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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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*If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.*

*If you have sold or transferred all your Shares, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.*

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### **VODATEL NETWORKS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 8033**

## **NOTICE GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS CLOSURE OF REGISTER OF MEMBERS AND ADOPTION OF NEW SCHEME**

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*This circular, 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 circular 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.*

*The Notice is set out on pages 26 to 31 of this circular. Whether or not Members are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Hong Kong branch share registrar of the Company, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than forty-eight hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the AGM (or any adjournment thereof) should they so desire.*

*This circular will remain on the GEM Website on the "Latest Company Announcements" page for at least seven days from the date of posting and on [www.irasia.com/listco/hk/vodatel/circulars/index.htm](http://www.irasia.com/listco/hk/vodatel/circulars/index.htm) and [www.vodatelsys.com](http://www.vodatelsys.com).*

*Please note that the English text of this circular shall prevail over the Chinese text in the event of inconsistency.*

\* for identification purpose only

11th May 2012

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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*In this circular (excluding the Notice), unless the context otherwise requires, the following expressions shall have the following meanings:*

“Adoption Date”	22nd June 2012, the date on which the New Scheme is proposed to be adopted by ordinary resolution of the Company in the AGM
“AGM”	the annual general meeting of the Company to be held at 3:00 p.m., on 22nd June 2012 at Grand Lisboa, Avenida de Lisboa, Macao
“Associate”	has the meaning ascribed thereto in the GEM Listing Rules
“Auditor”	the auditor of the Company
“Board”	the board of Directors (not applicable to Main Board)
“Business Day”	any day (excluding a Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Bye-laws”	the existing bye-laws of the Company
“Code”	the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules
“Company”	Vodatel Networks Holdings Limited
“Connected Person”	has the meaning ascribed thereto in the GEM Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto in the GEM Listing Rules
“Date of Grant”	in respect of an Option and unless otherwise specified in the letter of grant, the Business Day on which the Board resolves to make an Offer to a Participant, whether or not the Offer is subject to Members’ approval on the terms of the New Scheme
“Director”	the director of the Company
“ERL”	Eve Resources Limited, a company incorporated in BVI with limited liability
“Exchange”	The Stock Exchange of Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Existing Scheme”	the share option scheme approved by the Members at a special general meeting on 5th November 2002

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## DEFINITIONS

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“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
“GEM Website”	the Internet website operated by the Exchange for the purposes of GEM
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC (not applicable to Hong Kong Accounting Standard, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited)
“Latest Practicable Date”	10th May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the directors of the Exchange elected or appointed in accordance with the articles of association of the Exchange and, where the context so permits, any committee or sub-committee thereof
“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
“Member”	the holder of the Shares
“New Scheme”	the new share option scheme which is proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix III to this circular, and as amended from time to time
“Notice”	the notice convening the AGM

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## DEFINITIONS

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“Offer”	the offer of the grant of an Option under the New Scheme
“Old Option”	an option to subscribe for Shares granted pursuant to the Existing Scheme
“Option”	an option to subscribe for Shares pursuant to the New Scheme and for the time being subsisting (not applicable to Old Option)
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than ten years from the Date of Grant
“Participant”	Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the Company shall not, in the absence of Members’ approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Adoption Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share”	ordinary share of HK\$0.10 each in the share capital of the Company (not applicable to Hong Kong Accounting Standard 33 “Earnings per Share”)
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option under the New Scheme

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## DEFINITIONS

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“Substantial Shareholder”	in relation to a company means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission established under section 3 of the Securities and Futures Commission Ordinance and continuing in existence under section 3 of SFO as amended from time to time
“Zetronic”	Zetronic Communications (Macau) Limited, a company incorporated in Macao with limited liability

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## LETTER FROM THE BOARD

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### VODATEL NETWORKS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 8033

**Executive Directors**

José Manuel dos Santos

Yim Hong

Kuan Kin Man

Monica Maria Nunes

**Registered office**

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

**Independent non-executive Directors**

Fung Kee Yue Roger

Wong Tsu An Patrick

Tou Kam Fai

**Head office and principal place  
of business**

74 da Rua da Felicidade

Edifício Vodatel

Taipa

Macao

**Principal place of business  
in Hong Kong**

Room 713B, 7th Floor

Block B, Sea View Estate

2-8 Watson Road

North Point

11th May 2012

*To Members*

Dear Sir or Madam,

**NOTICE  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
AND  
ADOPTION OF NEW SCHEME**



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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held at 3:00 p.m. on Friday, 22nd June 2012 at Grand Lisboa, Avenida de Lisboa, Macao, which, upon approval, would enable the Company to, among other things:

1. repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares in issue as at the date of passing such resolution;
2. allot and issue (a) new Shares equivalent to 20% of the Shares in issue as at the date of passing the relevant resolution and (b) those Shares repurchased by the Company pursuant to the Repurchase Mandate set out in paragraph 1 above;
3. re-elect certain Directors; and
4. adopt the New Scheme.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, it will be proposed, by way of ordinary resolution, that the Directors be granted general mandates to:

1. repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution; and
2. allot, issue and otherwise deal with (a) Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution and (b) any Shares repurchased by the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution).

Any issue of new Shares is subject to approval from the Exchange for the listing of and permission to deal in such new Shares. Based on the issued share capital of the Company of 613,819,000 Shares as at the Latest Practicable Date, and on the assumptions that no further Shares are issued or repurchased prior to the AGM and that no holders of outstanding Old Options exercise their rights to subscribe for Shares, the Company would be allowed under the general mandate to issue a maximum of 122,763,800 Shares.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the GEM Listing Rules provide that, unless the Exchange agrees otherwise, in the event the general mandate to issue Shares is exercised and Shares are placed for cash consideration under the general mandate to issue Shares, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- 3 the closing price of the Shares as quoted on the Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate to issue Shares; and
- 4 the average closing price of the Shares as quoted on the Exchange in the five trading days immediately prior to the earlier of:
  - (a) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the general mandate to issue Shares;
  - (b) the date of the placing agreement or other agreement involving the proposed issue of Shares under the general mandate to issue Shares; and
  - (c) the date on which the placing or subscription price is fixed.

In terms of price at which Shares may be issued at time of exercise of the general mandate to issue Shares, the Company will comply with the then prevailing requirements under the GEM Listing Rules.

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the GEM Listing Rules, in particular rule 13.08, is set out in Appendix I to this circular. This explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

In accordance with the Bye-laws, Kuan Kin Man and Tou Kam Fai will retire at the AGM and, being eligible, will each offer himself for re-election. In addition, to comply with the Code, José Manuel dos Santos and Yim Hong will also retire at the AGM and, being eligible, will each offer himself for re-election.

Details about José Manuel dos Santos, Yim Hong, Kuan Kin Man and Tou Kam Fai are set out in Appendix II of this circular.

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## LETTER FROM THE BOARD

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### THE PROPOSED ADOPTION OF NEW SCHEME

The Company has adopted the Existing Scheme on 5th November 2002, pursuant to which the Directors were authorised to grant options to subscribe for Shares to any Director or employee of the Company or its subsidiaries during the ten-year period from 5th November 2002. As the Existing Scheme will expire later this year, the Board proposes to adopt the New Scheme and terminate the Existing Scheme effective from the date of adoption of the New Scheme.

The adoption of the New Scheme is conditional upon

- 1 the Members approving the New Scheme and the termination of the Existing Scheme at the AGM; and
- 2 the Exchange granting approval of the listing of and permission to deal in the Shares to be issued and allotted pursuant to the exercise of the Options granted under the New Scheme up to 10% of the total number of Shares in issue as at the date of the AGM.

Application will be made to the Listing Committee for the grant of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options granted under the New Scheme representing up to 10% of the total number of Shares in issue as at the date of the AGM.

The Directors consider that the New Scheme, which will be valid for ten years from the date of its adoption, will continue to provide the Group with a platform to reward Participants who have contributed or will contribute to the Group and to encourage Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Members as a whole.

The Board is given the authority under the New Scheme to specify any minimum holdings period and/or performance targets as conditions in any Option granted, and the requirement for a minimum Subscription Price, as well as the authority to select the appropriate Participants as prescribed by the rules of the New Scheme. The Board considers that the aforesaid criteria and rules motivate the contribution of the employees of the Group and provide incentives to help the Group in retaining its existing employees and recruiting additional employees, providing them with direct economic interests in attaining the long term business objectives of the Group. The Board believes the aforesaid will serve to protect the value of the Company and to achieve such purpose of retaining and motivating high quality personnel to contribute to the Group.

The Directors consider that it is not appropriate to value the Options that can be granted under the New Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors (such as the Subscription Price, the timing of granting of such Options, exercise period and performance targets which the Directors may set under the New Scheme) for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to certain extent would be misleading to the Members if the value of the Options is calculated based on a set of speculated assumptions.

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## LETTER FROM THE BOARD

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In relation to the New Scheme, on the basis of 613,819,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are allotted, issued or repurchased by the Company prior to the AGM and assuming no further refreshment of Scheme Mandate Limit going forward, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Scheme and any other schemes of the Company will be 61,381,900 Shares.

As at the Latest Practicable Date, the Company had not adopted any other share option scheme other than the Existing Scheme. There are 16,322,000 Old Options granted under the Existing Scheme outstanding as at the Latest Practicable Date.

A summary of the principal terms of the New Scheme is set out in Appendix III to this circular. The full terms of the New Scheme can be inspected at Room 713B, 7th Floor, Block B, Sea View Estate, 2-8 Watson Road, North Point, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

At the AGM, an ordinary resolution will be proposed to approve the adoption of the New Scheme, terminate the Existing Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the New Scheme.

None of the Directors is a trustee of the New Scheme or has any direct or indirect interest in such trustee, if any.

### THE AGM

The following are the details of the AGM:

Date:	Friday, 22nd June 2012
Time:	3:00 p.m.
Venue:	Grand Lisboa, Avenida de Lisboa, Macao

The Notice is set out from pages 26 to 31 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Hong Kong branch share registrar of the Company, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than forty-eight hours before the time appointed for holding the AGM. The return of a form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof).

### POLL PROCEDURE

Pursuant to the GEM Listing Rules, voting by poll is mandatory at all general meetings save for purely procedural or administrative matters. The Chairman of the AGM will therefore demand a poll for all the proposed resolutions. The results of the poll will be published on the GEM Website, the website of the Company and [www.irasia.com/listco/hk/vodatel/announcement/index.htm](http://www.irasia.com/listco/hk/vodatel/announcement/index.htm) on the day of the AGM.

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## LETTER FROM THE BOARD

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To the best knowledge of the Directors, having made all reasonable enquiries, no Members are required to abstain from voting at the AGM pursuant to the GEM Listing Rules.

### RECOMMENDATION

The Directors consider that the resolutions referred to in this circular are in the best interests of the Company and the Members as a whole. Accordingly, the Directors recommend all Members to vote in favour of all resolutions to be proposed at the AGM.

Yours faithfully,  
On behalf of the Board  
**José Manuel dos Santos**  
Chairman

This is an explanatory statement given to all Members relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains information required pursuant to rule 13.08 of the GEM Listing Rules which are set out as follows:

### **1. EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued share capital of the Company comprised 613,819,000 Shares.

Subject to the passing of resolution 2(b) as set out in the Notice at the AGM and on the assumptions that no further Shares are issued or repurchased prior to the AGM and that no holders of outstanding Old Options exercise their rights to subscribe for Shares, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 61,381,900 Shares.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Members as a whole for the Directors to have a general authority from Members to enable the Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and Members as a whole.

### **3. FUNDING OF REPURCHASES**

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the memorandum of association of the Company and Bye-laws and the applicable laws of Bermuda. A listed company may not repurchase its own shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of GEM from time to time.

It is presently proposed that any repurchase of Shares would be made out of capital paid up on the repurchased Shares, funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of any premium payable on such repurchase, from funds of the Company otherwise available for dividend or distribution or from the share premium account of the Company. The repurchase of Shares will be conditional upon the fact that on the date the purchase is effected, there are no reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

**4. STATUS OF REPURCHASED SHARES**

The GEM Listing Rules provide that the listing of all repurchased Shares is automatically cancelled and that the certificates for those Shares must be cancelled and destroyed. Under the law of Bermuda, repurchased Shares shall be treated as cancelled and its issued share capital (but not the authorised share capital) will be reduced accordingly.

**5. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Company for the year ended 31st December 2011) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**6. DISCLOSURE OF INTERESTS**

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective Associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No Connected Person has notified the Company that he has a present intention to sell Shares to the Company if the Repurchase Mandate is exercised and neither has any of the Connected Persons undertaken not to sell his Shares to the Company in the event the Repurchase Mandate is exercised.

**7. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda.

**8. TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of Shares, a Member's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Member, or a group of Members acting in concert, depending on the level of increase in the Member's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rules 26 and 32 of the Takeovers Code.

ERL, José Manuel dos Santos and his nephews (that is Rui Nuno dos Santos, Luis Alberto dos Santos and Antonio dos Santos Robarts, all of whom hold interests in the Shares through Best Eastern Limited, Back Support Properties Limited and Yat Yi Properties Limited (companies incorporated in BVI with limited liability) respectively) have informed the Company that they have been, and continue to be, acting in concert for the purposes of the Takeovers Code. As at the Latest Practicable Date, the parties acting in concert with ERL and José Manuel dos Santos held approximately 59.80% of all the Shares in issue. In the event the power to repurchase Shares pursuant to the Repurchase Mandate is exercised in full and assuming both that there is no change in the issued share capital of the Company and in the aforesaid concert parties shareholding in the Company after the Latest Practicable Date, ERL, José Manuel dos Santos and parties acting in concert with them are not expected to incur an obligation to make a general offer to Members as a result of an exercise of the Repurchase Mandate in full. The Directors have no present intention to repurchase Shares to such an extent as would result in takeover obligations or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

#### **9. SHARE PURCHASE MADE BY THE COMPANY**

No repurchases of securities have been made by the Company in the previous six months, whether on GEM or otherwise.

#### **10. SHARE PRICES**

The highest and lowest prices of the Shares as quoted by GEM in each of the previous twelve months before and up to the Latest Practicable Date were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
<b>2011</b>		
May	0.340	0.275
June	0.345	0.285
July	0.325	0.280
August	0.305	0.255
September	0.290	0.240
October	0.290	0.240
November	0.300	0.246
December	0.300	0.248
<b>2012</b>		
January	0.300	0.250
February	0.300	0.249
March	0.275	0.243
April	0.270	0.237
May (up to the Latest Practicable Date)	0.250	0.245



**RE-ELECTION OF DIRECTORS**

In accordance with the Bye-laws, Kuan Kin Man and Tou Kam Fai will retire at the AGM and, being eligible, will each offer himself for re-election. In addition, to comply with the Code, José Manuel dos Santos and Yim Hong will retire at the AGM and, being eligible, will each offer himself for re-election.

**EXECUTIVE DIRECTORS****JOSÉ MANUEL DOS SANTOS**

José Manuel DOS SANTOS, aged 64, was first appointed as an executive Director on 13th December 1999. He is the founder of the Group and Chairman of the Company. He has experience of over forty years in the telecommunications industry in the Asia Pacific region. He served in a senior position at Direção dos Serviços de Correios e Telecomunicações, the telecommunications authority of the Government of Macao, prior to the founding of Zetronic and subsequently the Group. He did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and he is not related to any Director, senior management of the Company, Substantial Shareholders or Controlling Shareholders. As at the Latest Practicable Date, he is interested in 301,538,000 Shares and 800,000 underlying Shares (by virtue of his interests in the Old Options), representing in aggregate approximately 49.26% of the issued share capital of the Company, within the meaning of Part XV of SFO.

José Manuel dos Santos entered into a service contract with the Company on 9th August 2011 for a term of one and a half years from 12th August 2011 and such contract shall continue thereafter unless and until terminated by either the Company or José Manuel dos Santos giving to the other notice of not less than six months in writing to terminate the service contract. Upon the expiry of the term of such service contract on 11th February 2013, it is intended that the Company and José Manuel dos Santos will renew the service contract on substantially similar terms and the remuneration shall be approved by the Remuneration Committee based on the prevailing market rate.

Pursuant to the service contract, José Manuel dos Santos is entitled to a fixed monthly salary, additional thirteenth month salary, Director's fee and a discretionary year-end bonus. The amount payable under the service contract is HK\$4,193,059 per annum, and is subject to review annually by the Remuneration Committee. The amount payable to José Manuel dos Santos has been revised to HK\$4,355,585 with effect from 1st January 2012. The aggregate amount of year-end bonuses payable to all the Directors shall not exceed 10% of the unaudited consolidated profit after taxation and minority (i.e. non-controlling) interest but before extraordinary items in respect of the same financial year, subject to the review by the Auditor. This annual remuneration is determined by the mutual agreement of the parties based on prevailing market rates and the Company considers it to be a reasonable amount. There is no other information related to his re-election that is required to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Members in relation to the re-election of José Manuel dos Santos.

**YIM HONG**

YIM Hong, aged 54, was first appointed as an executive Director on 14th December 1999. He is the managing director of the Company in charge of overall operations. He graduated from Queen Mary and Westfield College of the University of London, the United Kingdom of Great Britain and Northern Ireland with a Bachelor of Science degree. With more than thirty years of experience in the IT industry, he joined the Group in 1998. Prior to joining the Group, he was the area business director at Newbridge Networks (Asia) Limited and the country manager at 3Com Asia Limited. He did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and he is not related to any Director, senior management of the Company, Substantial Shareholders or Controlling Shareholders. As at the Latest Practicable Date, he is interested in 7,357,500 Shares and 800,000 underlying Shares (by virtue of his interests in the Old Options), representing in aggregate approximately 1.33% of the issued share capital of the Company, within the meaning of Part XV of SFO.

Yim Hong entered into a service contract with the Company on 9th August 2011 for a term of one and a half years from 12th August 2011 and such contract shall continue thereafter unless and until terminated by either the Company or Yim Hong giving to the other notice of not less than six months in writing to terminate the service contract. Upon the expiry of the term of such service contract on 11th February 2013, it is intended that the Company and Yim Hong will renew the service contract on substantially similar terms and the remuneration shall be approved by the Remuneration Committee based on the prevailing market rate.

Pursuant to the service contract, Yim Hong is entitled to a fixed monthly salary, additional thirteenth month salary, Director's fee and a discretionary year-end bonus. The amount payable under the service contract is currently HK\$1,822,938 per annum, and is subject to review annually by the Remuneration Committee. The amount payable to Yim Hong has been revised to HK\$1,890,668 with effect from 1st January 2012. The aggregate amount of year-end bonuses payable to all the Directors shall not exceed 10% of the unaudited consolidated profit after taxation and minority (i.e. non-controlling) interest but before extraordinary items in respect of the same financial year, subject to the review by the Auditor. This annual remuneration is determined by the mutual agreement of the parties based on prevailing market rates and the Company considers it to be a reasonable amount. There is no other information related to his re-election that is required to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Members in relation to the re-election of Yim Hong.

**KUAN KIN MAN**

KUAN Kin Man, aged 47, was first appointed as an executive Director on 14th December 1999. He is the general manager of the Group in charge of sales and marketing. He also holds directorships in certain subsidiaries of the Company. In 1985, he joined Zetronic as an engineer and was transferred into marketing later. He joined Vodatel Systems (the assets and liabilities of which were assigned to Vodatel Holdings Limited, incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company, on 1st July 1998) on 8th July 1992 to assume the role of sales manager and was promoted to general manager in 1994. He did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three

years and he is not related to any Director, senior management of the Company, Substantial Shareholders or Controlling Shareholders. As at the Latest Practicable Date, he is interested in 22,112,500 Shares and 800,000 underlying Shares (by virtue of his interests in the Old Options), representing in aggregate approximately 3.73% of the issued share capital of the Company, within the meaning of Part XV of SFO.

Kuan Kin Man entered into a service contract with the Company on 9th August 2011 for a term of one and a half years from 12th August 2011 and such contract shall continue thereafter unless and until terminated by either the Company or Kuan Kin Man giving to the other notice of not less than six months in writing to terminate the service contract. Upon the expiry of the term of such service contract on 11th February 2013, it is intended that the Company and Kuan Kin Man will renew the service contract on substantially similar terms and the remuneration shall be approved by the Remuneration Committee based on the prevailing market rate.

Pursuant to the service contract, Kuan Kin Man is entitled to a fixed monthly salary, additional thirteenth month salary, Director's fee and a discretionary year-end bonus. The amount payable under the service contract is HK\$929,500 per annum, and is subject to review annually by the Remuneration Committee. The amount payable to Kuan Kin Man has been revised to HK\$961,480 with effect from 1st January 2012. The aggregate amount of year-end bonuses payable to all the Directors shall not exceed 10% of the unaudited consolidated profit after taxation and minority (i.e. non-controlling) interest but before extraordinary items in respect of the same financial year, subject to the review by the Auditor. This annual remuneration is determined by the mutual agreement of the parties based on prevailing market rates and the Company considers it to be a reasonable amount. There is no other information related to his re-election that is required to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Members in relation to the re-election of Kuan Kin Man.

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

##### **TOU KAM FAI**

Tou Kam Fai, aged 54, was first appointed as an independent non-executive Director on 13th May 2009. He first started his own business in seafood processing and trading in 1992 and has since accumulated over fifteen years of experience in the industry with business dealings in the Asia Pacific region and North America. He also liaises business activities between the Bolivarian Republic of Venezuela and PRC and is an investor in both countries. He did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and he is not related to any Director, senior management of the Company, Substantial Shareholders or Controlling Shareholders. As at the Latest Practicable Date, he is interested in 500,000 underlying Shares (by virtue of his interests in the Old Options), representing approximately 0.08% of the issued share capital of the Company, within the meaning of Part XV of SFO.

Tou Kam Fai entered into a service contract with the Company on 12th May 2011 for a term of two years from 13th May 2011 and such contract shall continue thereafter unless and until terminated by either the Company or Tou Kam Fai giving to the other notice of not less than three months in writing to terminate the service contract.

Pursuant to the service contract, he is entitled to a fixed monthly Director's fee. The amount payable under the service contract is currently HK\$120,000 per annum. This annual remuneration is determined by the mutual agreement of the parties based on prevailing market rates and the Company considers it to be a reasonable amount. There is no other information related to his re-election that is required to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Members in relation to the re-election of Tou Kam Fai.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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The following is a summary of the principal terms of the New Scheme:

### **1      PURPOSE**

The purpose of the New Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Members as a whole.

### **2      WHO MAY JOIN**

The Directors may, at their discretion, invite Participants (that is, Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group) to take up Options at a price calculated in accordance with paragraph 4 below. An Offer shall remain open for acceptance by the Participant concerned for twenty-eight days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the New Scheme is terminated or after the Participant has ceased to be a Participant. An Option shall be regarded as having been accepted when the Company receives from the Grantee the duplicate of the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1 as consideration for the grant of Option. Such remittance is not refundable in any circumstances. The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of the Board, include among other things, (a) the minimum period for which an Option must be held before it can be exercised, (b) a performance target that must be reached before the Option can be exercised in whole or in part, and (c) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

### **3      GRANT OF OPTIONS TO CONNECTED PERSONS OR ANY OF THEIR ASSOCIATES**

Any grant of Options to any Director, chief executive of the Company or Substantial Shareholder, or any of their respective Associates under the New Scheme or any other share option schemes of the Company or any of the subsidiaries shall be subject to the prior approval of the independent non-executive Directors (excluding independent non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a Substantial Shareholder or an independent non-executive Director, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the twelve-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Exchange on the Date of Grant, in excess of HK\$5,000,000,

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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such further grant of Options shall be subject to prior approval by resolution of the Members (voting by way of poll). The Company shall send a circular to the Members in accordance with the GEM Listing Rules and all Connected Persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Members.

### **4      SUBSCRIPTION PRICE**

The Subscription Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Exchange on the Date of Grant which must be a Business Day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Exchange for the five Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of the Shares.

### **5      MAXIMUM NUMBER OF SHARES**

- (a) Options lapsed in accordance with the terms of the New Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Company may renew the Scheme Mandate Limit at any time subject to prior Members' approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other options to be granted under any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of Members' approval of the renewed limit. Options previously granted under the New Scheme or any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the limit as renewed.
- (c) Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Participants if:
  - (i) separate Members' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Members' approval is sought; and
  - (ii) the Company, in connection with the seeking of such separate Members' approval, has first sent a circular to Members containing such information as may be required by the GEM Listing Rules then prevailing to be included in such circular.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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- (d) Subject to paragraph (e) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the New Scheme (including both exercised and outstanding Options) in any twelve-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme of the Company other than those options granted pursuant to specific approval by the Members in a general meeting) exceed 1% of the Shares in issue for the time being.
- (e) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the twelve-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Members in general meeting with such Participant and his Associates abstaining from voting. The Company must send a circular to the Members disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the GEM Listing Rules.
- (f) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the New Scheme and any other share option schemes of the Company shall not, in the absence of Members' approval, in aggregate exceed 30% of the Shares in issue from time to time.

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

### **6      TIME OF EXERCISE OF OPTION**

An Option may be exercised in accordance with the terms of the New Scheme at any time during the Option Period.

### **7      RIGHTS ARE PERSONAL TO GRANTEES**

An Option shall be personal to the Grantee and shall not be assignable or transferrable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option.

### **8      RIGHTS ON TERMINATION OF EMPLOYMENT BY DISMISSAL**

- (a) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment.

- (b) If the Grantee who is an employee of the Company or another member of the Group or a Director ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph 8(a) above, the Option (to the extent not already exercised) shall lapse three calendar months after the date of cessation or termination of such employment and shall on that day cease to be exercisable.

### **9      RIGHTS ON CEASING TO BE A PARTICIPANT**

If the Grantee who is not an employee of the Company or another member of the Group or a Director ceases to be a Participant as and when determined by the Board by resolution for any reason other than his death, the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation.

### **10     RIGHTS ON DEATH**

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as described in paragraph 8(a) above have arisen, his legal personal representative may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of twelve months following the date of his death.

### **11     EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of an alteration in the capital structure of the Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of Shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (b) the Subscription Price,



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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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or any combination thereof, provided that:

- (c) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (d) notwithstanding paragraph 11(c) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standard 33 “Earnings per Share”) and the acceptable adjustments set out in the supplementary guidance on rule 23.03(13) of the GEM Listing Rules issued on 5th September 2005;

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, the Auditor or an independent financial advisor must certify in writing that the adjustments satisfy the requirements in paragraphs 8(c) and (d) above.

### **12    RIGHTS ON A GENERAL OFFER BY WAY OF TAKEOVER**

In the event of a general offer by way of takeover (other than by way of scheme of arrangement) being made to all the Members (or all such Members other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company.

### **13    RIGHTS ON A GENERAL OFFER BY WAY OF SCHEME OF ARRANGEMENT**

In the event of a general offer by way of scheme of arrangement being made to all the Members and has been approved by the necessary number of Members at the requisite meetings, the Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) may at any time thereafter, (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company.

### **14    RIGHTS ON WINDING-UP**

In the event a notice is given by the Company to the Members to convene a Members’ meeting to consider and, if thought fit, approve a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Members’ meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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### **15    RIGHTS ON A COMPROMISE OR ARRANGEMENT**

In the event a compromise or arrangement, other than a scheme of arrangement, between the Company and the Members or its creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to all the Grantees on the same date as it gives notice of the meeting to the Members or its creditors to consider such a compromise or arrangement and the Grantee (or his legal personal representative) may at any time thereafter but before such time as shall be notified by the Company exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Members' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

### **16    RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum of association of the Company and Bye-laws for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which the Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

### **17    PERIOD OF THE NEW SCHEME**

The New Scheme shall be adopted for a period of ten years commencing on the Adoption Date. The Company may, by ordinary resolution in a general meeting or, such date as the Board determines, terminate the New Scheme at any time without prejudice to the exercise of Options granted prior to such termination.

### **18    ALTERATIONS TO THE NEW SCHEME**

- (a) The specific provisions of the New Scheme which relate to the matters set out in rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Participants without the prior approval of Members in general meeting.
- (b) Changes to the authority of the Board in relation to any alteration of the terms of the New Scheme shall not be made without the prior approval of Members in general meeting.
- (c) Any alterations to the terms and conditions of the New Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Members in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme. The New Scheme so altered must comply with Chapter 23 of the GEM Listing Rules.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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### **19    CONDITIONS OF THE NEW SCHEME**

The New Scheme shall take effect subject to:

- (a) the passing of the resolution by the Members to approve and adopt the New Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options; and
- (b) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of any Options (subject to an initial limit of 10% of the aggregate number of Shares in issue on the date of such Members' resolution to approve and adopt the New Scheme).

### **20    LAPSE OF OPTION**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of the periods referred to in paragraphs 8, 9, 10, 11 to 15 above respectively;
- (c) the expiry of the period referred to in paragraph 11 above, subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer;
- (d) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 13 above;
- (e) the date of commencement of the winding-up of the Company;
- (f) the date on which the Grantee ceases to be a Participant as referred to in paragraph 8(a) and (b) above;
- (g) the date on which the Grantee commits a breach by selling, transferring, charging, mortgaging, encumbering or creating any interest in favour of any other person over or in relation to any Option; and
- (h) subject to paragraph 8(b), three calendar months after the date the Grantee ceases to be a Participant for any other reason.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME**

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### **21    TERMINATION OF THE NEW SCHEME**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the New Scheme and in such event no further Options may be granted but in all other respects the New Scheme shall remain in full force and effect in respect of Options which are granted during the life of the New Scheme and which remain unexpired immediately prior to termination of the operation of the New Scheme.

### **22    RESTRICTION ON GRANT OF OPTION**

A grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers or otherwise in accordance with the relevant provision of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Exchange in accordance with the GEM Listing Rules) for the approval of the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or, not required under the GEM Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

### **23    CANCELLATION**

- (a) Any Options granted but not exercised may be cancelled if the Participant so agrees.
- (b) Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new options may only be made under a scheme with available unissued Shares (excluding the Shares which were the subject of cancelled options) under the Scheme Mandate Limit.

### **24    PRESENT STATUS OF THE NEW SCHEME**

As at the date of this circular, no Option has been granted or agreed to be granted pursuant to the New Scheme.

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## NOTICE

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### **VODATEL NETWORKS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 8033**

### **NOTICE OF ANNUAL GENERAL MEETING (“AGM”)**

**NOTICE IS HEREBY GIVEN THAT** AGM of Vodatel Networks Holdings Limited (“Company”) will be held at 3:00 p.m. on 22nd June 2012 at Grand Lisboa, Avenida de Lisboa, the Macao Special Administrative Region of the People’s Republic of China (“Macao”) for the following purposes:

- 1 As ordinary business, to consider and if thought fit, pass the following resolutions:

#### **ORDINARY RESOLUTIONS**

- (a) to receive and adopt the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31st December 2011;
- (b) to approve the payment of a final dividend for the year ended 31st December 2011;
- (c) to re-elect José Manuel dos Santos as an executive director of the Company;
- (d) to re-elect Yim Hong as an executive director of the Company;
- (e) to re-elect Kuan Kin Man as an executive director of the Company;
- (f) to re-elect Tou Kam Fai as an independent non-executive director of the Company;
- (g) to authorise the board of the directors of the Company to approve and confirm the terms of appointment (including remuneration) for Tou Kam Fai, further details of which are set out in the Circular; and
- (h) to re-appoint auditor of the Company for the ensuing year and authorise the board of the directors of the Company to fix its remuneration.

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## NOTICE

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- 2 As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

(a) **“THAT:**

- (i) subject to paragraph (iii), the exercise by the board of the directors of the Company (“Directors”) during the Relevant Period (as defined in paragraph (iv) below) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.10 each in the share capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall authorise the board of Directors (“Board”) during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (i), otherwise than pursuant to a Rights Issue (as defined in paragraph (iv) below) or the exercise of the subscription rights under all share option schemes of the Company adopted from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (I) the conclusion of the next annual general meeting of the Company;
- (II) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and

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## NOTICE

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(III) the revocation or variation of this resolution by an ordinary resolution of the duly registered holder(s) from time to time of the Shares(s) (“Members”) in a general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Board to Members on the register as at a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(b) **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the board of the directors of the Company during the Relevant Period (as defined in paragraph (iii) below) of all powers of the Company to purchase its own ordinary shares of HK\$0.10 each in the share capital of the Company (“Shares”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of Shares to be purchased by the Company pursuant to the approval in paragraph (i) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and
- (iii) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (I) the conclusion of the next annual general meeting of the Company;
- (II) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (III) the revocation or variation of this resolution by an ordinary resolution of the duly registered holder(s) from time to time of the Shares(s) in a general meeting.

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## NOTICE

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- (c) “**THAT** conditional upon resolution 2(b) above being passed, the aggregate nominal amount of the number of ordinary shares of HK\$0.10 each in the share capital of the Company which are repurchased by the Company under the authority granted to the board of the directors of the Company (“Directors”) as mentioned in resolution 2(b) above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution 2(a) above.”
- (d) “**THAT**:
- (i) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the ordinary shares in the share capital of the Company (“Shares”) which fall to be allotted and issued pursuant to the exercise of options granted under the proposed share option scheme of the Company (“New Scheme”) (a copy of which has been produced to this meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification), the rules of the New Scheme be and are hereby approved and the directors of the Company (“Directors”) be authorised to grant options and allot and issue Shares pursuant to the New Scheme, and that the Directors be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary and expedient in order to give effect to the New Scheme; and
- (ii) subject to and conditional upon the New Scheme becoming unconditional and effective, the existing share option scheme of the Company adopted on 5th November 2002 be terminated with effect from the date of the New Scheme becoming unconditional and effective.”

By order of the board of the directors of  
**Vodatel Networks Holdings Limited**  
**José Manuel dos Santos**  
*Chairman*

Macao, 11th May 2012



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## NOTICE

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**Registered office**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**Head office and principal place of business**

74 da Rua da Felicidade  
Edifício Vodatel  
Taipa  
Macao

**Place of business in the Hong Kong Special****Administrative Region  
of the People's Republic of China ("Hong Kong")**

Room 713B, 7th Floor  
Block B, Sea View Estate  
2-8 Watson Road  
North Point

**Executive directors of the Company**

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

**Independent non-executive directors  
of the Company**

Fung Kee Yue Roger  
Wong Tsu An Patrick  
Tou Kam Fai

**Notes:**

- 1 Holders of ordinary shares of HK\$0.10 each in the share capital of the Company ("Shares") whose names appear on the register of the holders of the Shares ("Members") on 22nd June 2012, will be eligible for attending and voting at the AGM. The register of Members will be closed from 18th June 2012 to 22nd June 2012, both days inclusive, during which no transfer of Shares will be registered. In order to be eligible for attending and voting at the AGM, all transfer forms accompanied by the relevant Share certificates must be lodged with the Hong Kong branch share registrar of the Company ("Hong Kong Branch Share Registrar"), Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 15th June 2012.
- 2 Members whose name appear on the register of Members on 29th June 2012, will be eligible to the proposed final dividend. The register of Members will be closed from 28th June 2012 to 29th June 2012, both days inclusive, for ascertaining Members' entitlement to the proposed final dividend and during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend (subject to the approval by Members at the forthcoming AGM), all transfer forms accompanied by the relevant Share certificates must be lodged with the Hong Kong Branch Share Registrar at the above mentioned address for registration before 4:30 p.m.

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## NOTICE

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on 27th June 2012. The proposed final dividend (the payment of which is subject to the Members' approval at the AGM) is to be payable on or about 6th July 2012 to Members whose name appear on the register of Members on 29th June 2012. The Shares will trade ex-dividend on 26th June 2012.

- 3 Any Member who is entitled to attend and vote at the AGM is entitled to appoint one or more than one proxy to attend and vote in his stead in accordance with the bye-laws of the Company. A proxy need not be a Member.
- 4 Where there are joint holders of any Share, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders shall be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members in respect of the joint holding.
- 5 The instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority, if any, under which it is signed or a certified copy of such power of attorney or authority shall be delivered to the Hong Kong Branch Share Registrar at the above mentioned address not less than forty-eight hours before the time for holding the AGM. The completion and return of the form of proxy shall not preclude Members from attending and voting in person at the AGM (or any adjourned meeting thereof) should they so wish.