
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 and the accompanying form of proxy to the purchaser or 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

NOTICE

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

AND

RE-ELECTION OF A DIRECTOR

This document, 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 enquiries, confirm that, to the best of their knowledge and belief: 1. the information contained in this document is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this document misleading; and 3. all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Notice is set out on pages 14 to 18 of this circular. Whether or not Members are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Hong Kong branch share registrar of the Company, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not less than forty-eight hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the AGM (or any adjournment thereof) should they so desire.

This circular will remain on the "Latest Company Announcement" page of the GEM Website for at least seven days from the date of publication and on www.vodatelsys.com.

Please note that the English text of this circular shall prevail over the Chinese text.

** For identification purpose only*

7th June, 2005

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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Explanatory statement	8
Appendix II — Details of Directors	11
Notice	14

DEFINITIONS

In this circular (excluding the Notice), unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened for and held at 3:00 p.m., on 30th June, 2005 at Narcissus Room, 27th Floor, The Park Lane, Hong Kong
“Associate(s)”	bears the same meaning ascribed thereto in the GEM Listing Rules
“Associated Corporations”	corporations: (a) which are subsidiaries or holding companies of the Company or subsidiaries of the holding company of the Company; or (b) (not being subsidiaries of the Company) in which the Company has an interest in the shares of a class comprised in its share capital exceeding in normal value one-fifth of the nominal value of the issued share of that class
“Board”	the board of the Directors
“Bye-laws “	the existing bye-laws of the Company
“Company”	Vodatel Networks Holdings Limited
“Connected Person(s)”	a Director, a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the Board for the conduct of the business of the Company, a person who is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Company or any person who is (or a group of persons who together are) entitled to exercise or control the exercise of 5% or more of the voting power at general meeting of the Company and who is (or are) able, as a practical matter, to direct or influence the management of the Company or any of its subsidiaries or an Associate of any of them
“Director(s)”	the director(s) of the Company
“Eighteen-Month Period”	the eighteen months ended 31st December, 2004
“ERL”	Eve Resources Limited, a company incorporated in the British Virgin Islands with limited liability

DEFINITIONS

“Exchange”	The Stock Exchange of Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Gazetted Newspapers”	those newspapers which are, from time to time, specified in the list of newspapers issued and published in the Gazette for the purposes of section 71A of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) as amended from time to time by the Chief Secretary of the Government of Hong Kong
“GEM”	the Growth Enterprise Market operated by the Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, made by the Exchange from time to time
“GEM Website”	the internet website operated by the Exchange for the purposes of GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC (not applicable to The Stock Exchange of Hong Kong Limited)
“Latest Practicable Date”	6th June, 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Macao”	the Macao Special Administrative Region of the PRC
“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
“Members”	holders of Shares
“MIHL”	MegaInfo Holdings Limited, incorporated in Bermuda with limited liability, an indirectly owned subsidiary of the Company and whose shares of HK\$0.01 each in its capital are listed on GEM
“Notice”	the notice convening the AGM
“PRC”	The People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission established under section 3 of the the Securities and Futures Commission Ordinance and continuing in existence under section 3 of the SFO are amended from time to time
“Zetronic”	Zetronic Communications (Macau) Limited, a company incorporated in Macao with limited liability

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:

José Manuel dos Santos
Yim Hong
Kuan Kin Man
Monica Maria Nunes

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Chui Sai Cheong
Lo King Chiu Charles
Fung Kee Yue Roger

Head Office and Principal Place of Business:

74 da Rua da Felicidade
Edifício Vodatel
Taipa
Macao

Principal Place of Business in Hong Kong:

Unit 3201, 32nd Floor
AIA Tower
183 Electric Road
North Point

7th June, 2005

To Members

Dear Sir or Madam,

**NOTICE
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF A DIRECTOR**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held at 3:00 p.m. on 30th June, 2005 at Narcissus Room, 27th Floor, The Park Lane, Hong Kong, which, upon approval, would enable the Company to, among other things:

- (a) repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares in issue as at the date of passing such resolution;

* For identification purpose only

LETTER FROM THE BOARD

- (b) issue new Shares equivalent to 20% of the Shares in issue on the date of the relevant resolution and those Shares repurchased by the Company pursuant to the Repurchase Mandate set out in (a) above; and
- (c) re-elect a Director and approve general terms for renewals of service contracts with some Directors.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, it will be proposed, by way of ordinary resolution, that the Directors be given a general mandate to (i) repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution; and (ii) allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the ordinary resolution and the nominal amount of any Shares repurchased by the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution). Any issue of new Shares is subject to approval from the Exchange for the listing of and permission to deal in such new Shares.

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the GEM Listing Rules, in particular rule 13.08, is set out in Appendix I to this circular. This explanatory statement provides you with information to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

RE-ELECTION OF DIRECTOR AND PROPOSED TERMS OF SERVICE OF THE DIRECTORS

In accordance with the Bye-laws, Monica Maria Nunes will retire at the AGM and, being eligible, will offer herself for re-election. In addition, each of the executive Directors' service contracts will be coming up for renewal in the second half of the year 2005. It is proposed that, subject to agreement between the Company and the relevant Director, Members be asked to consider and, if thought fit, to authorise, as required under the Bye-laws, to agree the terms of services for the Directors under the renewed terms.

Details of the executive Directors are set out in Appendix II of this circular.

LETTER FROM THE BOARD

THE AGM

The following are the details of the AGM:

Date: 30th June, 2005

Time: 3:00p.m.

Venue: Narcissus Room, 27th Floor, The Park Lane, Hong Kong

The Notice is set out on pages 14 to 18 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Hong Kong branch share registrar of the Company, Abacus Share Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event so as to arrive not less than forty-eight hours before the time appointed for holding the AGM. The return of a form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) should you so desire.

POLL PROCEDURE

Where a resolution is put to the vote at the AGM, the resolution shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the AGM; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the AGM; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than 10% of the total voting rights of all Members having the right to vote at the AGM; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the AGM being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all Shares conferring that right.

On a poll votes may be given either personally or by proxy.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposals referred to in this circular are in the best interests of the Company and the Members as a whole. Accordingly, the Directors recommend all Members to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,
On behalf of the Board
José Manuel dos Santos
Chairman

This is an explanatory statement given to all Members relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains information required pursuant to rule 13.08 of the GEM Listing Rules which are set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 613,819,000 Shares.

Subject to the passing of Resolution Number 2(ii) at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM nor outstanding options, if any, granted under the share option scheme adopted by the Company on 5th November, 2002 being exercised, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 61,381,900 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Members as a whole for the Directors to have a general authority from Members to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and Members as a whole. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and Members as a whole.

3. FUNDING OF REPURCHASES

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the memorandum of association of the Company and Bye-laws and the applicable laws of Bermuda. A listed company may not repurchase its own shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of GEM from time to time.

It is presently proposed that any repurchase of Shares would be made out of capital paid up on the repurchased Shares, funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of any premium payable on such repurchase, from funds of the Company otherwise available for dividend or distribution or from the share premium account of the Company. The repurchase of Shares will be conditional upon the fact that on the date the purchase is effected, there are no reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

4. STATUS OF REPURCHASED SHARES

The GEM Listing Rules provide that the listing of all repurchased shares is automatically cancelled and that the certificates for those shares must be cancelled and destroyed. Under the law of Bermuda, repurchased Shares shall be treated as cancelled and its issued share capital (but not the authorised share capital) will be reduced accordingly.

5. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts of the Company for the Eighteen-Month Period) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. DISCLOSURE OF INTERESTS

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective Associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No Connected Person has notified the Company that he has a present intention to sell Shares to the Company if the Repurchase Mandate is exercised and neither has any of the Connected Persons undertaken not to sell his Shares to the Company in the event the Repurchase Mandate is exercised.

7. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda.

8. TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares, a Member's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Member, or a group of Members acting in concert, depending on the level of increase in the Member's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, ERL held 293,388,000 Shares representing a total of 47.80% of the issued share capital of the Company. In the event the power to repurchase Shares pursuant to the Repurchase Mandate be exercised in full and assuming there is no change in the issued share capital of the Company and the present shareholding of ERL, the shareholding of ERL would increase to approximately 53.11% of the issued share capital of the Company.

On the basis of the shareholding held by ERL and based solely as a result of the exercise of the Repurchase Mandate in full, ERL would be obliged to make a mandatory offer under rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in any mandatory offer being made under the Takeovers Code.

9. SHARE PURCHASE MADE BY THE COMPANY

No repurchases of securities have been made by the Company in the previous six months, whether on GEM or otherwise.

10. SHARE PRICES

The highest and lowest prices of the Shares as quoted by GEM in each of the previous twelve months before the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
June	0.350	0.320
July	0.400	0.300
August	0.345	0.305
September	0.345	0.247
October	0.350	0.260
November	0.350	0.305
December	0.360	0.249
2005		
January	0.360	0.270
February	0.335	0.265
March	0.320	0.250
April	0.265	0.240
May	0.255	0.225

The following Directors' service contracts will be coming up for renewal in the second half of 2005. In addition, in accordance with the Bye-laws, only Monica Maria Nunes will retire at the AGM and, being eligible, will offer herself for re-election.

EXECUTIVE DIRECTORS

JOSÉ MANUAL DOS SANTOS

José Manuel DOS SANTOS, aged 57, was appointed as an executive Director on 13th December, 1999. He is the founder of the Group and Chairman of the Company. He has experience of over thirty years in the telecommunications industry in the Asia Pacific region. He served in a senior position at Direcção dos Serviços de Corrcios e Telecomunicações, the telecommunications authority of the Government of Macao, prior to the founding of Zetronic and subsequently the Group. He is an executive director of MIHL.

YIM HONG

YIM Hong, aged 47, was appointed as an executive Director on 14th December, 1999. He is the Managing Director of the Company in charge of overall operations. He graduated from the University of London, the United Kingdom of Great Britain and Northern Ireland with a Bachelor of Science degree. With more than twenty years of experience in the IT industry, he joined the Group in 1998. Prior to joining the Group, he was the area business director at Newbridge Networks (Asia) Limited and the country manager at 3Com Corporation. He is also a non-executive director of MIHL.

KUAN KIN MAN

KUAN Kin Man, aged 40, was first appointed as an executive Director on 14th December, 1999. He is the general manager of the Group in charge of sales and marketing. In 1985, he joined Zetronic as an engineer and was transferred into marketing later. He joined Vodatel Systems (the assets and liabilities of which were assigned to Vodatel Holdings Limited, a subsidiary of the Company, on 1st July, 1998) on 8th July, 1992 to assume the role of sales manager and was promoted to general manager in 1994. He is also a non-executive director of MIHL.

MONICA MARIA NUNES

Monica Maria NUNES, aged 36, was first appointed as an executive Director on 13th December, 1999. She is the finance director of the Company. She graduated from the University of Calgary, Canada with a Bachelor of Commerce degree. She joined the Group in 1999 and has over ten years of accounting and banking experience. She holds a Certified Management Accountant Designation of Certified Management Accountants of Alberta, Canada.

Monica Maria Nunes entered into a service contract with the Company on 10th February, 2004 for a term of one and a half years from 12th February, 2004 and such contract shall continue thereafter unless and until terminated by either the Company or Monica Maria Nunes giving to the other notice of not less than six months in writing to terminate the service contract. Pursuant to the service contract, she is entitled to a fixed monthly salary, Director's fee, additional thirteenth month salary

and Directors' fee and a discretionary year-end bonus. The amount payable under the service contract which is HK\$580,450 per annum, shall be reviewed annually by the remuneration committee of the Company at the end of each financial year. The aggregate amount of year-end bonuses payable to all the Directors shall not exceed 10% of the audited consolidated profit after taxation and minority interests but before extraordinary items in respect of the same financial year.

Save for being a Director, Monica Maria Nunes does not have any other relationships with any Connected Persons, senior management of the Company or any person who is or are in a position to control the composition of a majority of the Board. As far as the Company is aware, there are no other matters that need to be brought to the attention of the Members.

Apart from the directorships disclosed above, the executive Directors do not have any other directorships in other listed public companies.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the relevant interests and short positions of the Directors in the Shares, underlying Shares and debentures of the Company or its Associated Corporations which will be required to be notified to the Company and to the Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he took or deemed to have taken under such provisions of the SFO) or required pursuant to section 352 of the SFO, to be entered in the register referred to therein or required, pursuant to rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Exchange are the same as those set out in the annual report of the Company for the Eighteen-Month Period which will be laid before the AGM.

DIRECTOR'S EXISTING SERVICE CONTRACTS

Each of the executive Directors have entered into service contracts with the Company which will, subject to agreement between the relevant Directors and the Company, be subject to renewal in the second half of 2005.

In respect of the executive Directors' service contracts, these may be terminated by either party thereto giving to the other prior notice of six months in writing expiring not earlier than the date of expiry of the fixed term of such Directors' employment.

The aggregate emoluments paid/payable to the Directors during the Eighteen-Month Period were as follows:

	<i>HK\$'000</i>
Fees	1,483
Other emoluments	
— Basic salaries and allowances	10,473
— Discretionary bonuses	983
— Contributions to pension schemes	<u>36</u>
Total	<u><u>12,975</u></u>

Each of the executive Directors is entitled to a thirteenth month bonus and a discretionary year-end bonus calculated as a percentage of the audited consolidated profit of the Group after taxation and minority interest but before extraordinary items of the Group, which percentage shall be determined by the Board, provided that the total amount of bonuses payable for such financial year shall not exceed 10% of such audited consolidated profit. The amount of any annual salary increase is to be reviewed by the Board provided that in respect of each of the financial year, any increment to the annual salary shall not exceed 10% of the salary of such executive Director and the respective parties to the service contracts may not vote or be counted in the quorum in respect of any such determination of the Board in relation to him. Each of the executive Directors will also be entitled to employment benefit plan and will be reimbursed of all reasonable expenses.

The salary of the executive Directors were determined through arm's length negotiation and by reference to the then prevailing market rates.

It is expected that the renewed terms of employment for the Directors (expected to be entered into in the second half of 2005) will be in terms similar to the above save that the aggregate amount of emoluments (exclusive of bonus) for all executive Directors for the following financial years will not exceed that stated below:

Financial year ended 31st December,	Maximum amount <i>HK\$'000</i>
2005	9,200
2006	10,600

NOTICE OF ANNUAL GENERAL MEETING



VODATEL NETWORKS HOLDINGS LIMITED

愛達利網絡控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 8033

NOTICE OF ANNUAL GENERAL MEETING (“AGM”)

NOTICE IS HEREBY GIVEN THAT AGM of Vodatel Networks Holdings Limited (“Company”) will be held at 3:00 p.m. on 30th June, 2005 at Narcissus Room, 27th Floor, The Park Lane, the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) for the following purposes:

1. As ordinary business, to consider and if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

- (i) to receive and adopt the audited financial statements and the reports of the directors and auditors of the Company for the eighteen months ended 31st December, 2004;
- (ii) to re-elect Monica Maria Nunes as an executive director of the Company;
- (iii) to authorise the remuneration committee of the Company to approve, confirm or ratify (as the case maybe) the terms of appointment of the directors of the Company, the main terms of which are set out in Appendix II of the circular of which this notice forms part ;
- (iv) to authorise the remuneration committee of the Company to approve the terms of employment of the directors of the Company (“Directors”), the proposed main terms of which are set out in Appendix II of the circular of which this notice forms part provided that the aggregate remuneration to be paid to those Directors whose service contracts are to be renewed does not exceed the amounts stated in Appendix II of the circular of which this notice forms part; and
- (v) to re-appoint auditors of the Company for the ensuing year and authorise the board of directors of the Company to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

2. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(i) **“THAT:**

- (a) subject to paragraph (c), the exercise by the board of directors of the Company (“Directors”) during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the board of Directors (“Board”) during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or the exercise of the subscription rights under the share option scheme of the Company adopted on 5th November, 2002, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (I) the conclusion of the next annual general meeting of the Company;
- (II) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held;
- (III) the revocation or variation of this resolution by an ordinary resolution of the duly registered holder(s) from time to time of the Shares(s) (“Members”) in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of Shares open for a period fixed by the Board to Members on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

(ii) **“THAT:**

- (a) the exercise by the board of directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares of HK\$0.10 each in the capital of the Company (“Shares”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (I) the conclusion of the next annual general meeting of the Company;
- (II) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (III) the revocation or variation of this resolution by an ordinary resolution of the duly registered holder(s) from time to time of the Shares(s) in a general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (iii) “**THAT** conditional upon resolution number 2(ii) above being passed, the aggregate nominal amount of the number of shares of HK\$0.10 each in the capital of the Company which are repurchased by the Company under the authority granted to the board of directors of the Company (“Directors”) as mentioned in resolution number 2(ii) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the board of Directors pursuant to resolution number 2(i) above.”

By order of the board of directors of
Vodatel Networks Holdings Limited
José Manuel dos Santos
Chairman

Hong Kong, 7th June, 2005

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business:

74 da Rua da Felicidade
Edifício Vodatel
Taipa
The Macao Special Administrative Region of the People’s Republic of China

Place of Business in Hong Kong:

Unit 3201, 32nd Floor
AIA Tower
183 Electric Road
North Point

Executive directors of the Company:

José Manuel dos Santos
Yim Hong
Kuan Kin Man
Monica Maria Nunes

Independent non-executive directors of the Company:

Chui Sai Cheong
Lo King Chiu Charles
Fung Kee Yue Roger

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any holders of the shares of HK\$0.10 each in the capital of the Company (“Shares”) entitled to attend and vote at the AGM is entitled to appoint one or more than one proxy to attend and vote in his stead in accordance with the bye-laws of the Company. A proxy need not be a holder of the Shares (“Member”).
2. Where there are joint holders of any Share, any one of such joint holder may vote at the AGM, either in or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders shall be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of the Members in respect of the joint holding.
3. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority, if any, under which it is signed or a certified copy of such power of attorney or authority shall be delivered to the Hong Kong branch share registrar of the Company, Abacus Share Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the AGM or, in the case of a poll taken subsequently to the date of the AGM, not less than twenty-four hours before the time appointed for the taking of the poll and, in default the instrument of proxy shall not be treated as valid. The completion and return of the form of proxy shall not preclude Members from attending and voting in person at the AGM (or any adjourned meeting thereof) should they so wish.
4. In accordance with the bye-laws of the Company, the following categories of Members may demand that the vote in respect of any resolution to be put to the general meeting should be taken on a poll:
 - (a) the chairman of the AGM; or
 - (b) at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the AGM; or
 - (c) any Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than 10% of the total voting rights of all Members having the right to vote at the AGM; or
 - (d) any Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the AGM being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right.

A poll may be so demanded before or on the declaration of the result of the show of hands.



VODATEL NETWORKS HOLDINGS LIMITED

愛達利網絡控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 8033

PROXY FORM

Form of proxy for use at the annual general meeting (and at any adjournment thereof) to be held on 30th June, 2005

I/We¹ _____

of _____

being the registered holder(s) of _____ shares² of HK\$0.10 each in the capital of Vodatel Networks Holdings Limited ("Company"), HEREBY APPOINT THE CHAIRPERSON OF THE MEETING or³ _____

of _____

as my/our proxy to vote and act for me/us at the Annual General Meeting (and at any adjournment thereof) of the Company to be held at Narcissus Room, 27th Floor, The Park Lane, the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") on Thursday, 30th June, 2005 at 3:00 p.m. to consider and if thought fit, pass the Resolutions set out in the notice convening the said Meeting ("Notice") and at such Meeting (and at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of the Resolutions as indicated below.

	ORDINARY RESOLUTIONS	FOR ⁴	AGAINST ⁴
1.	(i) To receive and adopt the audited financial statements and the reports of the directors and auditors of the Company for the eighteen months ended 31st December, 2004.		
	(ii) To re-elect Monica Maria Nunes as an executive director of the Company.		
	(iii) To authorise the remuneration committee of the Company to approve, confirm or ratify (as the case maybe) the terms of appointment of the directors of the Company, the main terms of which are set out in Appendix II of the circular of which the Notice forms part.		
	(iv) to authorise the remuneration committee of the Company to approve the terms of employment of the Directors, the proposed main terms of which are set out in Appendix II of the circular of which the Notice forms part provided that the aggregate remuneration to be paid to those Directors whose service contracts are to be renewed does not exceed the amounts stated in Appendix II of the circular of which the Notice forms part; and		
	(v) To re-appoint auditors of the Company for the ensuing year and authorise the board of directors of the Company to fix their remuneration.		
2.	(i) To grant a general mandate to the directors of the Company to allot, issue and deal with the shares of the Company, in terms as referred to in ordinary resolution number 2(i) in the Notice.		
	(ii) To grant a general mandate to the directors of the Company to repurchase its own shares, in terms as referred to in ordinary resolution number 2(ii) in the Notice.		
	(iii) To approve the extension of the general mandate to be granted to the directors of the Company to allot shares, in terms as referred to in ordinary resolution number 2(iii) in the Notice.		

Dated this _____ day of _____ 2005. Signed⁵: _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).
3. If any proxy other than the chairperson is preferred, strike put "the chairperson of the Meeting" here and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OR PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK THE APPROPRIATE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, TICK THE BOX MARKED "AGAINST".** Failure to complete any or all the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
6. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s), and for the purpose seniority will be determined by the order in which the names stand in the Register of Members.
7. This form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power of attorney or authority must be deposited at the Hong Kong branch share registrar of the Company, Abacus Share Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Annual General Meeting, and in default the form of proxy shall not be treated as valid.
8. The completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) should you so wish.
9. The proxy need not be a member of the Company.

* For identification purpose only