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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 transaction in relation to the disposal of the entire equity interest in CAOCL

The Board is pleased to announce that after the trading hours of the Exchange on 30th June, 2008, the Agreement relating to the sale of the entire equity interest in CAOCL for MOP160,000 (approximately HK\$155,000) has been entered into between OCCL, VHKL and the Purchasers.

The sale of the entire equity interest in CAOCL under the Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules as the revenue ratio exceeds 5% but is less than 25%. As such the sale of the entire equity interest in CAOCL is subject to reporting, announcement and circular publication requirements.

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

THE AGREEMENT

Date	:	30th June, 2008
Parties	:	1. The Purchasers 2. OCCL and VHKL (as vendors)
Assets to be disposed	:	100% of CAOCL.
Consideration	:	MOP160,000 (approximately HK\$155,000), which shall be satisfied by the Purchasers in cash.
Completion	:	On signing of the Agreement.

One of the Purchasers was an employee of CAOCL. As the revenue ratio of the transaction is more than 5% but less than 25%, the sale of the entire equity interest in CAOCL is subject to reporting, announcement and circular publication requirements. There is no restriction applicable to the subsequent sale of the equity interest in CAOCL.

THE CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the Purchasers, OCCL and VHKL by reference to the net asset value according to the financial statements of CAOCL as at 30th June, 2008 (valuing CAOCL at MOP160,000 (approximately HK\$155,000)). As CAOCL is sold at its net asset value, there is no gain or loss expected to accrue to the Company as a result of the transaction.

The proceeds from the sale of the entire equity interest in CAOCL, being MOP160,000 (approximately HK\$155,000), 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 CNMS.

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 PRC, 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 and networking for gaming and hotel operators.

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

INFORMATION OF THE PURCHASERS

One of the Purchasers was an employee of CAOCL. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers are third parties independent of the Company and its Connected Persons.

INFORMATION OF CAOCL

CAOCL was principally engaged in the sale of mobile phones in Macao prior to the decision of the Group to dispose of it on 13th December, 2007. Please refer to the annual report 2007 of the Company for further information.

The audited loss of CAOCL before and after taxation for the year ended 31st December, 2006 was approximately MOP1,754,000 (approximately HK\$1,703,000). The audited loss of CAOCL before and after taxation for the year ended 31st December, 2007 were approximately MOP672,000 (approximately HK\$652,000) and MOP916,000 (approximately HK\$889,000) respectively.

CAOCL will cease to be a subsidiary of the Company following completion of the Agreement and thereafter, the Company has no more shareholding interest in CAOCL.

REASONS FOR THE DISPOSAL

During the year ended 31st December, 2007, the Group has decided to exit from the business of distribution of mobile phones in Macao in order to focus its resources on more profitable segments of its businesses. In line with this strategy, the Group has decided to dispose of CAOCL in addition to its exit from other operating companies, further details of which are contained in the annual report 2007 of the Company.

The Board considers that the terms of the Agreement were arrived at after arm's length negotiations with the Purchasers and terms of the Agreement are on normal commercial terms, fair and reasonable, and the entering into the Agreement by OCCL and VHKL are in the interests of the Company and the Members as a whole.

There is no prior transaction of similar nature with the Purchasers 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 agreement entered into between the Purchasers, OCCL and VHKL on 30th June, 2008 in relation to the sale and purchase of the entire equity interest of CAOCL
“Board”	the board of the Directors
“CAOCL”	Communications Appliances Ou Chung Limited, incorporated in Macao with limited liability and an indirectly wholly-owned subsidiary of the Company prior to the completion of the sale of its entire equity interest
“CNMS”	customer network management system
“Company”	Vodatel Networks Holdings Limited
“Connected Person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	consideration for the entire equity interest of CAOCL, being MOP160,000 (approximately HK\$155,000)
“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 PRC (not applicable to The Stock Exchange of Hong Kong Limited)
“Macao”	the Macao Special Administrative Region of PRC
“Members”	the holders of shares of HK\$0.10 each in the capital of the Company

“MOP”	Patacas, the lawful currency of Macao
“OCCL”	Ou Chung Company Limited, incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China
“Purchasers”	Vong Meng and Mak Pui I, independent third parties. Vong Meng was an employee of CAOCL
“VHKL”	Vodatel Hong Kong Limited, incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company

By order of the Board
José Manuel dos Santos
Chairman

Macao, 30th June, 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
Wong Tsu An Patrick

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.iraisa.com/listco/hk/vodatel/index.htm and on www.vodatelsys.com.

** for identification purpose only*