Hong Kong Exchanges and Clearing Limited (a company incorporated in Hong Kong with limited liability) and the Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

VODATEL NETWORKS HOLDINGS LIMITED

愛達利網絡控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 8033

BUSINESS AND FINANCIAL HIGHLIGHTS FOR THE YEAR

- Achieved revenue of HK$215,341,000 for the Year, falling 7.10% short of revenue achieved during the preceding year

- Attributable to hefty dividend income of HK$23,617,000 from TTSA and profit of HK$6,170,000 from the disposal of MTNHL Shares, the Group reported net profit of HK$23,944,000 for the Year

- Equity base improving to HK$173,668,000 and cash and cash equivalents (including pledged deposits) reaching HK$124,789,000 as at 31st December 2010

- Starting 2011 with an order book exceeding HK$80,000,000

- Selected by the Government of Macao as the solution provider of wireless and data networking to the exhibition halls of Macao at the Expo 2010 Shanghai China

- Successfully developed and commercialised a food production quality control and trace module and a human resources tracking and management application

- The single largest shareholder of MTNHL disposed all its shareholding in MTNHL to PAEHL

- Formed a new partnership to engage in the design, engineering, construction, installation, operation and maintenance of telecommunications and energy networks

- The Board recommended payment of a final dividend of HK$0.005 per Share for the Year

RESULTS

The Board is pleased to present the audited consolidated results of the Group for the Year as follows:

Consolidated Balance Sheet

		As at 31st December	
		2010	2009
	Note	**HK$'000**	HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,054**	759
Investments in associates		**609**	661
Available-for-sale financial assets		**26,047**	19,820
		27,710	21,240
Current assets			
Inventories		**30,055**	5,856
Current income tax prepaid		**87**	251
Trade receivables	2	**73,928**	84,801
Other receivables, deposits and prepayments		**12,271**	11,131
Pledged bank deposits		**543**	6,934
Cash and cash equivalents		**124,246**	95,670
		241,130	204,643
LIABILITIES			
Current liabilities			
Trade and bills payables	3	**51,235**	35,035
Other payables and accruals		**39,118**	42,358
Current income tax liabilities		**4,819**	5,822
		95,172	83,215
Net current assets		**145,958**	121,428
Total assets less current liabilities		**173,668**	142,668

		As at 31st December	
		2010	2009
	Note	**HK$'000**	HK$'000
Financed by:			
EQUITY			
Equity attributable to owners of the parent			
Shares		**61,382**	61,382
Other reserves	12	**153,330**	143,393
Accumulated losses	12		
— Proposed final dividends		**3,069**	3,069
— Others		**(46,296)**	(69,160)
		171,485	138,684
Non-controlling interests		**2,183**	3,984
Total equity		**173,668**	142,668

Consolidated Income Statement

		Year ended 31st December	
		2010	2009
	Note	**HK$'000**	HK$'000
Revenue	4	**215,341**	231,792
Cost of sales	6	**(148,822)**	(160,241)
Gross profit		**66,519**	71,551
Selling and marketing costs	6	**(5,470)**	(5,810)
Administrative expenses	6	**(66,874)**	(65,092)
Other gains - net	7	**31,508**	22,241
Operating profit		**25,683**	22,890
Finance income	8	**449**	394
Share of (loss)/profit of associates		**(1,341)**	5
Profit before income tax		**24,791**	23,289
Income tax (expense)/credit	9	**(847)**	9,568
Profit for the Year		**23,944**	32,857
Profit/(loss) attributable to:			
Owners of the parent		**25,933**	34,173
Non-controlling interests		**(1,989)**	(1,316)
		23,944	32,857
Earnings per Share attributable to equity holders of the Company during the Year (expressed in HK cents per Share)			
Basic and diluted earnings per Share	10	**4.22**	5.57
Dividends (expressed in HK$'000)	11	**3,069**	3,069

The audited consolidated results of the Group for the Year were reviewed by the audit committee of the Company.

Notes:

1. **Basis of preparation**

The consolidated financial statements of the Company were prepared in accordance with HKFRS. The consolidated financial statements were prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with HKFRS required the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the accounting policies of the Group.

(a) *Changes in accounting policy and disclosures — Amended standards adopted by the Group*

- HKAS 27 (Revised) "Consolidated and Separate Financial Statements" required the effects of all transactions with non-controlling interests to be recorded in equity if there was no change in control and these transactions would no longer result in goodwill or gains and losses. The standard also specified the accounting when control was lost. Any remaining interest in the entity was re-measured to fair value, and a gain or loss was recognised in profit or loss.

  The revised standard also specified that total comprehensive income was attributed to the owners of the parent and to the non-controlling interests even if this resulted in the non-controlling interests having a deficit balance. Prior to this revision, non-controlling interests would only share losses up to the non-controlling interests in the equity of the subsidiary, except when the non-controlling interests had a binding obligation and was able to make an additional investment to cover the losses.

  HKAS 27 (Revised) was applied prospectively for annual periods beginning on or after 1st January 2010 in accordance with the effective date and transitional provisions of the revision.

  The effect of the adoption of this revision for the Year is as below:

	HK$'000
Increase in loss attributable to non-controlling interests	599
Decrease in non-controlling interests	(599)
Increase in basic and diluted earnings per Share (expressed in HK cents per Share)	0.10

(b) *Changes in accounting policy and disclosures — New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1st January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*

- HKFRS 1 (Amendment) "First-time Adoption of HKFRS", "Additional exemptions for first-time adopters" (effective for accounting periods beginning on or after 1st January 2010). The amendments addressed the retrospective application of HKFRS to particular situations and aimed to ensure that entities applying HKFRS would not face undue cost or effort in the transition process.

- HKFRS 2 (Amendment) "Share-based Payment", "Group cash-settled share-based payment transactions" (effective for accounting periods beginning on or after 1st January 2010). In addition to incorporating HK(IFRIC)-Int 8 "Scope of HKFRS 2" and HK(IFRIC)-lnt 11 "HKFRS 2 - Group and Treasury Share Transactions", the amendments expanded on the guidance in HK(IFRIC)-Int 11 to address the classification of group arrangements that were not covered by that interpretation.

- HKFRS 3 (Revised) "Business Combinations" and consequential amendments to HKAS 28 "Investments in Associates" and HKAS 31 "Interests in Joint Ventures" were effective prospectively to business combinations for which the acquisition date was on or after the beginning of the first annual reporting period beginning on or after 1st July 2009.

  The revised standard continued to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business were recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There was a choice on an acquisition-by-acquisition basis to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the non-controlling interests of the net assets of the acquiree. All acquisition-related costs were expensed.

- HKAS 39 (Amendment) "Financial Instruments: Recognition and Measurement", "Eligible hedged items" (effective for accounting periods beginning on or after 1st July 2009). It prohibited designating inflation as a hedgeable component of a fixed rate debt. It prohibited including time value in a one-sided hedged risk when designating options as hedges. An entity might only designate the change in the intrinsic value of an option as the hedging instrument of a one-sided risk arising from a forecast transaction in a hedging relationship. A one-sided risk was that changes in cash flows or fair value of a hedged item was above or below a specified price or other variable.

- HK(IFRIC)-Int 17 "Distributions of Non-cash Assets to Owners" (effective for accounting periods beginning on or after 1st July 2009). The interpretation was published in November 2008. This interpretation provided guidance on accounting for arrangements whereby an entity distributed non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" was also amended to require that assets were classified as held for distribution only when they were available for distribution in their present condition and the distribution was highly probable.

- HK(IFRIC)-Int 18 "Transfers of Assets from Customers" (effective for transfer of assets received on or after 1st July 2009). This interpretation clarified the requirements of HKFRS for agreements in which an entity received from a customer an item of property, plant and equipment that the entity had to then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity received cash from a customer that had to be used only to acquire or construct the item of property, plant and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

- HK Interpretation 5 "Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause". This interpretation addressed the issue as to whether a term loan that contained a repayment on demand clause shall be classified as a current or non-current liability in the consolidated balance sheet of the borrower in accordance with paragraph 69 of HKAS 1 "Presentation of Financial Statements".

- Improvements to HKFRS published by HKICPA in May 2009

  - HKFRS 5 (Amendment), "Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations" (effective for accounting periods beginning on or after 1st January 2010). The amendment clarified that HKFRS 5 specified the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations.

  - HKFRS 8 (Amendment) "Operating Segments", "Disclosure of information about segment assets" (effective for accounting periods beginning on or after 1st January 2010). This amendment clarified that an entity was required to disclose a measure of segment assets only if that measure was regularly reported to the chief operating decision-maker.

  - HKAS 1 (Amendment), "Current/non-current classification of convertible instruments" (effective for accounting periods beginning on or after 1st January 2010). The amendment clarified that the potential settlement of a liability by the issue of equity was not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permitted a liability to be classified as non-current (provided that the entity had an unconditional right to defer settlement by transfer of cash or other assets for at least twelve months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

  - HKAS 7 (Amendment) "Statement of Cash Flows", "Classification of expenditures on unrecognised assets" (effective for accounting periods beginning on or after 1st January 2010). This amendment required that only expenditures that resulted in a recognised asset in the consolidated balance sheet could be classified as investing activities.

  - HKAS 17 (Amendment) "Leases", "Classification of leases of land and buildings" (effective for accounting periods beginning on or after 1st January 2010). This amendment deleted specific guidance regarding classification of leases of land so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transferred substantially all the risks and rewards incidental to ownership of an asset to the lessee.

  - HKAS 36 (Amendment) "Impairment of Assets", "Unit of accounting for goodwill impairment test" (effective for accounting periods beginning on or after 1st January 2010). The amendment clarified that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing was an operating segment, as defined by HKFRS 8 (that is, before the aggregation of segments with similar economic characteristics).

  - HKAS 38 (Amendment) "Intangible Assets", "Additional consequential amendments arising from HKFRS 3 (Revised) and measuring the fair value of an intangible asset acquired in business combination" (effective for accounting periods beginning on or after 1st July 2009). This amendment clarified the description of the valuation techniques commonly used to measure intangible assets acquired in a business combination when they were not traded in an active market. In addition, an intangible asset acquired in a business combination might be separable but only together with a related contract, identifiable asset or liability. In such cases, the intangible asset was recognised separately from goodwill but together with the related item.

- HKAS 39 (Amendment), "Treating loan prepayment penalties as closely related embedded derivatives" (effective for accounting periods beginning on or after 1st January 2010). This amendment clarified that loan prepayment penalties were only treated as closely related embedded derivatives, if the penalties were payments that compensated the lender for loss of interest by reducing the economic loss from reinvestment risk. A specific formula was given to calculate the lost interest.

- HKAS 39 (Amendment), "Scope exemption for business combination contracts" (effective for accounting periods beginning on or after 1st January 2010). These amendments clarified that: (i) it only applied to binding (forward) contracts between an acquirer and a vendor in a business combination to buy an acquiree at a future date; (ii) the term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and (iii) the exemption should not be applied to option contracts (whether or not currently exercisable) that on exercise would result in control of an entity, nor by analogy to investments in associates and similar transactions.

- HKAS 39 (Amendment), "Cash flow hedge accounting" (effective for accounting periods beginning on or after 1st January 2010). This amendment clarified when to recognise gains or losses on hedging instruments as a reclassification adjustment in a cash flow hedge of a forecast transaction that resulted subsequently in the recognition of a financial instrument. The amendment clarified that gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affected profit or loss.

- HK(IFRIC)-Int 9 "Reassessment of Embedded Derivatives", "Scope of HK(IFRIC)-Int 9 and HKFRS 3 (Revised)" (effective for accounting periods beginning on or after 1st July 2009). This amendment to HK(IFRIC)-Int 9 required an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassified a hybrid financial asset out of the "fair value through profit or loss" category. This assessment was to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly changed the cash flows of the contract.

- HK(IFRIC)-Int 16 (Amendment) "Hedges of a Net Investment in a Foreign Operation", "Amendment to the restriction on the entity that can hold hedging instruments" (effective for accounting periods beginning on or after 1st July 2009). This amendment stated that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments might be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of HKAS 39 that related to a net investment hedge were satisfied.

(c) *Changes in accounting policy and disclosures - New and amended standards, and interpretations were issued but were not effective for the financial year beginning 1st January 2010 and were not early adopted*

- HKFRS 1 (Amendment), "Limited exemption from comparative HKFRS 7 disclosures for first-time adopters" provides first-time adopters with the same transition provisions as included in the amendment to HKFRS 7 "Financial Instruments: Disclosures" in relation to relief from presenting comparative information that ended before 31st December 2010 for new fair value disclosures requirements. This is required to be applied for annual periods beginning on or after 1st July 2010. Early adoption is permitted.

- HKFRS 7 (Amendment), "Disclosures — transfers of financial assets" (effective for accounting periods beginning on or after 1st July 2011) helps users of financial statements to evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on the financial position of an entity and will promote transparency in the reporting of transfer transactions, particularly those that involve securitisation of financial assets.

- HKFRS 9 "Financial Instruments", issued in November 2009. This standard is the first step in the process to replace HKAS 39. HKFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the accounting of the Group for its financial assets. The standard is not applicable until 1st January 2013 but is available for early adoption.

- HKAS 12 (Amendment) "Income Taxes", "Deferred tax: recovery of underlying assets". The amendment introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. It is effective for accounting periods beginning on or after 1st January 2012. Early adoption is permitted.

  Prior to the amendment, HKAS 12 requires an entity to measure the deferred tax relating to an asset/liability depending on whether the entity expects to recover/settle the carrying amount of the asset/liability through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

- HKAS 24 (Revised) "Related Party Disclosures", issued in November 2009. It superseded HKAS 24 issued in 2003. HKAS 24 (Revised) is mandatory for accounting periods beginning on or after 1st January 2011. Earlier application, in whole or in part, is permitted.

- HKAS 32 (Amendment) "Financial Instruments: Presentation", "Classification of rights issues" (effective for accounting periods beginning on or after 1st February 2010), issued in October 2009. The amendment applies to annual periods beginning on or after 1st February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the primary economic environment in which the issuer operates. Provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues have to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

- HK(IFRIC)-Int 14 (Amendment) "HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", "Prepayments of a minimum funding requirement" (effective for accounting periods beginning on or after 1st January 2011). The amendments correct an unintended consequence of HK(IFRIC)-Int 14. Without the amendments, entities are not permitted to recognise some voluntary prepayments for minimum funding contributions as an asset. This was not intended when HK(IFRIC)-Int 14 was issued, and the amendments correct this. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

- HK(IFRIC)-Int 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for accounting periods beginning on or after 1st July 2010). The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

- Improvements to HKFRS published by HKICPA in May 2010

  - HKFRS 1 (Amendment), "Accounting policy changes in the year of adoption" (effective for accounting periods beginning on or after 1st January 2011). This amendment amends HKFRS 1 to state that HKAS 8 does not apply both to the selection of accounting policies of the entity at the date of transition to HKFRS and to any changes to those policies made to the first annual HKFRS financial statements. Further, the reconciliations required in HKFRS 1 must be updated for changes the entity makes during the year of first time adoption in accounting policies and in transitional choices made in accordance with HKFRS.

- HKFRS 1 (Amendment), "Revaluation basis as deemed cost" (effective for accounting periods beginning on or after 1st January 2011). It allows first-time adopters to use an event-driven fair value as deemed cost, even if the event occurs after the date of transition, but before the first HKFRS financial statements are issued. When such remeasurement occurs after the date of transition to HKFRS but during the period covered by its first HKFRS financial statements, any subsequent adjustment to that event-driven fair value is recognised in equity.

- HKFRS 1 (Amendment), "Use of deemed cost for operations subject to rate regulation" (effective for accounting periods beginning on or after 1st January 2011). It amends HKFRS 1 to provide exemption for entities with operations subject to rate regulation such that the entity could elect to use the carrying amount of items of property, plant and equipment or intangible assets determined under the previous generally accepted accounting principles of the entity, even if the amount is not qualified for capitalisation under HKFRS, as their deemed cost at the date of transition to HKFRS. Entities that use this exemption are required to test each item for impairment under HKAS 36 at the date of transition.

- HKFRS 3 (Amendment), "Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised HKFRS" (effective for accounting periods beginning on or after 1st July 2010). This amendment clarifies that entities should apply the rules in HKFRS 3 (not HKFRS 7, HKAS 32 or HKAS 39) to contingent consideration that arises from a business combination with acquisition dates that precede the application of HKFRS 3 (Revised).

- HKFRS 3 (Amendment), "Measurement of non-controlling interests" (effective for accounting periods beginning on or after 1st July 2010). This amendment clarifies that only entities with present ownership instruments that entitle their holders to a pro rata share of the net assets of the entity in the event of liquidation can choose to measure the non-controlling interest at fair value or the proportionate share of the non-controlling interest of the identifiable net assets of the acquiree.

- HKFRS 3 (Amendment), "Un-replaced and voluntarily replaced share-based payment awards" (effective for accounting periods beginning on or after 1st July 2010). This amendment clarifies that the application guidance in HKFRS 3 (Revised) applies to all unexpired share-based payment awards that form part of a business combination, regardless of whether the acquirer is obliged to replace the award.

- HKFRS 7 (Amendment), "Clarifications of disclosures" (effective for accounting periods beginning on or after 1st January 2011). It clarifies seven disclosure requirements for financial instruments, with a particular focus on the qualitative disclosures and credit risk disclosures.

- HKAS 1 (Amendment), "Clarification of statement of changes in equity" (effective for accounting periods beginning on or after 1st January 2011). It confirms that entities may present either in the statement of changes in equity or within the notes an analysis of the components of other comprehensive income by item.

- HKAS 27 (Amendment), "Transition requirements for amendments made as a result of HKAS 27 (as amended in 2008) to HKAS 21 "The Effects of Changes in Foreign Exchange Rates", HKAS 28 and HKAS 31" (effective for accounting periods beginning on or after 1st July 2010). It clarifies that the consequential amendments from HKAS 27 made to HKAS 21, HKAS 28 and HKAS 31 apply retrospectively since the date that the entity applies HKAS 27.

- HKAS 34 (Amendment) "Interim Financial Reporting", "Significant events and transactions" (effective for accounting periods beginning on or after 1st January 2011). It provides guidance to illustrate how to apply disclosure principles in HKAS 34 and adds disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets, and changes in contingent liabilities and assets.

- HK(IFRIC)-Int 13 (Amendment) "Customer Loyalty Programmes", "Fair value of award credits" (effective for accounting periods beginning on or after 1st January 2011). It clarifies that when measuring the fair value of an award credit, entities should take into account both the value of the award that would be offered to customers and the proportion of the award credit that is not expected to be redeemed by customers.

2. **Trade receivables**

Sales of the Group were on receipts in advance, letter of credit documents against payment and open terms credit. The credit terms granted to customers varied and were generally the result of negotiations between individual customers and the Group. As at 31st December 2010 and 2009, the ageing analysis of the trade receivables was as follows:

	2010	2009
	HK$'000	HK$'000
Within three months	**59,375**	73,804
> Three months but ≤ six months	**6,291**	3,545
> Six months but ≤ twelve months	**559**	4,759
Over twelve months	**77,552**	70,624
Gross trade receivables	**143,777**	152,732

3. **Trade and bills payables**

As at 31st December 2010 and 2009, the ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) was as follows:

	2010	2009
	HK$'000	HK$'000
Within three months	**39,583**	22,118
> Three months but ≤ six months	**382**	213
> Six months but ≤ twelve months	**63**	1,680
Over twelve months	**11,207**	11,024
	51,235	35,035

4. **Revenue**

Revenue comprised the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the activities of the Group. Revenue was shown net of value-added tax, returns and discounts and after eliminating sales within the Group.

The Group recognised revenue when the amount of the revenue could be reliably measured, it was probable that future economic benefits would flow to the entity and specific criteria were met for each of the activities of the Group as described below. The Group based its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services*

Revenue from the design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services was recognised upon the satisfactory completion of installation, which generally coincided with the time when the systems were delivered to customer.

The Group sold maintenance services to the end users. These services were provided as a fixed-price contract, with contract terms generally ranging from less than one year to three years. Revenue from fixed-price contracts for delivering maintenance services was generally recognised in the period the services were provided, using a straight-line basis over the term of the contract.

Revenue from software implementation was recognised when such implementation was accepted by the customer.

Revenue from the provision of digital image processing management solutions was recognised upon the transfer of risks and rewards of ownership, which generally coincided with the time when the goods were delivered to the customer and the title had passed.

(b) *Dividend income*

Dividend income was recognised when the right to receive payment was established.

5. **Segment information**

Management determined the operating segments based on the reports reviewed by the executive Directors that were used to make strategic decisions.

The executive Directors considered the business from both a geographic and product perspective. From a product perspective, management assessed the performance of the segment of design, sale and implementation of network and systems infrastructure; customer data automation, customisation and intergration; and provision of technical support services and the segment of CNMS. The first segment was further evaluated on a geographic basis (Mainland China, and Hong Kong and Macao).

The executive Directors assessed the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excluded the effects of non-recurring income and expenditure from the operating segments such as profit on disposal of an available-for-sale financial asset. Interest income was not allocated to segments, as this type of activity was driven by the executive Directors, who managed the cash position of the Group.

The segment information provided to the executive Directors for the reportable segments for the Year is as follows:

	Design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services			
	Mainland China	**Hong Kong and Macao**	**CNMS**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	**46,119**	**156,310**	**12,912**	**215,341**
Adjusted EBITDA	(5,309)	24,819	(862)	18,648
Depreciation	(108)	(203)	(165)	(476)
Finance income	92	341	16	449
Share of loss of associates	—	(1,341)	—	(1,341)
Total assets (exclude available-for-sale financial assets)	**38,437**	**190,926**	**13,430**	**242,793**
Total assets included:				
Investments in associates	—	609	—	609
Additions to non-current assets (other than financial instruments)	53	535	174	762
Total liabilities	**(30,310)**	**(44,567)**	**(20,295)**	**(95,172)**

The segment information for the year ended 31st December 2009 was as follows:

	Design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services			
	Mainland China	**Hong Kong and Macao**	**CNMS**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	**36,647**	**173,973**	**21,172**	**231,792**
Adjusted EBITDA	(9,146)	23,322	9,139	23,315
Depreciation	(112)	(158)	(150)	(420)
Finance income-net	172	207	15	394
Share of profit of an associate	—	5	—	5
Total assets (exclude available-for-sale financial assets)	**39,410**	**150,657**	**15,996**	**206,063**
Total assets included:				
Investment in an associate	—	661	—	661
Additions to non-current assets (other than financial instruments)	47	54	57	158
Total liabilities	**(30,386)**	**(31,801)**	**(21,028)**	**(83,215)**

Revenue from external parties reported to the executive Directors was measured in a manner consistent with that in the consolidated income statement.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2010	2009
	HK$'000	HK$'000
Adjusted EBITDA for reportable segments	**18,648**	23,315
Depreciation	**(476)**	(420)
Finance income	**449**	394
Profit on disposal of an available-for-sale financial asset	**6,170**	—
Profit before income tax	**24,791**	23,289

The amounts provided to the executive Directors with respect to total assets were measured in a manner consistent with that of the consolidated financial statements. These assets were allocated based on the operations of the segment and the physical location of the asset.

Investment in shares (classified as available-for-sale financial assets) held by the Group were not considered to be segment assets but rather were managed centrally.

Assets of reportable segments are reconciled to total assets as follows:

	2010	2009
	HK$'000	HK$'000
Segment assets for reportable segments	**242,793**	206,063
Unallocated:		
Available-for-sale financial assets	**26,047**	19,820
Total assets per balance sheet	**268,840**	225,883

The amounts provided to the executive Directors with respect to total liabilities were measured in a manner consistent with that of the consolidated financial statements. These liabilities were allocated based on the operations of the segment.

Revenues from external customers were derived from design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services and CNMS.

Breakdown of revenue from all services is as follows:

	2010	2009
	HK$'000	HK$'000
Analysis of revenue by category		
Revenue from design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services	**202,429**	210,620
Revenue from CNMS	**12,912**	21,172
	215,341	231,792

The entity is domiciled in Bermuda. There was no revenue from external customers in Bermuda for the Year and the year ended 31st December 2009, and the total of revenue from external customers from other regions was HK$215,341,000 (2009: HK$231,792,000). The breakdown of the total of revenue from external customers from other regions is disclosed above.

As at 31st December 2010 and 2009, there was no non-current assets located in Bermuda, and the total of non-current assets other than financial instruments located in other regions was HK$1,663,000 (2009: HK$1,420,000).

Revenues of approximately HK$51,315,000 (2009: HK$67,370,000) were derived from a single external customer. These revenues were attributable to the segment of design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services in Hong Kong and Macao.

6. **Expenses by nature**

	2010	2009
	HK$'000	HK$'000
Changes in inventories	**121,415**	126,462
Depreciation	**476**	420
Reversal of impairment of inventories	**(143)**	(1,326)
Impairment of trade receivables	**1,428**	1,616
Employee benefit expense (including Directors' emoluments)	**49,202**	46,183

7. **Other gains - net**

Other gains - net included dividend income on an available-for-sale financial asset, unlisted of HK$23,617,000 (2009: HK$19,723,000) and profit on disposal of an available-for-sale financial asset, listed of HK$6,170,000 (2009: Nil).

8. **Finance income**

	2010	2009
	HK$'000	HK$'000
Interest income on short-term bank deposits	**449**	394

9. **Income tax expense/(credit)**

Hong Kong profits tax was provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the Year. Taxation on overseas profits was calculated on the estimated assessable profit for the Year at the rates of taxation prevailing in the regions in which the Group operated.

	2010	2009
	HK$'000	HK$'000
Current tax:		
Current tax on profits for the Year		
- Hong Kong profits tax	**—**	87
- Macao complementary profits tax	**730**	959
- Mainland China enterprise income tax	**122**	959
Adjustments in respect of prior years	**(5)**	(11,573)
Income tax expense/(credit)	**847**	(9,568)

The tax on the profit before tax of the Group differed from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2010	2009
	HK$'000	HK$'000
Profit before income tax	**24,791**	23,289
Tax calculated at the domestic tax rates applicable to profits in the respective regions	**1,100**	8,162
Tax effects of:		
- Income not subject to tax	**(3,780)**	(9,413)
- Expenses not deductible for tax purposes	**1,087**	2,800
- Utilisation of previously unrecognised tax losses	**(845)**	(657)
- Tax losses for which no deferred income tax asset was recognised	**3,290**	1,113
Adjustments in respect of prior years	**(5)**	(11,573)
Income tax expense/(credit)	**847**	(9,568)

The weighted average applicable tax rate was 6.89% (2009: 12.14%). The change was caused by a change in the profitability of the subsidiaries of the Company in the respective regions.

There was no taxation impact relating to components of other comprehensive income during the Year (2009: Nil).

10. Earnings per Share

(a) *Basic*

Basic earnings per Share was calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Shares in issue during the Year.

	2010	2009
	HK$'000	HK$'000
Profit attributable to equity holders of the Company	**25,933**	34,173
Weighted average number of Shares in issue (thousands)	**613,819**	613,819

(b) *Diluted*

Diluted earnings per Share was calculated by adjusting the weighted average number of Shares outstanding to assume conversion of all dilutive potential Shares. The Company has Options as dilutive potential Shares. A calculation was done to determine the number of Shares that could have been acquired at fair value (determined as the average annual market price of the Shares) based on the monetary value of the subscription rights attached to the outstanding Options. The number of Shares calculated as above was compared with the number of Shares that would have been issued assuming the exercise of the Options. The conversion of all potential Shares arising from the Options would have an anti-dilutive effect on the earnings per Share for the Year and the year ended 31st December 2009. Accordingly, diluted earnings per Share was identical to basic earnings per Share for the Year and the year ended 31st December 2009.

11. **Dividends**

The dividends paid in the Year was HK$3,069,000 (HK$0.005 per Share). No dividend was paid in the year ended 31st December 2009. A dividend in respect of the Year of HK$0.005 per Share, amounting to a total dividend HK$3,069,000 is to be proposed at the coming AGM. The Company will give notice of the closure of its register of Members once the date of the AGM is determined. Such notice will be given at least ten business days before such closure, pursuant to rule 17.78 of the GEM Listing Rules. These financial statements do not reflect this dividend payable.

	2010	2009
	HK$'000	HK$'000
Proposed final dividend of HK$0.005 (2009: HK$0.005) per Share	3,069	3,069

12. **Other reserves and accumulated losses**

	Contributed surplus	**Other reserve**	**Capital redemption reserve**	**Available-for-sale investments**	**Merger reserve**	**Statutory reserve**	**Translation**	**Total**	**Accumulated losses**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
As at 1st January 2009	97,676	2,289	702	346	35,549	49	3,181	139,792	(100,264)
Revaluation - gross	—	—	—	3,594	—	—	—	3,594	—
Currency translation differences	—	—	—	—	—	—	7	7	—
Profit for the year ended 31st December 2009	—	—	—	—	—	—	—	—	34,173
As at 31st December 2009	97,676	2,289	702	3,940	35,549	49	3,188	143,393	(66,091)
Revaluation - gross	—	—	—	9,160	—	—	—	9,160	—
Revaluation transfer - gross	—	—	—	(1,332)	—	—	—	(1,332)	—
Currency translation differences	—	—	—	—	—	—	220	220	—
Scheme: value of services	—	1,889	—	—	—	—	—	1,889	—
Profit for the Year	—	—	—	—	—	—	—	—	25,933
Dividends relating to 2009 paid in June 2010	—	—	—	—	—	—	—	—	(3,069)
As at 31st December 2010	97,676	4,178	702	11,768	35,549	49	3,408	153,330	(43,227)

REVIEW OF BUSINESS ACTIVITIES

Gaming and Hospitality Sector in Macao

During 2010, with the aftermath of the financial turmoil fading away, number of tourists visiting Macao reaching new heights and gaming industry generating record-high gross revenue from games of fortunes of MOP188,300,000,000 (HK$182,800,000,000) for the Government of Macao, gaming operators carefully define new strategic plans to capture bigger market share. Consequently, the Group witnessed different gaming operators rolling out new plans and incentives, including applying new land concession in the Cotai Strip, building new flagships, expanding gaming areas and bringing in additional slot and gaming excitements. All of these developments have translated to new business opportunities for the Group during the Year.

Among the business opportunities capitalised included a major contract to build and install a large-scale and sophisticated surveillance system that supports over 3,500 surveillance cameras at a mega gaming and hospitality resort at the Cotai Strip. Of the major systems deployed at gaming premises, the surveillance system is among one of the more important systems. Therefore, being selected as a solution provider in this area signifies the strengths and capability of the Group in design, installation, commissioning and project management of surveillance systems, which are nurtured by years of experience and hard work.

Other major contracts secured during the Year included a contract to replace and upgrade the back-end system that supports the surveillance system, a contract to expand the infrastructure and server system thus allowing the gaming operator to rollout additional slot and gaming excitements, and a contract that involved the expansion of gaming areas at existing premises. All the above-mentioned projects totaled over HK$75,000,000 worth of contracts, of which over HK$50,000,000 works are expected to be completed during 2011.

Public Sector in Macao

Business activities in the public sector in Macao experienced a slow start as the enclave ventured into a new five-year term under the leadership of the new Chief Executive. Despite a slow start, business activities began to gradually build its momentum as evidenced by the Government of Macao issuing increasing number of tenders, covering improvements to existing public services and introduction of new ones. As at 31st December 2010, confirmed orders from the Government of Macao added to over HK$20,000,000.

The Group not only gains its reputation as a trusted and experienced partner in the area of surveillance systems among gaming operators, such reputation is also well recognised by the Government of Macao. During the Year, contracts that involved the deployment of surveillance systems were awarded to the Group by the Macao Customs Bureau and Macao Prison. In the same year, among the various contracts won in the areas of data networking, trunking radio and private automatic branch exchange (PABX) systems, the Group is proud to be again selected as a solution provider by the Government of Macao to participate in another landmark project — the Expo 2010 Shanghai China — and was awarded the contract to build and install the wireless and networking systems at the two exhibition halls of Macao at the Expo.

MDL continues to be one of the core solution providers to the Government of Macao, in particular in the areas of data and office networks, and storage and backup systems. Governmental bodies awarding contracts in these areas to MDL included Judiciary Police, Civic and Municipal Affairs Bureau, Public Security Police Force, Transport Bureau, Legislative Assembly and Commission Against Corruption, to name a few.

The strong market positioning of MDL in Macao also stems from its ability to proactively identify, introduce and deliver customised solutions to suit the specific needs of individual bureau, whether it targets solutions to support the rollout of new services or to improve existing operational flow. This encompasses delivery of both third-party solutions and proprietary solutions. The customisation of the self-developed queuing system for use by the Government of Macao is an example of the latter.

Building a Solid Service Support Team

The ability to provide timely and quality maintenance and support services remains one of the key performance indicators that differentiates the Group from its market peers. Over the years, the Group has invested in the development of a team of highly trained and experienced engineers and technicians, such investment of which is made with the belief that a strong maintenance and support services team will be appreciated by our customers. This belief has certainly translated into recurring revenue, as the Group secured, for two consecutive years, over HK$30,000,000 of maintenance and service support orders from the Government of Macao, gaming operators in Macao and telecommunications service providers in Mainland China.

Building a Strong and Innovative Research and Development Team

During the Year, in addition to marking another contract win to install the CNMS at China Unicom in the province of Shanxi, TSTSH also successfully secured contracts to install its intelligent environmental monitoring application at prisons in different cities in the province of Jiangxi. Although TSTSH continued to secure new or expansion orders to install its CNMS for different telecommunications service providers in the province of Jiangxi and the municipalities of Shanghai and Chongqing, understanding the importance to own an expanded portfolio of proprietary applications, TSTSH geared its efforts to develop new applications from the core architecture of its CNMS and in combination with its intelligent environmental monitoring module. During the Year, TSTSH successfully developed a food production quality control and trace application. This module, which follows the trace of raw materials used in production processes and helps to monitor and detect variances in production environment, allows food manufacturers to avoid potential mishaps that could possibly hamper food quality and safety. Such application has been commercialised and successfully sold to different food manufacturers, securing over HK$2,000,000 worth of orders.

In addition to TSTSH, the Group has also set up a new research and development team in Zhuhai to develop a human resources tracking and management application. This tracking system, which calls for positioning of individuals or objects, has been successfully commercialised during the Year too. Discussions to promote this application through collaborations with telecommunications service providers in different provinces are in progress.

Investments Holding Activities

TTSA continued to deliver exceptional results, paying out HK$23,617,000 of dividend income to the Group. For 2010, TTSA reported revenues and EBITDA of HK$444,732,000 and HK$250,880,000 respectively, representing an increase of 17.76% and 29.12% over the preceding year. EBITDA margin stood at 56.41%, or an improvement of 4.97% over 2009. Number of mobile users approaching the 470,000 mark, with such strong customer growth, which translated to strong financial results, achieved through expansion and improvement of network coverage, introduction of commercial plans, launch of 3G services and stronger revenue generated from provision of data services.

In line with the strategic move to expand its footing in Timor-Leste so as to capture the growth potential of this developing country, the Group partnered with Telcabo, Telecomunicações e Electricidade Lda. (a company incorporated in the Portuguese Republic with limited liability) and some local Timonese to form Vodacabo to engage in the design, engineering, construction, installation, operation and maintenance of telecommunications and energy networks. During the Year, Vodacabo secured over HK$70,000,000 worth of orders, covering works to 1. build and erect over fifty telecommunications towers infrastructure; 2. construct over forty-five energy structures involving either traditional generators or solar panels; and 3. lay optic fibers rings. With most of the works still in progress, it is expected that the benefits yielded from these orders will surface during 2011.

With PAEHL buying out the single largest shareholder in MTNHL, capitalising on the hike in share price, the Group disposed 16,864,000 MTNHL Shares in the open market to generate a profit on disposal of HK$6,170,000. As at 31st December 2010, the shareholding of the Group was 77,709,696 MTNHL Shares.

REVIEW OF OPERATING RESULTS

Turnover and Profitability

Due to a slow start with business activities generated from the Macao/Hong Kong markets dropping from HK$173,973,000 to HK$156,310,000, the Group registered total revenue of HK$215,341,000 for the Year, or a drop of 7.10% over the preceding year. Revenue generated from business activities in Mainland China reported an increase from HK$36,647,000 to HK$46,119,000, which was partly attributable to the appreciation of RMB. Nevertheless, such improvement was offset by a drop in revenue generated by TSTSH as installation and commissioning works of a handful of contracts were still underway.

The business generated by TSTSH carries high margin, therefore, lower revenue from TSTSH will adversely affect the overall gross profit margin of the Group. During the Year, the successful negotiations with the import and export company (engaged to handle trading matters in Mainland China for the Group) to realign the US$/RMB exchange rate originally used in contracts between 2008 to 2010 against market rates brought in over HK$6,000,000 of exchange gain to the Group. Consequently, gross profit margin for the Year levelled the preceding year to hike at approximately 30.89% and with gross profit amounting to HK$66,519,000.

Total selling and marketing costs and administrative expenses added to HK$72,344,000 for the Year, representing an increase of HK$1,442,000 over 2009. However, should the costs associated with the issue of Options of HK$1,889,000 were excluded, total selling and marketing costs and administrative expenses stood at HK$70,455,000, or a decrease of HK$447,000 over the preceding year. Going forward, the ability to control costs will be challenged as the Group faces inflationary pressure and competition for talents from different gaming operators as they resume their growth mode.

Similar to 2009, TTSA continued to bring hefty dividend income to the Group. During the Year, HK$23,617,000 of dividend income was received. In addition, taking advantage of the hike in share price as the single largest shareholder of MTNHL changed hands, the Group disposed 16,864,000 MTNHL Shares in the open market, yielding a profit on disposal of HK$6,170,000. Therefore, despite business activities generated from Mainland China reported an operating loss, such loss was compensated by the dividend income from TTSA and the profit from the disposal of MTNHL Shares. Consequently, an operating profit of HK$25,683,000 for the Year was noted.

At Vodacabo, as most of the works were still in progress, therefore, net loss for the Year was reported. With nil borrowing, hence nil finance cost, the Group registered net profit of HK$23,944,000 for the Year. Although such net profit fell short of the net profit of the preceding year of HK$32,857,000 by HK$8,913,000, the net profit of 2009 included a reversal of tax over-provided in previous years of HK$11,573,000. Therefore, should such reversal was excluded, net profit for the Year of HK$23,944,000 would in fact, exceed the bottom-line of 2009 by HK$2,660,000.

Capital Structure and Financial Resources

Attributable to another profitable year, equity base of the Group improved considerably from HK$142,668,000 as at 31st December 2009 to HK$173,668,000 as at 31st December 2010. Return on equity employed stood at 16.40%.

The capital structure of the Group remains debt-free with nil external borrowing, save for normal trade payables. Cash and cash equivalents (including pledged deposits) as at 31st December 2010 amounted to HK$124,789,000, the strongest cash balances over the past five years.

In line with a strong order book of over HK$80,000,000 to start the Year, the Group piled up its inventories to support its order book. As at 31st December 2010, net receivables amounted to HK$73,928,000. Tight controls to avoid stock obsolescence and ensure timely recovery of receivables continue.

CORPORATE GOVERNANCE PRACTICES

The Company complied with the Code Provisions of the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules, except that the Chairman of the Board did not attend the AGM held in the Year.

E.1.2. The Chairman of the Board was away on a business trip on the date when the AGM was held.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of the Shares during the Year. Neither the Company nor any of its subsidiaries purchased or sold any of the Shares during the Year.

DEFINITIONS

"AGM"	annual general meeting
"Board"	the board of Directors
"CNMS"	customer network management system
"Company"	Vodatel Networks Holdings Limited
"Director"	the director of the Company
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"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 cents"	Hong Kong cents, where 100 HK cents equal HK$1
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong
"HKAS"	Hong Kong Accounting Standard
"HKFRS"	financial reporting standards and interpretations issued by HKICPA. They comprise 1. Hong Kong Financial Reporting Standards, 2. HKAS (formerly Statement of Standard Accounting Practice) and 3. Interpretations

"HKICPA"	the Hong Kong Institute of Certified Public Accountants, established under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)
"HK(IFRIC)-Int"	Hong Kong (IFRIC) Interpretation
"Hong Kong"	the Hong Kong Special Administrative Region of PRC (not applicable to Hong Kong Accounting Standard, Hong Kong Exchanges and Clearing Limited, Hong Kong Financial Reporting Standards, Hong Kong (IFRIC) Interpretation, the Hong Kong Institute of Certified Public Accountants and The Stock Exchange of Hong Kong Limited)
"Macao"	the Macao Special Administrative Region of PRC
"Main Board"	the stock market operated by the Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
"Mainland China"	PRC, other than the regions of Hong Kong, Macao and Taiwan
"MDL"	Mega Datatech Limited, incorporated in Macao with limited liability and an indirect wholly-owned subsidiary of the Company
"Member"	the holder of the Shares
"MOP"	Patacas, the lawful currency of Macao
"MTNHL"	Mobile Telecom Network (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and MTNHL Shares are listed on GEM
"MTNHL Shares"	ordinary shares of US$0.01 each in the share capital of MTNHL
"Option"	a right to subscribe for the Shares granted pursuant to the Scheme
"PAEHL"	PetroAsian Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and ordinary shares of HK$0.01 each in the share capital of PAEHL are listed on the Main Board
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of Mainland China
"Scheme"	the share option scheme approved by the Members at a special general meeting on 5th November 2002

"Share"	ordinary share of HK$0.10 each in the share capital of the Company
"Timor-Leste"	the Democratic Republic of Timor-Leste
"TSTSH"	泰思通軟件(上海)有限公司, incorporated in PRC with limited liability and an indirectly owned subsidiary of the Company
"TTSA"	Timor Telecom, SA, a company incorporated in Timor-Leste with limited liability
"US$"	United States Dollar, the lawful currency of the United States of America
"Vodacabo"	Vodacabo, S A, incorporated in Timor-Leste with limited liability and an indirectly owned associate of the Company
"Year"	the year ended 31st December 2010

By order of the Board
José Manuel dos Santos
Chairman

Macao, 22nd March 2011

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

Independent non-executive Directors
Fung Kee Yue Roger
Wong Tsu Au Patrick
Tou Kam Fai

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.

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.irasia.com/listco/hk/vodatel/announcement/index.htm and www.vodatelsys.com.

** for identification purpose only*