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This announcement, for which the directors of the Company 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 of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement 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 in this announcement misleading; and (iii) all opinions expressed in this announcement 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

愛達利網絡控股有限公司*

(incorporated in Bermuda with limited liability)

Websites: <http://www.vodatelsys.com>; www.irasia.com/listco/hk/vodatel

ANNOUNCEMENT

RELATING TO RULE 17.20 OF THE GEM LISTING RULES

On 26 September 2003, Vodatel entered into the Loan Facility Agreement for a term loan facility of US\$15,000,000. The Company also executed the Guarantee in favour of the Agent and the Lenders on 26 September 2003 in respect of Vodatel's obligations under the Loan Facility Agreement.

The Guarantee imposes certain specific performance obligations on the Santos' Family Trust, being the controlling shareholder (as defined in the GEM Listing Rules) of the Company, and breach of such obligation will cause a default under the Loan Facility Agreement, which is significant to the operations of the Company.

This announcement is made pursuant to rule 17.20 of the GEM Listing Rules.

On 26 September 2003, Vodatel entered into the Loan Facility Agreement for a term loan facility of US\$15,000,000. The purpose of the loan is for general corporate purposes and for general working capital. Vodatel may only

drawdown the loan between the period commencing on and including the date of the Loan Facility Agreement and ending on the date 6 months thereafter. Vodatel shall repay the loan drawn down by 4 consecutive equal semi-annual instalments commencing on the date 18 months after the date of the Loan Facility Agreement. Notwithstanding the above, all outstanding amount under the Loan Facility Agreement shall be repaid on the date 36 months after the date of the Loan Facility Agreement.

The Company also executed the Guarantee in favour of the Agent and the Lenders on 26 September 2003 in respect of Vodatel's obligations under the Loan Facility Agreement.

Under the GEM Listing Rules, the Company is required to make a disclosure where the Company or any of its subsidiaries enters into an agreement that includes a condition imposing specific performance obligations on any controlling shareholder and breach of such obligation will cause a default in respect of the loan that is significant to the operations of the Company. Under the Guarantee and Loan Facility Agreement, the Company and Vodatel undertake with the Agent and each of the Lenders that each of them shall procure that:

- (i) the Santos' Family Trust (being the controlling shareholder (as defined in the GEM Listing Rules) of the Company) shall at all times have as its trust assets, directly or indirectly, not less than 35% of each class of the issued voting share capital in the Company and that the service agreement between Mr. José Manuel dos Santos and the Company dated 12 August 2002 is not amended or terminated without the prior written consent of the Agent; and
- (ii) the Santos' Family Trust shall not (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) voluntarily dispose of more than 5% of its shareholdings in the Company without the prior written consent of a Lenders' Majority (such consent not to be unreasonably withheld or delayed).

In default of the above undertaking, the Agent may declare all obligations under the Loan Facility Agreement to be immediately due and payable.

This announcement is made pursuant to rule 17.20 of the GEM Listing Rules.

DEFINITIONS

“Agent”	Standard Chartered Bank;
“Company”	Vodatel Networks Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
“Group”	the Company and its subsidiaries;
“Guarantee”	the deed of guarantee and indemnity executed by the Company on 26 September, 2003 in favour of the Lenders and the Agent in respect of Vodatel’s obligations under the Loan Facility Agreement;
“Lenders”	Banco Comercial de Macau S.A., CITIC Ka Wah Bank Limited, HSH Nordbank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited, the Agent;
“Lenders’ Majority”	the Lenders the aggregate of whose participants exceed 66 2/3% of the loan or if no advances have been made or are outstanding the aggregate of whose commitment exceed 66 2/3% of the undrawn balance of the commitment;
“Loan Facility Agreement”	the loan facility agreement entered on 26 September 2003 between Vodatel, the Lenders and the Agent in respect of term loan facility of US\$15,000,000;
“Santos’ Family Trust”	the trustee of the existing trust whereby the family members of Mr. José Manuel dos Santos’ are the discretionary objects and which assets includes a controlling stake of 47.8% of the issued share capital of the Company; and

“Vodatel”

Vodatel Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly owned subsidiary of the Company.

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

Hong Kong, 26 September 2003

This announcement will remain on the GEM website on the “Latest Company Announcements” page for 7 days from the day of its posting and on the website of the Company at www.vodatelsys.com.

** For identification purpose only*