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

- Revenue amounted to of HK$350,263,000 for the Year reported, representing a drop of 25.80% as compared to the preceding year. Net profit lowered to HK$6,460,000

- Due to the revaluation of TTSA which resulted in a downward adjustment to its fair value, the equity base of the Group amounted to HK$265,804,000 with restricted cash, cash and cash equivalents and value of yield-enhanced financial instruments standing at HK$136,465,000 as at 31st December 2015

- Completed the installation and commissioning of a surveillance system for the Galaxy Group in Cotai Strip

- Secured a contract from a gaming operator to design, supply, install and commission a surveillance system at its new gaming and hospitality complex that is currently under construction in the Cotai Strip

- "TideStone Integrated Network & Service Management System" of TSTSH successfully commissioned at a major gaming operator in Macao

- On 9th March 2016, the Government of Timor-Leste approved the acquisition of 54.01% equity interests in TTSA from the largest shareholder, with a committee to be appointed to negotiate the sale transaction

- The Directors recommend the payment of a final dividend of HK$0.01 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 income statement

	Note	Year ended 31st December 2015 HK$'000	2014 HK$'000
Revenue	2	**350,263**	472,046
Cost of sales	3	**(243,283)**	(344,010)
Gross profit		**106,980**	128,036
Selling and marketing costs	3	**(7,753)**	(10,403)
Administrative expenses	3	**(93,974)**	(97,226)
Other income		**765**	7,772
Operating profit		**6,018**	28,179
Finance income		**3,476**	4,246
Finance expenses		**(191)**	(231)
Finance income — net		**3,285**	4,015
Share of loss of associates		**(649)**	(9)
Profit before income tax		**8,654**	32,185
Income tax expense	4	**(2,194)**	(3,621)
Profit for the Year		**6,460**	28,564
Profit/(loss) attributable to:			
Owners of the Company		**7,253**	29,746
Non-controlling interests		**(793)**	(1,182)
		6,460	28,564
Earnings per Share attributable to owners of the Company for the Year (expressed in HK cents per Share)			
Basic and diluted earnings per Share	5	**1.18**	4.85
Dividends (expressed in HK$'000)	6	**6,138**	6,138

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31st December	
	2015	2014
	HK$'000	HK$'000
Profit for the Year	**6,460**	28,564
Other comprehensive expense:		
Items that may be reclassified to profit or loss		
Change in value of available-for-sale financial assets	**(13,943)**	(29,495)
Revaluation transfer to profit or loss	**709**	(3,674)
Currency translation differences	**(342)**	(92)
Other comprehensive expense for the Year, net of tax	**(13,576)**	(33,261)
Total comprehensive expense for the Year	**(7,116)**	(4,697)
Attributable to:		
-Owners of the Company	**(6,232)**	(3,491)
-Non-controlling interests	**(884)**	(1,206)
Total comprehensive expense for the Year	**(7,116)**	(4,697)

Consolidated balance sheet

	Note	As at 31st December 2015 HK$'000	2014 HK$'000
Assets			
Non-current assets			
Property, plant and equipment ("PPE")		**2,405**	2,274
Investments in associates		**804**	3,647
Available-for-sale financial assets		**93,705**	124,094
		96,914	130,015
Current assets			
Inventories		**13,674**	56,500
Current income tax recoverable		**427**	—
Trade receivables	7	**135,606**	194,399
Other receivables, deposits and prepayments		**24,546**	26,593
Amounts due from associates		**1,197**	1,909
Available-for-sale financial assets		**2,421**	2,521
Cash and cash equivalents		**77,495**	79,305
Restricted cash		**26,047**	26,475
		281,413	387,702
Assets classified as held for sale		**1,008**	—
		282,421	387,702
Liabilities			
Current liabilities			
Trade and bills payables	8	**47,204**	130,155
Other payables and accruals		**55,047**	93,719
Current income tax liabilities		**11,280**	10,904
Bank borrowing		**—**	3,881
		113,531	238,659
Net current assets		**168,890**	149,043
Total assets less current liabilities		**265,804**	279,058

	Note	As at 31st December	
		2015	2014
		HK$'000	HK$'000
Financed by:			
Equity			
Equity attributable to owners of the Company			
Share capital		**61,382**	61,382
Other reserves		**184,668**	198,153
Retained earnings			
— Proposed final dividend	6	**6,138**	6,138
— Others		**12,053**	10,938
		264,241	276,611
Non-controlling interests		**1,563**	2,447
Total equity		**265,804**	279,058

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 all applicable HKFRS. The consolidated financial statements were prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which were carried at fair value.

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 — New and amended standards adopted by the Group*

The following amendments to standards were adopted by the Group for the first time for the financial year beginning on or after 1st January 2015:

Amendments from annual improvements to HKFRS — 2010 - 2012 Cycle, on HKFRS 8, "Operating Segments", HKAS 16, "PPE" and HKAS 38, "Intangible Assets" and HKAS 24, "Related Party Disclosures".

Amendments from annual improvements to HKFRS — 2011 - 2013 Cycle, on HKFRS 3, "Business Combinations", HKFRS 13, "Fair Value Measurement" and HKAS 40, "Investment Property".

The adoption of the improvements made in the 2010 - 2012 Cycle required additional disclosures in the segment note (not required in this announcement). Other than that, the remaining amendments were not material to the Group.

The following new amendment published was mandatory for the accounting year of the Group beginning on 1st January 2015. The adoption of this new amendment had no significant impact on the financial statements.

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions

(b) *Changes in accounting policy and disclosures — New standards and interpretations not yet adopted*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1st January 2015 and were not applied in preparing these consolidated financial statements. None of these was expected to have significant effect on the consolidated financial statements of the Company, except the following set out below:

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39, "Financial Instruments: Recognition and Measurement" that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the business model of the entity and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for

liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1st January 2018. Early adoption is permitted. The Group is yet to assess the full impact of HKFRS 9.

HKFRS 15, "Revenue from Contracts with Customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts of an entity with customers. Revenue is recognised when a customer obtains control of goods or services and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces HKAS 11, "Construction Contracts" and HKAS 18, "Revenue" and related interpretations. The standard is effective for annual periods beginning on or after 1st January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

There are no other HKFRS or Hong Kong (IFRIC) Interpretations that are not yet effective that would be expected to have a material impact on the Group.

(c) *New CO*

In addition, the requirements of Part 9 "Accounts and Audit" of the new CO came into operation during the financial year, as a result, there were changes to presentation and disclosures of certain information in the consolidated financial statements.

2 Revenue

Revenue was measured at the fair value of the consideration received or receivable, and represented amounts receivable for goods and services supplied, stated net of discounts, returns and value added taxes. The Group recognised revenue when the amount of revenue could be reliably measured; when it was probable that future economic benefits would flow to the entity; and when specific criteria were met for each of the activities of the Group, as described below. The Group based its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) *Project sales*

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.

(b) *Sales of services*

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.

(c) *Sales of software*

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

Analysis of revenue by category

	2015	2014
	HK$'000	HK$'000
Design, sale and implementation of network and systems infrastructure; customer data automation, customisation and integration; and provision of technical support services	**324,303**	456,100
CNMS	**25,960**	15,946
	350,263	472,046

3 **Expenses by nature**

	2015	2014
	HK$'000	HK$'000
Changes in inventories	**190,829**	295,882
Provision/(reversal of provision) on inventories	**2,085**	(207)
Provision on trade receivables, net	**1,151**	266
Employee benefit expense and independent non-executive Directors' emoluments	**66,198**	71,694

4 **Income tax expense**

Hong Kong profits tax was provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the Year. Taxation on non-Hong Kong 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.

	2015	2014
	HK$'000	HK$'000
Current tax:		
Current tax on profits for the Year		
- Hong Kong profits tax	**4**	251
- Macao complementary profits tax	**1,760**	1,906
- Mainland China corporate income tax	**450**	1,420
Adjustments in respect of prior years	**(20)**	44
Income tax expense	**2,194**	3,621

The tax on 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:

	2015	2014
	HK$'000	HK$'000
Profit before tax	**8,654**	32,185
Tax calculated at the domestic tax rates applicable to profits in the respective regions	**680**	2,900
Tax effects of:		
- Income not subject to tax	**(397)**	(244)
- Expenses not deductible for tax purposes	**635**	834
- Utilisation of previously unrecognised tax losses	**(781)**	(2,747)
- Tax losses for which no deferred income tax asset was recognised	**2,077**	2,834
Adjustments in respect of prior years	**(20)**	44
Tax charge	**2,194**	3,621

The weighted average applicable tax rate was 12.50% (2014: 11.21%). The change was caused by a change in the profitability of the subsidiaries of the Company in the respective regions.

5 Earnings per Share

(a) *Basic*

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

	2015	2014
	HK$'000	HK$'000
Profit attributable to owners of the Company	**7,253**	29,746
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. No diluted earnings per Share for the Year and the year ended 31st December 2014 was presented as there were no outstanding options as at 31st December 2015 and 2014.

6 Dividends

The dividend paid in the Year was HK$6,138,000 (HK$0.01 per Share). No dividend was paid in the year ended 31st December 2014. A final dividend in respect of the Year of HK$0.01 per Share, amounting to a total dividend of HK$6,138,000 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 days (excluding Saturday and Sunday) on which banks in Hong Kong are generally open for business, before such closure, pursuant to Rule 17.78 of the GEM Listing Rules. These financial statements do not reflect this dividend payable.

	2015	2014
	HK$'000	HK$'000
Proposed final dividend of HK$0.01 (2014: HK$0.01) per Share	**6,138**	6,138

7 **Trade receivables**

As at 31st December 2015 and 2014, the ageing analysis of the trade receivables based on invoice date was as follows:

	2015	2014
	HK$'000	HK$'000
Within three months	**103,999**	155,821
> Three months but ≤ six months	**15,123**	24,617
> Six months but ≤ twelve months	**4,366**	8,828
Over twelve months	**27,242**	19,965
	150,730	209,231
Less: allowance for impairment of trade receivables	**(15,124)**	(14,832)
	135,606	194,399

8 **Trade and bills payables**

As at 31st December 2015, the ageing analysis of the trade and bills payables (including amounts due to related parties of a trading nature) based on invoice date was as follows:

	2015	2014
	HK$'000	HK$'000
Within three months	**39,117**	110,483
> Three months but ≤ six months	**504**	10,954
> Six months but ≤ twelve months	**215**	1,386
Over twelve months	**7,368**	7,332
	47,204	130,155

MANAGEMENT DISCUSSION AND ANALYSIS

VODATEL — AT A GLANCE!

Headquartered in Macao, "Vodatel" is an integrated company that operates under the "Multiple Branding" philosophy, with "Vodatel", "Mega Datatech" and "Tidestone" each positioned to achieve market differentiation, yet complementing one another in product and service offerings. Always putting customers first, the primary driver at the Group is to become the partner-of-choice of its clients, when they seek a local partner for turnkey solutions and service provisioning to align their expectations in level of choices and service requirements and to match their demands, values and aspirations.

REVIEW OF BUSINESS ACTIVITIES

Business in Macao and Hong Kong

As a system integrator and service provider that already represents a list of internationally renowned manufacturers, the Group is in continuous pursuit of identifying new products with high potential to grow which complement its current product and service offering. In terms of human resources, the Group remains a major player in Macao reputable to house a cadre of highly trained, skilled and experienced engineers. MDL and VHL are therefore among the most sought-after companies to provide system maintenance and support services, in particular in handling sophisticated turnkey solutions where any unexpected hiccups can potentially result in business or service interruptions.

At VHL, following the completion of the major surveillance project for the Galaxy Group, VHL was proud to be selected by another gaming operator to design, supply, install and commission a surveillance system at its new gaming and hospitality complex, currently under construction in the Cotai Strip. This major project will keep the team busy during 2016 and well into 2017. During the Year, another landmark project secured by VHL was a core switch replacement contract for a gaming operator that the Group has worked very hard to penetrate further. This complex and critical contract, which was completed during March 2016, required careful and diligent planning as over twenty live applications had to be migrated from the core switches of one vendor to a different vendor. Working in collaboration with the manufacturer, VHL conducted proof of concept and executed the migration plan within the scheduled timeframe and with minimal business impact to the live environment. This project once again demonstrates the abilities of the Group to manage mission critical workstreams in very challenging environments, and further enhances the market reputation of "Vodatel" as a reliable and trusted partner of quality in both system commissioning and system migration.

During the Year, both MDL and VHL continued to be chosen as solution and service providers of turnkey solutions in the areas of servers, storage, security, surveillance and networking and in the provision of customised software solutions and on-going maintenance support services to various gaming operators, universities and different bureaus under the Government of Macao, including the Public Security Forces Affairs Bureau, Statistics and Census Bureau, Education and Youth Affairs Bureau, Marine and Water Bureau, Labour Affairs Bureau, Housing Bureau, Civic and Municipal Affairs Bureau, to name a few. In

the Year, MDL successfully introduced "premier support services" to the Government of Macao and secured contracts from the Transport Bureau, Cultural Industries Fund and Public Administration and Civil Service Bureau to utilise such services. Under the scope of "premier support services", MDL and the respective vendor proactively assist the customer in maximising their IT resources, ensuring the health of their IT operations, providing customised and personal service management and delivering prioritised 24/7 problem resolution support.

In Hong Kong, the Group signed over HK$45,000,000 worth of contracts from various telecommunications service providers in the area of networking infrastructure during the Year, a record result for the Hong Kong team. Given such success, the Group is considering growing its team in Hong Kong. This would allow the team to bid for more projects related to the construction of data networks infrastructure projects and to extend its reach to provide local network support services to telecommunications service providers in Hong Kong — a service currently only offered to customers of the Group in Macao and Mainland China.

Business in Mainland China

In Mainland China, provision of maintenance support services to the data networks of various telecommunications service providers continued to be the core focus of the subsidiaries of VHL, with approximately HK$20,000,000 of maintenance services provided to telecommunications service providers in the provinces of Hebei, Liaoning and Guangdong and the municipalities of Shanghai and Tainjin during the Year.

Between them, TSTSH and TSTJX completed software development works of approximately HK$26,000,000 during the Year, representing a year-on-year increase of over 60%. "TideStone Intelligent Environment Monitoring System", "TideStone Integrated Network & Service Management System" and "TideStone Integrated Fault Management System" continued to be well received among the existing customers of both TSTSH and TSTJX, successfully securing new and repeated orders from telecommunications service providers in the provinces of Guangdong, Jiangxi, Jiangsu, Hubei, Hebei, Shandong and Sichuan and the municipalities of Chongqing and Shanghai.

In addition to CNMS deployed at various telecommunications service providers in Mainland China, VHL successfully installed and commissioned "TideStone Integrated Network & Service Management System" at a major gaming operator in Macao. Through the "TideStone" platform, technicians can now effectively monitor a considerable number of servers, system managers and switches, promptly alerting the customer of unusual system loading or failed equipment which could potentially cause business interruptions. With the first win in Macao secured, MDL has been actively promoting "TideStone Integrated Network & Service Management System" to the Government of Macao and local universities.

Other Investments Holdings

TTSA Intense competition as a result of competitive tariffs packages offered by the other two market players continued to affect the operating performance of TTSA. Nevertheless, competition in the market seemed to have eased up as evidenced by earnings before interest, tax, depreciation and amortisation of TTSA for the Year almost leveled as compared to the preceding year. As TTSA reported a small loss for the Year, coupled with uncertain market environment, TTSA proposes to continue to suspend payment of dividends. As at 31st December 2015, the Group held 17.86% of TTSA.

On 9th March 2016, the Government of Timor-Leste approved the acquisition from TPTSA, the largest shareholder of TTSA, of its 54.01% equity interests in TTSA and will appoint a committee to negotiate this sale transaction with Brazilian telecommunications company Oi S.A., a company incorporated in Brazil with limited liability and whose shares are listed on the New York Stock Exchange in USA and BM&FBOVESPA in Brazil, which holds a 76% shareholding in TPTSA. As the news is very current, at this early stage, the Group is not in the position to determine its implication to the valuation of TTSA but will monitor this sale transaction closely.

Vodacabo Due to uncertain business landscape in Timor-Leste, Vodacabo reported a net loss of HK$2,215,000 for the Year as it struggled to secure contracts for the construction of telecommunications sites and the installation of energy structure and as the company failed to expand its reach to the construction of infrastructure in the power sector. Following the consensus decision to dispose of Vodacabo, the shareholders agreed to a management buyout of the company and the Group entered into a sale and purchase agreement in early February 2016 to sell its shareholding. Prior to 31st December 2015, Vodacabo declared and paid total dividends of over HK$3,800,000 to its shareholders, with the share of dividends alloted to the Group amounting to HK$1,186,000. As at 31st December, 2015, the investment of the Group in Vodacabo was treated to be assets classified as held for sale.

GTGIL GTGIL is another investment holding and is principally engaged in the 1. trading of electronic parts and components in relation to display modules and touch panel modules, and provision of professional solution with engineering services; and 2. property development and property investment. As a non-core asset of the Group, it has been the intention to gradually dispose all its shareholdings in GTGIL in the open market. During the Year, due to depressed market conditions, the Group has not disposed of any GTGIL Shares. As at 31st December 2015, the Group held 82,395,392 GTGIL Shares.

REVIEW OF OPERATING RESULTS

Turnover and Profitability

With the completion of the surveillance system for the Galaxy Group by VHL in May 2015 and momentum of business activities only picking up during the third quarter of the Year, albeit a strong fourth quarter where revenue derived amounted HK$136,877,000 or

approximately 40% of total revenue generated by the Group for the Year, the Group reported revenue of HK$350,263,000, representing a drop of 25.80% as compared to the preceding year. Aligned with a decrease in total revenue, gross profit lowered from HK$128,036,000 to HK$106,980,000, or a decline of 16.45% as compared to 2014.

Despite lower revenue and a corresponding drop in its gross profit, the Group witnessed a year-on-year improvement of its gross profit margin from 27.12% to 30.54%. Gross profit margin of the Group continues to be closely tied to its sales mix comprising of hardware, software development and support services. 2015 was recognised as a year where considerable works performed involving provision of system support, system retrofits and relocations by MDL and VHL and sale of software by TSTSH and TSTJX, all of these works carried higher margins than hardware sales, therefore stronger gross profit margin was observed.

Although revenue for the Year fell 25.80%, the Group did not experience a parallel percentage drop to its selling, marketing costs and administrative expenses as a result of a significant increase of overtime claims to accommodate site works necessary to complete various projects, in particular where site works were to be performed during non-office hours as requested by gaming operators to minimise business inconveniences, and management of the Group approving an average 7% salary increment to its staff to align with market expectations and general level of inflation. Additional pays were also offered to engineers who completed technical and product trainings, with further remunerations to those who successfully passed and obtained recognised certifications, in particular from manufacturers that the Group represented or related to project management.

As staff costs (including staff benefits and welfare), the biggest element of the total cost structure, did not proportionally drop in tandem with lower revenue, coupled with the absence of any gain from the disposal of GTGIL Shares, the Group reported net profit of HK$6,460,000 for the Year as compared to net profit of HK$28,564,000 for the preceding year, or earnings of 1.18 HK cents per Share.

Capital Structure and Financial Resources

With the completion of the surveillance system for the Galaxy Group, key figures related to level of inventories, receivables and payables and accruals retreated back to their norms. Level of inventories and trade receivables decreased from HK$56,500,000 and HK$194,399,000 as at 31st December 2014 to HK$13,674,000 and HK$135,606,000 respectively as at 31st December 2015, with a corresponding drop of its trade and bills payables and other payables and accruals from an aggregate of HK$223,874,000 as at 31st December 2014 to an aggregate of HK$102,251,000 as at 31st December 2015. With prudent cash management habitually practiced at the Group, management will continue to carefully manage risks of stock obsolescence, be diligent with its selection of customers to minimise risks of bad debts and negotiate extended favorable trade terms with its suppliers.

The Group continued to exercise capital discipline and maintain a solid balance sheet with no gearing (save for and except normal trade and other payables). Despite reporting another year of profitability, the equity base of the Group declined from HK$279,058,000 to HK$265,804,000, which was primarily explained by a downward adjustment to its fair value

of HK$6,910,000 at TTSA subsequent to a revaluation. Restricted cash, cash and cash equivalents and yield-enhanced financial instruments, which totaled HK$136,465,000 or approximately 35.97% of the total assets of the Group, remained at a healthy level. Current liquidity position weathers the Group against unexpected headwinds while provides flexibility to the management to comfortably pursue new business opportunities.

CORPORATE GOVERNANCE

The Company applied the principles in the Code by complying with the Code throughout the Year, except that:

1 the nomination committee of the Company did not review the structure, size and composition (including the skills, knowledge and experience) of the Board in the Year;

2 not all Directors participated in continuous professional development;

3 the independent non-executive Directors did not attend the AGM held in the Year;

4 the management do not provide all Directors with monthly updates; and

5 the Chairman of the Board did not attend the AGM held in the Year.

A.5.2(a) The Board considers that such review will be necessary only when casual vacancy exists.

A.6.5 The Directors consider that briefing received from the company secretary of the Company is sufficient for them to render their contribution to the Board.

A.6.7 The independent non-executive Directors consider that such attendance could not help to develop a balanced understanding of the views of the Members because not many Members attended the AGM in past few years.

C.1.2 Management considers that quarterly updates and periodic instant updates when developments arising out of the ordinary business instead of monthly updates are sufficient for the Board to discharge its duties.

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

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
"Brazil"	The Federative Republic of Brazil
"CNMS"	customer network management system
"CO"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Code"	the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules
"Company"	Vodatel Networks Holdings Limited
"Director"	the director of the Company
"Exchange"	The Stock Exchange of Hong Kong Limited, a company incorporated in Hong Kong with limited liability
"Galaxy Group"	Galaxy Entertainment Group Limited, a company incorporated in Hong Kong with limited liability and ordinary shares in its share capital are listed on the Exchange, and its subsidiaries
"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 (not applicable to Galaxy Group, Galaxy Entertainment Group Limited and Gold Tat Group International Limited)
"GTGIL"	Gold Tat Group International Limited, a company incorporated in the Cayman Islands with limited liability and GTGIL Shares are listed on GEM
"GTGIL Share"	ordinary share of US$0.001 each in the share capital of GTGIL
"HK cent"	Hong Kong Cent, 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 the Hong Kong Institute of Certified Public Accountants, established under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong). They comprise 1. Hong Kong Financial Reporting Standards, 2. HKAS, and 3. Interpretations
"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
"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
"OCI"	other comprehensive income
"PPE"	property, plant and equipment
"PRC"	The People's Republic of China
"Share"	ordinary share of HK$0.10 each in the share capital of the Company (not applicable to GTGIL Share)
"Timor-Leste"	The Democratic Republic of Timor-Leste
"TPTSA"	TPT - Telecomunicações Public de Timor, S.A., a company incorporated in the Portuguese Republic with limited liability
"TSTJX"	泰思通軟件(江西)有限公司, incorporated in PRC with limited liability and an indirectly owned subsidiary of the Company
"TSTSH"	泰思通軟件(上海)有限公司, incorporated in PRC with limited liability and an indirectly owned subsidiary of the Company
"TTSA"	Timor Telecom, S.A., a company incorporated in Timor-Leste with limited liability
"US$"	United States Dollar, the lawful currency of USA

"USA"	The United States of America
"VHL"	Vodatel Holdings Limited, incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Vodacabo"	Vodacabo, S A, a company incorporated in Timor-Leste with limited liability and a former indirectly owned associate of the Company
"Year"	the year ended 31st December 2015

By order of the Board
José Manuel dos Santos
Chairman

Macao, 18th March 2016

Executive Directors
José Manuel dos Santos
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.

** for identification purpose only*