

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This document, for which the directors of Vodatel Networks Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Vodatel Networks Holdings

Limited. 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.



Vodatel Networks Holdings Limited

(incorporated in Bermuda with limited liability)

(Website: <http://www.irasia.com/listco/hk/vodatel>)

HIGHLIGHTS

- **Achieved a net profit of HK\$78.2 million for the year ended 30th June, 2000, representing a growth of 9.8% over the previous financial year and a net profit margin of 16.2%.**
- **Successful penetration into alternate carriers, such as Unicom, and selected vertical markets, such as electricity bureau and cable TV operators.**
- **Marked our entry into e-commerce through our acquisition of 40% in Vodatel Crossland.**
- **Established a foundation in wireless communications through our 9.8% equity participation in LG TOPS.**
- **The directors propose a final dividend of 1.5 HK cents per share to be paid to the shareholders.**

RESULTS

The Board of Directors is pleased to announce the audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30th June, 2000, together with the comparative audited figures for the corresponding year ended 30th June, 1999 as follows:

	<i>Note</i>	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
Design and implementation of data networking systems and provision of related engineering services		428,385	420,469
Sale of goods		<u>53,882</u>	<u>57,951</u>
Total turnover	2	482,267	478,420
Cost of sales		<u>(340,675)</u>	<u>(365,494)</u>
Gross profit		141,592	112,926
Other revenue		10,296	7,560
Selling expenses		(10,716)	(10,546)
Administrative expenses		<u>(48,034)</u>	<u>(25,395)</u>
Operating profit		93,138	84,545
Share of losses of associated companies		<u>(337)</u>	<u>—</u>
Profit before taxation		92,801	84,545
Taxation	3	<u>(14,616)</u>	<u>(13,316)</u>
Profit attributable to shareholders		78,185	71,229
Dividends		<u>(19,577)</u>	<u>(56,983)</u>
Profit for the year retained		<u>58,608</u>	<u>14,246</u>
Earnings per share (HK cents)	4	<u>14.6 cents</u>	<u>14.5 cents</u>

Movement in reserves of the Group during the year were as follows:

	Share Premium	Investment Revaluation Reserve	Retained Earnings	Merger Reserve	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1st July 1998	—	—	—	35,549	35,549
Profit for the year retained	<u>—</u>	<u>—</u>	<u>14,246</u>	<u>—</u>	<u>14,246</u>
At 30th June 1999	<u>—</u>	<u>—</u>	<u>14,246</u>	<u>35,549</u>	<u>49,795</u>
Company and subsidiaries	—	—	14,246	35,549	49,795
Associated companies	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 30th June 1999	<u>—</u>	<u>—</u>	<u>14,246</u>	<u>35,549</u>	<u>49,795</u>
At 1st July 1999	—	—	14,246	35,549	49,795
Placing of shares	153,135	—	—	—	153,135
Placing and listing expenses	(11,921)	—	—	—	(11,921)
Capitalisation issue	(48,850)	—	—	—	(48,850)
Surplus on revaluation of investment securities	—	1,399	—	—	1,399
Profit for the year retained	—	—	58,608	—	58,608
Goodwill written off on acquisition of associated companies	<u>—</u>	<u>—</u>	<u>(28,232)</u>	<u>—</u>	<u>(28,232)</u>
At 30th June 2000	<u>92,364</u>	<u>1,399</u>	<u>44,622</u>	<u>35,549</u>	<u>173,934</u>
Company and subsidiaries	—	—	—	—	—
Associated companies	<u>—</u>	<u>—</u>	<u>(337)</u>	<u>—</u>	<u>(337)</u>
At 30th June 2000	<u>92,364</u>	<u>1,399</u>	<u>44,622</u>	<u>35,549</u>	<u>173,934</u>

1. **Group Reorganisation and Basis of Preparation**

- (a) The company was incorporated in Bermuda on 1st December 1999 as an exempted company with limited liability under the Companies Act of Bermuda.
- (b) On 10th February 2000, pursuant to a group reorganisation to rationalise the structure of the company and its subsidiaries (the “group”) which included exchange of shares in preparation for the listing of the company’s shares on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the company became the holding company of the group. The company’s shares were successfully listed on the GEM of Stock Exchange on 25th February 2000.
- (c) The group reorganisation referred to above has been reflected in the accounts by regarding the group as a continuing group. Accordingly, the consolidated accounts have been prepared using the basis of merger accounting as if the company had been the holding company of the other companies comprising the group throughout the accounting years presented. In the opinion of the directors, the consolidated accounts prepared on the above basis present more fairly the results and the state of affairs of the group as a whole.
- (d) The accounts have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The accounts are prepared under the historical cost convention as modified by the revaluation of investment securities.

2. **Turnover**

Turnover from the design and implementation of data networking systems and the provision of related engineering services is recognised upon the satisfactory completion of installation, which generally coincides with the time when the goods are delivered to the customers.

Turnover from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

3. Taxation

The taxation charge comprises:

	Group	
	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong profits tax (<i>note a</i>)	—	—
Macau complementary profits tax (<i>note b</i>)	<u>14,616</u>	<u>13,316</u>
	<u>14,616</u>	<u>13,316</u>

- (a) No provision for Hong Kong profits tax has been made in the accounts as the group does not have any estimated assessable Hong Kong profits for the year (1999: Nil).
- (b) Macau complementary profits tax has been calculated at 15.75% (1999: 15.75%) on the estimated assessable profits of group companies operating in Macau.
- (c) No provision for deferred tax has been made in the accounts as the tax effect of timing differences is not material to the group.

4. Earnings Per Share

The calculation of basic earnings per share is based on the group's profit attributable to shareholders of HK\$78,185,000 (1999: HK\$71,229,000) and the weighted average of 533,701,000 shares (1999: 490,500,000 shares) deemed to be issued during the year. In determining the weighted average number of shares in issue, the 2,000,000 shares issued before the capitalisation issue and the capitalisation issue of 488,500,000 shares were deemed to have been in issue throughout the accounting years presented.

Diluted earnings per share for the years ended 30th June 2000 and 1999 respectively was not disclosed as there were no dilutive potential ordinary shares.

DIVIDENDS

The directors propose a final dividend of 1.5 HK cents per share (1999: Nil) to be paid to the shareholders on record on 23rd October, 2000.

REVIEW OF BUSINESS OPERATIONS

Data Network Infrastructure

The construction of public narrowband and broadband data network infrastructure for provincial and municipal telecommunications authorities and bureaus remains the major profit contributor for the Group. We continue to enjoy a strong and established customer base, with Vodatel providing networking consultancy and solutions to around 100 telecommunications

authorities and bureaus in 13 provinces, municipalities and autonomous regions. Leveraging on our experience and expertise, we have conducted aggressive marketing campaigns to penetrate into alternate carriers, in particular China Mobile, Unicom and Jitong, and other vertical markets, such as electricity bureaus and cable TV operators, and make encouraging results.

Our continuous effort in promoting the concept of an integrated network has received wide acceptance from our customers. By integrating the narrowband and broadband networks together, telecom operators can effectively manage all data and multi-media services on a single integrated network management terminal. Compatibility and interconnection among network resources are therefore enhanced.

As a value-added network solutions provider, one of our objectives is to expand our product portfolio with products that will enhance the network infrastructure of our carrier clients. For instance, we have commenced the promotion of Alcatel's DWDM (Dense Wavelength Division Multiplexer) to our carrier customers. DWDM helps to expand the usable bandwidth of their existing fibre resources, hence improves the performance of the services provided by the carriers to the general public.

Broadband communications continues to be deployed mainly for LAN (Local Area Networks) interconnection and to support Internet traffic and the rapid development of IP (Internet Protocol) services has triggered a strong demand for IP WAN (Wide Area Networks). To capture this explosive market, we have taken up the distribution of Juniper's products, which comprises of an array of high performance IP routers, that enables service providers to meet the demands of information superhighways. We have also carried Alcatel's ADSL (Asymmetric Digital Subscriber Line), which provides delivery of broadband access of high and fast bandwidth to enterprises and households.

To capitalize on the emergence of alternate carriers, we have commenced the marketing of Alcatel's LMDS (Local Mutli-Point Distribution Services) to alternate carriers. LMDS provides new market participants an effective way to set up a broadband wireless network platform for voice and data communications. We are proud to be among the first to launch a field trial of broadband wireless network in China.

Technical Services

To strengthen our technical support to our customers, we have expanded our geographical footprints by setting up another three representative offices in China and have continued to recruit experienced calibre to further improve the

quality of our technical support. During the year, we have centralized our technical team by spinning it off as a business unit. To improve our front-line services, we have put in place a general 24-hour hotline to handle all clients' inquiries and to arrange the nearest available service point to promptly handle problems experienced by our customers.

To further promote our role as a value-added network solutions provider to our customers, we have established a training centre in Guangzhou, Guangdong Province to provide training to the engineers of our customers, including design and management of networks, product and technology knowledge and network maintenance.

Leveraging on our networking expertise, we are also in the process of upgrading our service facilities so as to gear up Vodatel with the capacity and capability to host a nation-wide support centre in China for other equipment vendors and service providers.

Strategic Alliances

Wireless Communications - With the market trend heading wireless and the opportunities surrounding WAP and 3G mobile applications, Vodatel took a major leap by teaming up with Guangzhou P&T Equipment and Korean LG to form LG TOPS. LG TOPS is engaged primarily in the manufacturing of CDMA systems and terminals, with business scope covering the research, development, production and selling of Wireless Local Loop systems, Personal Communication Systems and Digital Cellular Network systems and terminal products. Our participation in this joint venture gives Vodatel the opportunity to partner with LG, a market leader in CDMA, and allows us to lay the foundation on the explosive world of wireless communications and related mobile commerce.

E-Commerce - The acquisition of 40% of Vodatel Crossland is one of our strategic moves to strengthen the Group's R&D capability in hardware and software and to capture the emerging wave of e-commerce. Positioned as the New Economy Trading Enabler, Vodatel Crossland provides an advanced e-commerce platform, known as the New Economy Trading Platform ("NETP"), to assist companies in their business reengineering process. This generic e-commerce platform aims to accommodate both B2C and B2B applications as companies move off-line to on-line. NETP is equipped with the features of scalability, stringent security, strong performance level, high

availability, and 100% transaction recovery. It is also supported by an expanded range of transaction input devices, such as self-developed TV set-top box, PDA and smart trading terminal, which serve as other means to get access to the world of Internet.

Self-Developed Products

The internally developed imaging solution application, VodaImage, which we commenced research and development during last year has been completed. We have initiated promotion of VodaImage in the Guangdong Province, where Vodatel has a strong and established presence, and have successfully installed the application at the Zhongshan Mobile Bureau, with over 1.2 million records being digitised, indexed and stored. In addition, we have been awarded contracts to install this application at the Zhuhai and Shantou mobile bureaus. Encouraged by these results, we have expanded the promotion of VodaImage to other provinces, including Hunan, Henan and Zhejiang and have commenced the research and development of VodaImage to upgrade it into a complete Office Automation solution.

CHINA INTO WTO

China's entering into WTO will certainly provide a golden opportunity for many companies. For network solutions providers like Vodatel, we see ourselves as an effective channel for foreign telecom and networking investors to establish their foothold into this huge potential market. Therefore, to better position ourselves as the choice of foreign investors as partners, we will continue to expand and strengthen our networking channels in China, improve our market knowledge and business expertise to further complement our competitive edges with a strong technical support team.

FUTURE PROSPECTS

Technology is never ending as new technology will initiate new market demands and new market demands will drive new technology. We are excited to be part of this dynamic evolution. With new opportunities everywhere, our goal is to identify and capitalise on those opportunities that map the overall strategic direction of Vodatel. Our mission is to build shareholders' value, therefore we will continue to focus on our core networking business by introducing advanced and innovative value-added services to our existing and new clients and to capture new market opportunities through acquisitions, joint ventures and collaborations.

COMPARISON OF BUSINESS OBJECTIVES AS SET OUT IN PROSPECTUS DATED 16TH FEBRUARY, 2000 WITH ACTUAL BUSINESS PROGRESS IN RESPECT OF THE SIX MONTHS PERIOD TO 30TH JUNE, 2000

Business Objectives

Actual Business Progress

Revenue and Business Development

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| <ul style="list-style-type: none">● Generate revenue through an expanded array of network communications products and support services offered to existing and new clients in the PRC
● Continue to promote the DDN systems to installed base and new clients in the PRC
● Conduct joint marketing campaigns with its carrier clients to promote sales of public network services in the PRC
● Establish business relationships with selected vertical markets in the PRC
● Promote the concept of integrated data network comprising DDN, Frame Relay and ATM to existing clients in major cities/provinces in the PRC | <ul style="list-style-type: none">● Took up distributorships of Juniper's routers and Alcatel's LMDS, ADSL and DWDM and commenced promotion of these products to our existing clients
● Awarded contracts to expand the DDN networks for our installed base, such as Ningxia PTA, Ningbo PTB and Hunan PTA. Awarded contract by Jiangxi Unicom to construct their DDN network
● Carried out through seminars, conferences and field visits
● Successfully penetrated into selected vertical markets, with contracts awarded by the electricity bureau of Shenyang and Jilin, the police bureau of Shandong and the army of Jiangxi
● Successfully promoted the concept of integrated data network to our clients, with contracts awarded by Shanghai PTA, Qingdao PTB, Guangdong PTA and Anshang PTB |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Commence marketing campaign for Voice Over IP systems and Internet Remote Access systems to existing clients in major cities/provinces together with Nokia and Ericsson respectively in the PRC
- Marketing strategy to promote Voice Over IP systems and Internet Remote Access systems being under review

Technical and engineering support

- Expand the technical and engineering team by two engineers to strengthen after-sales service on completed projects in the PRC
- Recruited a Director of Technical Service and several local engineers
- Continue to monitor the networks installed at client base and provide consultancy on upgrade and enhancement of the current DDN platform in the PRC
- Our continuous monitoring and strong technical and after-sales support earned us contracts to expand and upgrade the networks of our client base

R&D

- Enhance the existing imaging solution application for selected vertical markets in the PRC
- Completed, with VodaImage successfully installed at the mobile bureau of Zhongshan, Zhuhai and Shantou in the Guangdong Province
- Research broadband data networks applications and wide-band CDMA applications
- Being conducted through LG TOPS, which the Group took an 9.8% equity participation during June 2000
- Research e-commerce applications in the finance sector in Hong Kong
- Being carried out through Vodatel Crossland, which the Group acquired a 40% stake from Australian-based Crossland Technology Co. Ltd. in April 2000

- Research IP access solutions in the PRC
- In recognition of the high penetration rate of TV in the PRC, commenced the research of set-top box and completed the development of the hardware prototype

Acquisitions, Joint Ventures and Collaborations

- Finalise the joint venture arrangement with Guangzhou Thinker Communications Technology Co. Ltd., which is under the Guangdong Telecommunications Academy of Science and Technology administered by China Telecom in the Guangdong Province, to research, develop and market wireless data communications and Internet related products
- Completed, with the Group taking a 49% equity interest in this joint venture

Subsidiaries, Representative Offices and Branches

- Formalise the establishment of representative offices in Yinchuan, Guiyang and Zhengzhou
- Applications for the registration of these representative offices have been submitted

USE OF PROCEEDS

Net proceeds from listing amounted to approximately HK\$156 million, of which:

- Approximately HK\$28 million for the acquisition of 40% stake in Vodatel Crossland, which will strengthen the Group's R&D capability in Internet access equipment and in the development of e-commerce and Internet-related products and business;
- Approximately HK\$3 million for our participation in LG TOPS, which is involved in the market development and the promotion of mobile telecommunications;

- Approximately HK\$3 million for setting up of an executive office in Hong Kong and three representative offices in China; and
- The remaining net proceeds of approximately HK\$122 million were placed on short term deposits with financial institutions in Hong Kong for future use as identified by the Group's business plans.

DIRECTORS' INTERESTS IN SECURITIES

As at 30th June, 2000, the interests of the Directors and their associates in the share capital of the Company and its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

Name of Directors	Number of Shares	Nature of Interest
José Manuel dos Santos	293,388,000	Trust (<i>Note</i>)
Yim Hong	7,357,500	Personal
Kuan Kin Man	12,262,500	Personal
Ho Kwok Hung	706,000	Personal
Monica Maria Nunes	2,452,000	Personal

Note: The 293,388,000 shares are owned by Eve Resources Limited, which is in turn held by a company wholly-owned by Mr. Santos, the Chairman of the Company, as trustee of a discretionary family trust.

Save as disclosed above, none of the Directors or their associates had any interests in the share capital of the Company or its associated corporations (as defined in the SDI Ordinance).

The interests of the management shareholders (as defined in the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") in the share capital of the Company are the same as disclosed above.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the periods under review was the Company, its subsidiaries or holding company a party to any arrangements to enable the Directors (including their spouses or children under 18 years of age) or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2000, the register of substantial shareholders maintained under Sections 16(1) of the SDI Ordinance shows that the Company has been notified of the following interests, being 10% or more of the Company's issued share capital.

Name of Shareholder	Number of Shares	% of Total Issued Shares
Eve Resources Limited	293,388,000	47.71%

Note: The 293,388,000 shares are owned by Eve Resources Limited, which is in turn held by a company wholly-owned by Mr. Santos, the Chairman of the Company, as trustee of a discretionary family trust.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

SPONSOR'S INTERESTS

The Company's sponsor, Core Pacific - Yamaichi Capital Limited ("Core Pacific - Yamaichi"), its directors, employees or associates (as referred to in Note 3 to rule 6.35 of the GEM Listing Rules), were interested in 2,650,000 shares (0.4% of total issued shares) of HK\$0.10 each in the share capital of the Company as at 30th June, 2000 and 26th September, 2000 respectively. 2,600,000 shares and 50,000 shares were held by Core Pacific-Yamaichi International (H.K.) Limited, and its employees respectively.

Pursuant to the agreement dated 16th February, 2000 entered into between the Company and Core Pacific - Yamaichi, Core Pacific - Yamaichi has received and will receive a fee for acting as the Company's retained sponsor for the period from 16th February, 2000 to 30th June 2002.

YEAR 2000 COMPLIANCE RESULTS

The Board is pleased to announce that all accounting and financial applications in the Group were fully compliant and therefore, the fear of Year 2000 compliance issue did not create any material adverse impact on the business operations in all functional areas.

AUDIT COMMITTEE

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 audit committee has three members comprising Mr. Jose Manuel dos Santos, Chairman, and the two independent non-executive Directors, Mr. Chui Sai Cheong and Mr. Lo King Chiu, Charles.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 26th September, 2000

This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days from the day of its posting.



Vodatel Networks Holdings Limited

(incorporated in Bermuda with limited liability)

(Website: <http://www.irasia.com/listco/hk/vodatel>)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of Shareholders of the Company will be held at the Harcourt Room, Lower Lobby, Conrad International Hong Kong, on Monday, 23rd October, 2000 at 4:00 p.m. to transact the following businesses:—

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the period ended 30th June, 2000.
2. To re-elect retiring Directors and authorise the Board of Directors to fix their remuneration.
3. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
4. To consider as special businesses and, if thought fit, pass the following resolutions as Ordinary Resolutions:—

A. **“THAT:—**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar rights to subscribe for any shares or convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors 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 value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an options or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this Resolution), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company or, (iv) any scrip dividend or similar arrangement providing for the allotment of shares in the capital of the Company in lieu of the whole or part of the cash payment for any dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not in aggregate exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing 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 earliest 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 Articles of Association of the Company or any applicable laws to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in Meeting.

“Right Issue” means the allotment, issue or grant of shares in the capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof whose names appear on the Register of Members of the Company on a fixed record

date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors 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 or in any territory applicable to the Company).”

B. “THAT:—

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to repurchase its owned issued shares of HK\$0.10 each in the capital of the Company in accordance with laws and requirements and regulations of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval 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 earliest 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 Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in Meeting.”

C. **“THAT:—**

subject to the passing of the Ordinary Resolution Nos. 4A and 4B, the general mandate granted to the Directors of the Company to allot, issue and deal with additional securities pursuant to Resolution No. 4A be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to Resolution No. 4B, provided that such amount of shares so repurchased shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

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

Hong Kong, 26th September, 2000

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business:

Estrada D. Maria II
Ed. Industrial Cheong Long
4/F “B & C”
Macau

Place of Business in Hong Kong:

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

Notes:

1. In order to qualify for attending the forthcoming Meeting of the Company, all shares transfer accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited, 2401 Prince's Building, Central, Hong Kong not less than 48 hours before the appointed time for holding the Meeting.
2. Every member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares) to attend and vote in his stead. A proxy need not be a member of the Company.
3. To be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrars in Hong Kong, Abacus Share Registrars Limited, 2401 Prince's Building, Central, Hong Kong not less than 48 hours before the appointed time for holding the Meeting or any adjournment thereof.
4. An Explanatory Statement containing further details regarding Ordinary Resolution No. 4B above as required by the Rules Governing the Listing of Securities on the Stock Exchange will be dispatched to the members of the Company together with the 2000 Annual Report.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days from the day of its posting.