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## **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 AND CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE**

#### **PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 17th February 2023 (after trading hours), VNHKHL entered into the JV Agreement with Shannon and Meta-V (a direct wholly-owned subsidiary of VNHKHL and an indirect wholly-owned subsidiary of the Company immediately before completion of the Subscription), pursuant to which, amongst others, VNHKHL agreed to advance the Initial Financing of HK\$8,000,000 to Meta-V upon completion of the Subscription in the form of shareholder's loan without interest.

#### **GEM LISTING RULES IMPLICATIONS**

Immediately upon completion of the Subscription, VNHKHL and Shannon shall hold 60% and 40% of the issued share capital of Meta-V respectively. As at the date of this announcement, Ho Wai Chung Stephen (the non-executive Director) owns 50% of the issued share capital of Shannon. Accordingly, Meta-V shall become an indirect partly-owned connected subsidiary of the Company and constitute a connected person of the Company under the GEM Listing Rules immediately after Completion. As such, the Financial Assistance by VNHKHL to Meta-V upon Completion constitutes a connected transaction under Chapter 20 of the GEM Listing Rules.

Since 1. the Financial Assistance is on normal commercial terms; and 2. all applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Financial Assistance are less than 25% and the total value of the Financial Assistance is less than HK\$10,000,000, the Financial Assistance is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Members' approval requirements under Rule 20.74(2)(b) of the GEM Listing Rules.

Further, as one or more of the applicable percentage ratios in respect of the Financial Assistance are more than 5% but all of the applicable percentage ratios are less than 25%, the Financial Assistance constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. The Financial Assistance is thus subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **PROVISION OF FINANCIAL ASSISTANCE**

On 17th February 2023 (after trading hours), VNHKHL entered into the JV Agreement with Shannon and Meta-V (a direct wholly-owned subsidiary of VNHKHL and an indirect wholly-owned subsidiary of the Company immediately before Completion), pursuant to which, amongst others, VNHKHL agreed to advance the Initial Financing of HK\$8,000,000 to Meta-V upon Completion in the form of shareholder's loan without interest.

### **JV Agreement**

#### ***Date***

17th February 2023

#### ***Parties***

- 1 VNHKHL;
- 2 Shannon; and
- 3 Meta-V.

#### ***Subject Matter***

Pursuant to the JV Agreement, VNHKHL shall advance the Initial Financing of HK\$8,000,000 to Meta-V upon completion of the Subscription in the form of shareholder's loan without interest. The amount of the Initial Financing is the expected amount required for funding the Business of Meta-V for eighteen to twenty-four months after the date of the JV Agreement which was determined based on the business cycle and pricing model of the Business of Meta-V and the anticipated payment terms with vendors and customers.

The Subscription has been completed as at the date of this announcement. For illustration purpose, the following table sets out the shareholding structure of Meta-V 1. immediately before completion of the Subscription; and 2. immediately after completion of the Subscription:

	<b>Immediately before Completion</b>		<b>Immediately after Completion</b>	
	<b>Number of Target Shares held</b>	<b>Approximate % of total issued Target Shares</b>	<b>Number of Target Shares held</b>	<b>Approximate % of total issued Target Shares</b>
<b>Shareholders of Meta-V</b>				
VNKKHL	100	100	600	60
Shannon	–	–	400	40
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>100</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

The Initial Financing shall be utilised by Meta-V for the purposes in connection with the Business (including without limitation to finance any subsidiary for the purposes of the Business). The Initial Financing shall be repaid in full prior to any distribution of dividends by Meta-V.

Pursuant to the JV Agreement, VNKKHL is not obliged to provide any funding to the Target Group beyond the Initial Financing. Any additional funding that the Target Group may require, whether by way of loan and/or equity over and above the Initial Financing, shall be funded by the shareholders of Meta-V (being VNKKHL and Shannon immediately after Completion) on a pro-rata basis based on their then respective holding of the Target Shares pursuant and subject to the terms of the JV Agreement.

Any capitalisation of the Initial Financing made by VNKKHL shall not result in dilution to the shareholding ratio of VNKKHL in Meta-V at the time of such capitalisation to the extent which is more than nominal.

## **INFORMATION ON THE GROUP AND VNKKHL**

The Group primarily engages in the design, supply, implementation and maintenance of turnkey solutions in the areas of IT, networks and surveillance and in the development of customised software for its customers in the public sector, as well as the telecommunications, Internet-related, educational, medical, gaming and hospitality sectors. In addition to its main offices in Macao and Hong Kong, the Group has established research and development centres and twenty-four-hour service hubs in Macao and across PRC, other than the regions of Hong Kong, Macao and Taiwan.

VNKKHL is engaged in investment holding.

## **INFORMATION ON OTHER PARTIES**

### **Meta-V**

Meta-V primarily engages in the Business. Immediately before Completion, Meta-V was owned as to 100% by VNHKHL, and therefore constituted a direct wholly-owned subsidiary of VNHKHL and an indirect wholly-owned subsidiary of the Company. Immediately after Completion and as at the date of this announcement, Meta-V is owned as to 1. 60% by VNHKHL and therefore constitutes a direct partly-owned subsidiary of VNHKHL and an indirect partly-owned subsidiary of the Company; and 2. 40% by Shannon.

### **Shannon**

Shannon is principally engaged in investment holding. As at the date of this announcement, Shannon is owned as to 50% by Ho Wai Chung Stephen, the non-executive Director, and 50% by Chan Tin Wai David.

## **REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE**

Prior to the Completion, Meta-V was an indirect wholly-owned subsidiary of the Company intended for the development of the Business in Hong Kong and Macao. Immediately after the Completion, Meta-V shall constitute a joint venture company between VNHKHL and Shannon for the purpose of carrying out the Business. Ho Wai Chung Stephen and Chan Tin Wai David (being the shareholders of Shannon) are both seasoned and highly reputable market practitioners, previously being top executives in multi-national telecommunications service providers with operations spanning across PRC, Asia Pacific, Europe and North America. With ample and strong experience in the information and communications technologies industry, both as management and in business operation, the Board has confidence that Shannon will help in the development and expansion of the Business of Meta-V. The Initial Financing advanced by VNHKHL will be used at the initial stage of the joint venture pursuant to the terms of the JV Agreement for, inter alia, supporting the business cycle and pricing model of the Business of Meta-V, investment in infrastructure to provide managed services, including but not limited to IT hosting and cloud services, and for general working capital. The Initial Financing was funded by the internal resources of the Group.

The Board believes that the Business of Meta-V (as funded and facilitated by the Financial Assistance) will strengthen the synergy effect with the existing business of the Group in the areas of IT, networks and surveillance, allow the Group to tap into the market of provision of managed services and to further enhance the marketing positioning of the Company as a total solution provider.

Further, since any additional funding beyond the Initial Financing shall be funded by the shareholders of Meta-V (being VNHKHL and Shannon immediately after Completion) on a pro-rata basis based on their then respective holding of the Target Shares pursuant to the JV Agreement, the JV Agreement enables Meta-V to integrate the financial (as well as intangible) resources of its shareholders going forward (without imposing a material cashflow burden to the Group immediately) for the further development and promotion of the Business in the future.

The Board (including the independent non-executive Directors) considers that the terms of the JV Agreement and the transactions contemplated thereunder including the Financial Assistance are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Members as a whole.

Ho Wai Chung Stephen, who is the non-executive Director and the controlling shareholder of Shannon, has a material interest in the entering into of the JV Agreement and the transactions contemplated thereunder including the Financial Assistance. Therefore, he is required to abstain and has abstained from voting on the relevant resolutions of the Board approving the entering into of the JV Agreement and the transactions contemplated thereunder including the Financial Assistance. Save for Ho Wai Chung Stephen, none of the other Directors has any material interest in the entering into of the JV Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions of the Board.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Immediately upon Completion, VNHKHL and Shannon shall hold 60% and 40% of the issued share capital of Meta-V respectively. As at the date of this announcement, Ho Wai Chung Stephen (the non-executive Director) owns 50% of the issued share capital of Shannon. Accordingly, Meta-V shall become an indirect partly-owned connected subsidiary of the Company and constitute a connected person of the Company under the GEM Listing Rules immediately after Completion. As such, the Financial Assistance by VNHKHL to Meta-V upon Completion constitutes a connected transaction under Chapter 20 of the GEM Listing Rules.

Since 1. the Financial Assistance is on normal commercial terms; and 2. all applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Financial Assistance are less than 25% and the total value of the Financial Assistance is less than HK\$10,000,000, the Financial Assistance is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Members' approval requirements under Rule 20.74(2)(b) of the GEM Listing Rules.

Further, as one or more of the applicable percentage ratios in respect of the Financial Assistance are more than 5% but all of the applicable percentage ratios are less than 25%, the Financial Assistance constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. The Financial Assistance is thus subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Given that Ho Wai Chung Stephen (the non-executive Director) is a controlling shareholder of Shannon, Shannon constitutes a connected person of the Company under the GEM Listing Rules. As such, the Subscription (which gives rise to a deemed disposal of 40% of equity in Meta-V by VNHKHL to Shannon with the meaning under Rule 19.29 of the GEM Listing Rules) constitutes a connected transaction under Chapter 20 of the GEM Listing Rules. For the avoidance of doubt, given that the Subscription is on normal commercial terms, and all applicable percentage ratios in respect of the Subscription are less than 0.1%, the Subscription is fully exempt from reporting, announcement, circular (including independent financial advice) and Members' approval requirements under Rule 20.74(1)(a) of the GEM Listing Rules. Further, as all applicable percentage ratios in respect of the Subscription are less than 5%, the Subscription does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

“Board”	the board of Directors
“Business”	the business in respect of the provision of information and communications technology hosting services, managed services and cloud services, and any other associated business that are developed by Meta-V and/or its subsidiaries (if any)
“Company”	Vodatel Networks Holdings Limited
“Completion”	completion of the Subscription in accordance with the terms and conditions of the JV Agreement
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“connected subsidiary”	has the meaning ascribed to it under the GEM Listing Rules
“Director”	the director of the Company
“Exchange”	The Stock Exchange of Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Financial Assistance”	the advance of the Initial Financing by VNHKHL to Meta-V pursuant to the JV Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM made by the Exchange from time to time
“Group”	the Company and its subsidiaries (not applicable to Target Group)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC (not applicable to Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Vodatel Networks Hong Kong Holdings Limited)
“Initial Financing”	the shareholder’s loan of HK\$8,000,000 advanced by VNHKHL to Meta-V without interest upon Completion pursuant to the JV Agreement
“JV Agreement”	the joint venture agreement dated 17th February 2023 entered into between VNHKHL, Shannon and Meta-V in relation to, amongst others, the Subscription and the Initial Financing
“Macao”	the Macao Special Administrative Region of PRC

“Member”	the holder of the ordinary shares of HK\$0.10 each in the share capital of the Company
“Meta-V”	Meta-V Tech Services Limited, incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company, the issued share capital of which immediately before Completion (being HK\$100 divided into 100 Target Shares) was owned as to 100% by VNHKHL
“PRC”	The People’s Republic of China
“Shannon”	Shannon Investment Limited, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscriptions for 1. 400 new Target Shares by Shannon; and 2. 500 new Target Shares by VNHKHL, to be allotted and issued by Meta-V at HK\$1 per new Target Share payable in cash pursuant to the JV Agreement, such that immediately after completion of such subscriptions the issued share capital of Meta-V shall be held as to 60% by VNHKHL and 40% by Shannon
“Target Group”	Meta-V and its subsidiaries (if any)
“Target Share”	ordinary share in the share capital of Meta-V
“VNHKHL”	Vodatel Networks Hong Kong Holdings Limited, incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

By order of the Board  
**José Manuel dos Santos**  
*Chairman*

Macao, 17th February 2023

<b>Executive Directors</b>	<b>Non-executive Director</b>	<b>Independent non-executive Directors</b>
José Manuel dos Santos Kuan Kin Man Monica Maria Nunes	Ho Wai Chung Stephen	Fung Kee Yue Roger Wong Tsu An Patrick Wong Kwok Kuen

*This announcement, 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.*

\* for identification purpose only