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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 in relation to the disposal of Property**

The Board is pleased to announce that after the trading hours of the Exchange on 19th February, 2008, the Agreement relating to the sale of the Property for HK\$4,800,000 has been entered into between CAOCL and the Purchaser.

The sale of the Property contemplated under the Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules, and also a connected transaction as the Purchaser is a Director. As the consideration ratio of the transaction is more than 2.5% but less than 25% and the Consideration is less than HK\$10,000,000, the sale of the Property is subject to reporting and announcement requirements and is exempted from independent Members' approval requirement under Chapter 20 of the GEM Listing Rules.

A circular containing details of the transaction will be dispatched to Members as soon as practicable.

## **THE AGREEMENT**

Date	:	19th February, 2008
Parties	:	1. The Purchaser 2. CAOCL (as vendor)
Assets to be disposed	:	The Property.
Consideration	:	HK\$4,800,000, which shall be satisfied by the Purchaser in cash.
Completion	:	On signing of the Agreement.

The Purchaser is a Director and therefore a Connected Person of the Company and the sale of the Property by CAOCL to the Purchaser constitutes a connected transaction under the GEM Listing Rules. As the consideration ratio of the transaction is more than 2.5% but less than 25% and the Consideration is less than HK\$10,000,000, the sale of the Property is subject to reporting and announcement requirements and is exempted from independent Members' approval requirement under Chapter 20 of the GEM Listing Rules.

## **THE CONSIDERATION**

The Consideration was arrived at after arm's length negotiations between CAOCL and the Purchaser by reference to a valuation report (valuing the Property at HK\$4,800,000 as at 1st December, 2007) of the Property conducted by an independent valuer. Such valuation has been arrived at by the direct comparison approach assuming sale of the Property in their existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market. The expected gain to be accrued to the Company, calculated as the difference between the Consideration and the book value of the Property, is approximately HK\$2,565,000. The book value of the Property as at 19th February, 2008 is approximately HK\$2,235,000.

The proceeds from the sale of the Property, being approximately HK\$4,800,000, will be applied towards the general working capital of the Group.

## **INFORMATION OF THE COMPANY**

The Group carries the vision to deliver high quality communications infrastructural solutions to customers, allowing them to manage their business and reach out for information, anywhere and anytime. The Group principally engages in the provision of network and system infrastructure and operation support systems.

The Group provides an integrated span of services in network and system infrastructure, ranging from network and system planning, design, provision of equipment and software, installation and implementation to maintenance and technical support for public telecommunications service providers in Mainland China, such as China Telecom, China Netcom, China Unicom and China Mobile, and enterprise customers in selected vertical markets, such as cable TV operators, electricity bureaus, governmental authorities and universities. In Macao, the Group is also a leading provider of solutions in structured cabling, surveillance, trunking radio, networking and access control for gaming and hotel operators.

The Group is also engaged in the provision of self-developed operation support systems for public telecommunications service providers in the PRC, which allows the various operators to effectively and efficiently manage the performance of and traffic over the networks.

### **INFORMATION OF THE PURCHASER**

The Purchaser is the chairman of the Company and an executive Director.

### **INFORMATION OF THE PROPERTY**

The Property is a commercial unit located in Macao and has been vacant prior to the date of the Agreement since May, 2007. The Property has been recognised by the Company as part of its freehold land, property, plant and equipment in the balance sheet of the Company. The Property has been acquired as part of the acquisition of CAOCL by the Company on 1st September, 2004. The book value of the Property as at 19th February 2008 is approximately HK\$2,235,000 and it was valued at HK\$4,800,000 as at 1st December, 2007 based on the valuation report prepared by an independent valuer.

### **REASONS FOR THE DISPOSAL**

With the recent increase generally in property value with respect to commercial properties in Macao, together with the expected gain of approximately HK\$2,565,000, the Group is of the view that it is an appropriate time to sell the Property. The Company decided to sell to the Purchaser because in light of the Consideration being valued at market, the Company is of the view that selling to independent third parties will not substantially increase the sale price (if at all) above the Consideration amount and that agency fees may be incurred.

The Board (including the independent non-executive Directors) considers that the terms of the Agreement were arrived at after arm's length negotiations with the Purchaser and terms of the Agreement are on normal commercial terms, fair and reasonable, and the entering into the Agreement by CAOCL are in the interests of the Company and the Members as a whole.

There is no prior transaction of similar nature with the Purchaser which requires aggregation for the purpose of rule 19.22 of the GEM Listing Rules.

A circular containing details of the Agreement will be dispatched to Members as soon as practicable in accordance with rule 19.38 of the GEM Listing Rules.

## **DEFINITIONS**

“Agreement”	the sale and purchase deed entered into between the Purchaser and CAOCL on 19th February, 2008 in relation to the sale and purchase of the Property
“Board”	the board of Directors
“CAOCL”	Communication Appliances Ou Chung Limited, incorporated in Macao with limited liability and an indirectly wholly-owned subsidiary of the Company
“Company”	Vodatel Networks Holdings Limited
“Connected Person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	consideration for the Property, being HK\$4,800,000
“Directors”	the directors of the Company
“Exchange”	The Stock Exchange of Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“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
“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)
“Macao”	the Macao Special Administrative Region of the PRC
“Mainland China”	the PRC, other than the regions of Hong Kong, Macao and Taiwan

“Members”	holders of shares of HK\$0.10 each in the capital of the Company
“PRC”	The People’s Republic of China
“Property”	Rua Ribeira do Patane n°s 52A-52D, Edifício Cho Cheong A r/c, Macao
“Purchaser”	José Manuel dos Santos, the chairman of the Company and an executive Director

By order of the Board  
**Yim Hong**  
*Deputy Chairman*

Macao, 19th February, 2008

**Executive Directors**

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

**Independent non-executive Directors**

Lo King Chiu Charles  
Fung Kee Yue Roger

*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: 1. the information contained in this announcement 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.*

*This announcement will remain on the internet website operated by the Exchange for the purposes of GEM on the “Latest Company Announcements” page for at least seven days from the date of posting and on [www.vodatelsys.com](http://www.vodatelsys.com).*

*\* for identification purpose only*