel Networks Holdings Limited
“Completion”	the completion of the Subscription
“Completion Date”	the fifth Business Day after the satisfaction (or waiver by VIHL, as the case may be) of all of the conditions to the Agreement
“Directors”	the directors of the Company
“Euro” or “€”	the Euro, the lawful currency of the European Union
“Exchange”	The Stock Exchange of Hong Kong Limited
“Finland”	the Republic of Finland
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM prior to the amendment came into effect on 31st March 2004
“GEM”	the Growth Enterprise Market of the Exchange
“Germany”	the Federal Republic of Germany
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issuer”	the company to be incorporated in a jurisdiction to be agreed between the parties to the Agreement (having considered professional advice as to the suitable jurisdiction in light of tax and other matters subject to due diligence) as the holding company of the Sale Companies prior to the Completion
“IVR”	interactive voice response
“Latest Practicable Date”	19th April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Main Board”	the stock market operated by the Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Netherlands”	the Kingdom of the Netherlands
“Newco”	the company to be incorporated in a jurisdiction to be agreed between the parties to the Agreement (having considered professional advice as to the suitable jurisdiction in light of tax and other matters subject to due diligence) as the holding company of the Option Company
“Newco Shares”	51% of the shares in Newco immediately after completion of the Option
“Option”	the option granted by THI to VIHL over the Newco Shares
“Option Company”	TeleService SL, a company incorporated in Spain, beneficially owned as to 100% by the Skene Brothers
“PRC”	the People’s Republic of China, but for the purposes of this circular and for geographical reference only, excludes Taiwan, Macau and Hong Kong
“Revenue/Profit Target”	the revenue/profit target of the Sale/Target Companies for the financial years 2004 and 2005 and the incentive/adjustment mechanism in relation to such revenue/profit target to be agreed by the Company, VIHL, THI and the Skene Brothers pursuant to the Agreement

DEFINITIONS

“Sale Companies”	(i) Voxtel Finland Oy, a company incorporated in Finland; (ii) Servicios Telefonicos de Audiotex, S.A., a company incorporated in Spain; (iii) SuperCom Audiotex Systeme GmbH, a company incorporated in Germany; and (iv) TeleConcept Benelux B.V., a company incorporated in the Netherlands, all Sale Companies are owned as to 100% by THI
“SFO”	Securities and Futures Ordinance
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Skene Brothers”	Harold Skene and George Skene
“SMS”	short message services
“Spain”	the Kingdom of Spain
“Subscription”	the subscription of Subscription Shares
“Subscription Shares”	60% of the shares in the Issuer immediately after the Subscription
“Target Companies”	Sale Companies and Option Company
“THI”	Teleholding International B.V., a company incorporated in the Netherlands with limited liability beneficially owned as to 100% by the Skene Brothers
“VIHL”	Vodatel International Holdings Limited, incorporated in the British Virgin Islands with limited liability and an indirectly wholly owned subsidiary of the Company

For the purpose of this circular, conversions of € into HK\$ are made for illustration purposes only, at the rate of €1 = HK\$9.43. No representation is made that any amounts in € or HK\$ could have been or could be converted at the above rates or at any other rates at all.

LETTER FROM THE BOARD



VODATEL NETWORKS HOLDINGS LIMITED

愛達利網絡控股有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. José Manuel dos SANTOS (*Chairman*)
Mr. YIM Hong
Mr. KUAN Kin Man
Ms. Monica Maria NUNES

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Mr. CHUI Sai Cheong
Mr. LO King Chiu Charles

Head Office and Principal Place of Business:

74 da Rua da Felicidade
Edf. Vodatel
Taipa
Macau

Principal Place of Business in Hong Kong:

Unit 1401, 14th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

20th April 2004

To Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION
in relation to the sale and purchase agreement
of interest in the Sale Companies

Introduction

Further to the announcement of the Company dated 30th March 2004, the Directors are pleased to announce that on 25th March 2004, the Company entered into the Agreement with VIHL (as purchaser, an indirectly wholly owned subsidiary of the Company), THI (as vendor) and Skene Brothers in relation to the acquisition from THI the Subscription Shares by VIHL. Pursuant to the Agreement, VIHL will subscribe to 60% of the shares in the Issuer immediately after the Subscription for a consideration of €4.6 million (approximately HK\$43.4 million) in cash.

* *for identification purpose only*

LETTER FROM THE BOARD

Prior to the Completion, THI owns, directly or indirectly, the Sale Companies and the Option Company. THI will establish the Issuer to be the holding company of the Sale Companies by transferring the Sale Companies from THI or its subsidiary to the Issuer prior to Completion and, at Completion, VIHL desires to subscribe for the Subscription Shares upon the terms and conditions hereinafter specified.

The Subscription constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

The Directors are of the view that terms of the Agreement were normal commercial terms which were fair and reasonable and in the best interests of the Company and its Shareholders as a whole. In this regard, the Directors have also considered the valuations of companies whose business is similar to that of the Sale Companies.

The purpose of this circular is to provide the Shareholders with further information relating to the Agreement. This circular also includes details required to be given to the Shareholders pursuant to Rule 19.52 of the GEM Listing Rules in respect of discloseable transactions.

PARTICULARS OF THE AGREEMENT

1. **Date**

25th March 2004

2. **Parties to the Agreement**

(A) VIHL (as purchaser)

(B) Company (as guarantor for VIHL)

(C) THI (as vendor)

(D) Skene Brothers (as guarantors for THI)

3. **Interests to be Acquired**

The Subscription Shares. Subject to and conditional upon Completion taking place, the Option will also be granted by THI to VIHL over the Newco Shares.

LETTER FROM THE BOARD

4. Consideration

The consideration of €4.6 million (approximately HK\$43.4 million) in cash which shall be satisfied by VIHL as follows:

- (i) €2.0 million (approximately HK\$18.9 million) has been paid on the 5th Business Day from the date of the Agreement into an escrow account with an independent third party. If the Agreement does not proceed to Completion or does not become unconditional by 30th June 2004, the amount so deposited shall be refunded (with interest) in full to VIHL; and
- (ii) €2.6 million (approximately HK\$24.5 million) on the 60th day after the Completion Date.

As part of the Agreement, the Option has been granted. This is capable of being exercised on or before 25th March 2005. If so exercised, VIHL shall pay €1.7 million (approximately HK\$16.0 million) for the Option Company. If not exercised on or before 25th March 2005, the Option shall lapse.

The consideration of €4.6 million (approximately HK\$43.4 million) in cash for the Acquisition was arrived at based on arm's length negotiations between the Company and THI and is by reference to the past, present and future financial performance and the strategic value of the Sale Companies. Although the Sale Companies were loss making for years 2001 and 2002, there is an unaudited profit (which is based on management accounts made available to the Company and subject to its due diligence) of €0.5 million (approximately HK\$5.0 million) for year 2003. The consideration was negotiated by reference to a profit earnings ratio of approximately 8.7 times of the unaudited profit. The Board believes that the business of the Sale Companies has turned the corner. In addition, the Agreement is subject to a condition precedent where the parties to the Agreement have to agree on the Revenue/Profit Target. Should the parties not be able to agree on the Revenue/Profit Target, the Acquisition would not proceed. The Board considers that the consideration is fair and reasonable.

5. Conditions Precedent

Completion of the Agreement is subject to, among other things, the fulfillment of the following conditions precedent:

- (a) the Skene Brothers, THI and Target Companies having obtained all consents or approval of any relevant governmental authorities or other relevant third parties for the entry into and implementation of the Agreement;
- (b) agreement as to the scope of representations and warranties to be given and the terms of a shareholders agreement to be entered into between VIHL and the Skene Brothers;
- (c) VIHL being satisfied as to results of the due diligence on the Sale Companies; and
- (d) an agreement on the Revenue/Profit Target.

LETTER FROM THE BOARD

The conditions precedent must be fulfilled on or before 5:00 p.m. (Hong Kong time) on 30th June 2004 (or such later date as the parties may agree in writing), if not, the Agreement shall lapse and be of no further effect.

As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled.

6. Board of directors of the Issuer

Pursuant to the Agreement, immediately after Completion, the board of directors of each Sale Company/Issuer shall have 7 seats, of which VIHL shall have the right to nominate 4 and appoint the chairman and the Skene Brothers shall have the right to nominate 3 directors. Thereafter and for so long as VIHL is the majority shareholder, it shall be entitled to nominate and remove the majority of the directors on the board. Whether or not the chairman shall have a casting vote is subject to the shareholders agreement to be agreed.

INFORMATION ON THE ISSUER

General

THI will establish the Issuer to be the holding company of the Sale Companies by transferring the Sale Companies from THI or its subsidiary to the Issuer prior to Completion.

Information on the Sale Companies

The Sale Companies, located in four different countries including the Netherlands, Spain, Germany and Finland, are all engaged in the same business but each is responsible for a different geographical area, that is, in the provision of multi-media value-added services such as content and campaign management, distribution and billing via a number of platforms, such as IVR, interactive internet solutions and premium SMS focused on media, enterprise communications, entertainment for consumers and direct marketing markets.

Sale Companies

Voxtel Finland Oy
Servicios Telefonicos de Audiotex, S.A.
SuperCom Audiotex Systeme GmbH
TeleConcept Benelux B.V.

Geographical coverage of business

Finland
Spain
Germany
The Netherlands

LETTER FROM THE BOARD

The Sale Companies address principally the media and entertainment market and the enterprise and corporate services market, operating a revenue sharing business model through the offering of products and services through telecommunications service providers and media operators in the following three categories:

- IVR-based services covering (a) sales, promotion and infotainment such as call & win, voting and product information; (b) order and information services such as call & order, reservations and financial information; (c) market research such as polling, product test and client service; and (d) sweepstakes and entertainment such as virtual chat, horoscopes and tarot;
- SMS-based applications services, such as interactive chat, contests, voting, polls, quizzes, games talk-show applications, affinity-marketing programs classified advertising, dating, co-marketing programs and advertisements; and
- Internet-based application services including (a) Switch4xs internet billing solutions that provide access to a website or application at a fixed rate per minute by switching the modem to a premium rate number; and (b) Call4xs internet billing solutions that allow access to a website or application for a predefined period of time using a pin-code provided by calling a premium rate number.

Prior to Completion, the entire issued share capital of all the Sale Companies will be transferred to the Issuer except TeleConcept Benelux B.V.. In the case of TeleConcept Benelux B.V., either its entire issued share capital or its assets will be transferred into the Issuer prior to Completion.

As at 31st December 2003, the aggregate unaudited net tangible liabilities of the Sale Companies (but not on a consolidated basis) amount to approximately €1.4 million (approximately HK\$13.4 million). The consolidated net assets/liabilities position of the Sale Companies can only be ascertained after the due diligence review and taking into account professional advice in relation to tax and other matters as to how this can or ought to be improved. The figures below are approximate figures based on information so far received from THI/the Skene Brothers.

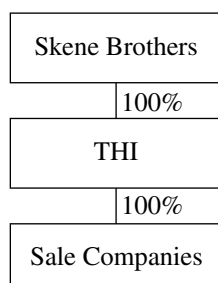
	Voxtel	Servicios	SuperCom	
	Finland Oy	Telefonicos de	Audiotex	TeleConcept
		Audiotex, S.A.	Systeme GmbH	Benelux B.V.
(Loss) before tax for 2002	(€10,000)	(€1.1 million)	(€0.1 million)	(€0.5 million)
(Loss) after tax for 2002	(€10,000)	(€0.6 million)	(€0.1 million)	(€0.5 million)
(Loss)/profit before tax for 2003	(€14,000)	€0.3 million	€0.2 million	€0.2 million
(Loss)/profit after tax for 2003	(€14,000)	€0.1 million	€0.2 million	€0.2 million
Net assets/(liabilities) for 2003	€84,000	€0.6 million	(€1.3 million)	(€0.7 million)

THI and the Skene Brothers are independent third parties not connected with the Company, the Directors, its chief executives or substantial shareholders or any of their respective Associates.

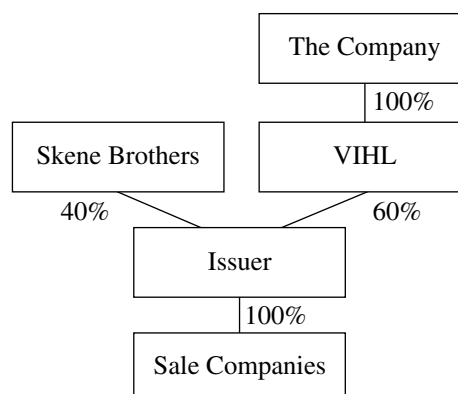
LETTER FROM THE BOARD

The following chart summarises the shareholdings of the relevant companies before and upon completion of the Subscription:

Before Completion



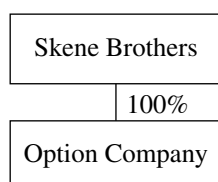
After Completion



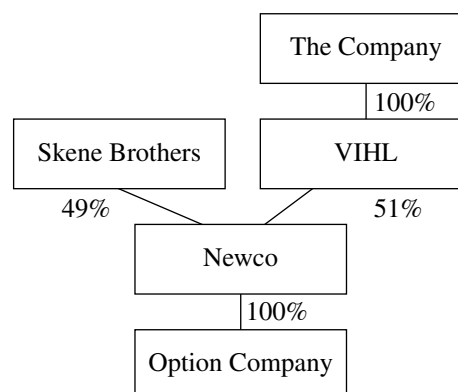
Information on the Option Company

The Option Company, located in Spain, is engaged in the provision of adult entertainment content via IVR, interactive internet solutions and premium SMS. Prior to the completion of the Option, the entire issued share capital of the Option Company will be transferred to the Newco. The following chart summarises the shareholdings of the Option Company before and upon completion of the exercise of the Option:

Before Completion of the Option



After Completion of the Option



INFORMATION ON THE COMPANY AND REASONS FOR SUBSCRIPTION

The Group is one of the leading network solutions providers in the People's Republic of China engaged principally in the construction of data networks infrastructure and provision of related networking applications riding over the data infrastructure for telecommunications service providers and enterprise customers in Macau, Hong Kong and the PRC. The Group provides full integrated services ranging from network planning, design, installation and implementation to maintenance and after-sales technical support and provision of networking hardware and value-added applications such as network management systems.

LETTER FROM THE BOARD

The Directors believe that the Acquisition is a strategic fit in the roadmap of the Group to diversify into the high growth area of multi-media value-added services business in the mobile/voice domain, reinforcing the position of the Group in the telecommunications arena. The Sale Companies are one of the leading multi-media value-added services providers of content and campaign management, distribution and billing via IVR, interactive internet solutions and premium SMS in the European markets. The Acquisition will allow the Group to well position itself to capture the growth potential of this market and the Sale Companies are expected to become the platform of the Group to extend its geographical reach to other European markets and to promote other voice and data related services and the self-developed networking applications of the Group, such as the data network management systems.

The Acquisition is also believed to strategically diversify the Group into the more established and steady growth of the European market in multi-media value-added services business, further bolstering the revenue of the Group base by creating a stable and recurring monthly stream of revenue.

The Sale Companies have an established customer base of over 100 companies and organizations and relationships with telecommunications service providers in Europe, whereas the Group has established customer base in 20 provinces, municipalities and autonomous regions in the PRC, hence offering the potential of cross-selling opportunities among the Sale Companies and the Group. Cross-selling refers to business referrals between the Sale Companies and the Group which will be conducted in accordance with relevant laws and regulations in different jurisdictions. However, until the due diligence is completed, it is impossible to speculate whether or not there would be any regulatory barriers.

Although the Sale Companies were loss making for years 2001 and 2002, there is an unaudited profit (which is based on management accounts made available to the Company and subject to its due diligence) of €0.5 million (approximately HK\$5.0 million) for year 2003. The consideration was considered by reference to a profit earnings ratio of approximately 8.7 times of the unaudited profit. Based on the unaudited profit of the Sale Companies for year 2003, the Board believes that the business of the Sale Companies has turned the corner and the Acquisition is expected to further enhance the profit making capability of the Group in the future. Subject to fulfillment of all conditions precedent to the Agreement and upon Completion, the Sale Companies would become subsidiaries of the Group and results of which would be consolidated into that of the Group. As at the Latest Practicable Date, the Company is not in a position to predict the effect of the Acquisition over the assets and liabilities of the Group. In addition, the Agreement is subject to a condition precedent where the parties to the Agreement have to agree on the Revenue/Profit Target. Should the parties not be able to agree on the Revenue/Profit Target, the Acquisition would not proceed. The Directors consider that the terms of the Acquisition were arrived at after arm's length negotiations with THI and the terms of the transaction are fair and reasonable and in the interests of the Shareholders. A further announcement will be made as and when all the conditions to the Agreement have been fulfilled, including but not limited to, the Revenue/Profit Target and the form of adjustments should the Revenue/Profit Target not be reached.

Upon Completion, the Issuer (as holding company of the Sale Companies) will become a subsidiary of the Company.

LETTER FROM THE BOARD

GENERAL

The purchase of interests in the Sale Companies constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of
Vodatel Networks Holdings Limited
José Manuel dos Santos
Chairman

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies Ordinance and the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in the circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular is published in connection with, and solely for the purpose of, the purchase of interests in the Sale Companies. It may not be used for any other purpose and, in particular, no person is authorized to use or reproduce this circular or any part thereof in connection with any offering of or solicitation of offers for offers for the Shares, shares of the Issuer, Newco or any of the Sale Companies.

DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the relevant interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 or Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or will be required pursuant to section 352 of the SFO, to be entered in the register referred to therein or will be required, pursuant to rules 5.40 to 5.58 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Exchange were as follows:

Aggregate long and short positions in the Shares and (in respect of equity derivatives) underlying shares of the Company

Name of Director	Long position/ short position	Nature of interest	No. of Shares held	No. of underlying Company shares (in respect of share option) held	Approximate % of the issued share capital of the Company
Mr. José Manuel dos Santos	Long position	Corporate interest/founder of a discretionary trust (<i>Note 1</i>)	293,388,000	—	47.80%
	Long position	Personal (<i>Note 2</i>)	—	600,000	0.10%
	Short position	Corporate interest (<i>Note 3</i>)	—	16,896,000	2.75%
Mr. Yim Hong	Long position	Personal (<i>Note 4</i>)	7,357,500	900,000	1.35%
Mr. Kuan Kin Man	Long position	Personal (<i>Note 5</i>)	12,262,500	900,000	2.14%
Ms. Monica Maria Nunes	Long position	Personal (<i>Note 6</i>)	2,452,500	900,000	0.55%

Notes:

- (1) As at the Latest Practicable Date, these Shares were held in the name of Eve Resources Limited. The entire issued share capital in Eve Resources Limited was in turn held by Lois Resources Limited, a company wholly owned by Mr. José Manuel dos Santos, as trustee of a discretionary family trust.
- (2) The personal interest of Mr. José Manuel dos Santos comprised 600,000 underlying shares in respect of share options granted by the Company to him. The aforesaid interest is held by Mr. José Manuel dos Santos as beneficial owner.
- (3) Options were granted by the Company under a share option scheme. Since Mr. José Manuel dos Santos was interested in more than one-third of the issued share capital of the Company as at the Latest Practicable Date, he was deemed to have a short position in the 16,896,000 underlying shares.

- (4) The personal interest of Mr. Yim Hong comprised 7,357,500 Shares and 900,000 underlying shares in respect of share options granted by the Company to him. The aforesaid interest is held by Mr. Yim Hong as beneficial owner.
- (5) The personal interest of Mr. Kuan Kin Man comprised 12,262,500 Shares and 900,000 underlying shares in respect of share options granted by the Company to him. The aforesaid interest is held by Mr. Kuan Kin Man as beneficial owner.
- (6) The personal interest of Ms. Monica Maria Nunes comprised 2,452,500 Shares and 900,000 underlying shares in respect of share options granted by the Company to her. The aforesaid interest is held by Ms. Monica Maria Nunes as beneficial owner.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which will fall to be disclosed to the Company under the provisions of Division 2 and 3 and Part XV of the SFO, or, who was, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Aggregate long and short positions in the Shares and (in respect of equity derivatives) underlying shares of the Company

Name of Shareholder	Long position/ short position	Nature of interest	No. of Shares held	No. of underlying Company shares held	Approximate % of the issued share capital of the Company
Eve Resources Limited (Note 1)	Long position	Corporate interest	293,388,000	—	47.80%
	Short position	Corporate interest	—	16,896,000	2.75%
Lois Resources Limited (Note 1)	Long position	Corporate interest	293,388,000	—	47.80%
	Short position	Corporate interest	—	16,896,000	2.75%
Lei Hon Kin (Note 2)	Long position	Family interest	293,988,000	—	47.89%
	Short position	Corporate interest	—	16,896,000	2.75%

Notes:

- (1) The entire issued share capital in Eve Resources Limited is in turn held by Lois Resources Limited, a company wholly owned by Mr. José Manuel dos Santos.
- (2) Ms. Lei Hon Kin, the spouse of Mr. José Manuel dos Santos, was deemed to be interested in 293,988,000 Shares which were deemed to be interested by Mr. José Manuel dos Santos.

COMPETING INTEREST

None of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) and their respective Associates have any interest in a business, which competes or may compete with the business of the Group.

LITIGATION

No member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known by the Directors to be pending or threatened against any member of the Group.

SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

GENERAL

1. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
2. The head office and principal place of business of the Company in Macau is at 74 da Rua da Felicidade, Edf. Vodatel, Taipa, Macau.
3. The principal place of business of the Company in Hong Kong is at Unit 1401, 14th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
4. The branch share registrar of the Company is Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
5. The company secretary and qualified accountant of the Company is Mr. Foo Chun Ngai Redford.
6. The compliance officer of the Company is Ms. Monica Maria Nunes.

7. The Company established an audit committee on 10th February 2000 with written terms of reference in compliance with Rules 5.23 and 5.24 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board. The following sets out the members of the audit committee of the Company:

Name	Position in the audit committee	Position in the Board
Mr. Chui Sai Cheong	Chairman	Independent Non-executive Director
Mr. Lo King Chiu Charles	Member	Independent Non-executive Director
Mr. José Manuel dos Santos	Member	Chairman

8. The English text of this document shall prevail over the Chinese text.