



VODATEL NETWORKS HOLDINGS LIMITED

愛達利網絡控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 8033

INTERIM REPORT

2025

Characteristics of GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

HKEC and the Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This report, 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 report 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.

BUSINESS AND FINANCIAL HIGHLIGHTS FOR THE SIX-MONTH PERIOD

- Attributable to a stronger order book carried forward from 2024, the Group reported revenue of HK\$265,824,000, representing a mere drop of 6.76% over the same comparable period of 2024
- Due to the completion of the service component of several projects, gross profit margin improved considerably from 15.75% for first half of 2024 to 19.02% for the Six-month Period
- Improved gross profit margin and tighter cost controls, the Group reported profit of HK\$4,445,000 for the Six-month Period as compared to profit of HK\$379,000 for the same preceding period of 2024
- During the Six-month Period, signed approximately HK\$330,000,000 worth of new contracts, with business generated from the Macao market accounted for over 60% of the order book
- The Government of Timor-Leste officially informed Oi of their decision to terminate the acquisition of its 57.06% in TTSA
- Equity base stood at HK\$207,625,000 as at 30th June 2025
- The Directors do not recommend payment of interim dividend for the Six-month Period

INTERIM RESULTS

The Board is pleased to present the unaudited consolidated results of the Group for the Six-month Period as follows:

Interim condensed consolidated statement of profit or loss

		Unaudited	
		Six-month Period	Six months ended
	Notes	HK\$'000	30th June 2024 HK\$'000
Revenue	2	265,824	285,106
Cost of sales		(215,268)	(240,216)
Gross profit		50,556	44,890
Other gains/(loss)		682	(422)
Selling, marketing costs and administrative expenses		(47,912)	(47,594)
Operating profit/(loss)		3,326	(3,126)
Finance costs		(405)	(252)
Finance income		1,382	1,992
Profit/(loss) before tax		4,303	(1,386)
Income tax credit	3	142	1,765
Profit for the period		4,445	379
Attributable to:			
Equity holders of the parent		5,183	901
Non-controlling interests		(738)	(522)
		4,445	379
EPS, basic, profit for the period attributable to ordinary equity holders of the parent:	9	0.84 HK cent	0.15 HK cent

Interim condensed consolidated statement of comprehensive income

	Unaudited	
	Six-month Period HK\$'000	Six months ended 30th June 2024 HK\$'000
Profit for the period	4,445	379
(Other comprehensive loss)/OCI		
<i>(Other comprehensive loss)/OCI that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	(946)	400
Net (loss)/gain on debt instruments at the fair value through OCI	(658)	2,658
Net (other comprehensive loss)/OCI that may be reclassified to profit or loss in subsequent periods, net of tax	(1,604)	3,058
Total comprehensive income, net of tax	2,841	3,437
Attributable to:		
Equity holders of the parent	3,579	3,959
Non-controlling interests	(738)	(522)
	2,841	3,437

Interim condensed consolidated balance sheet

		Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	5	1,669	1,809
Right-of-use assets		1,332	1,915
Investments in associates		–	–
Equity instruments at fair value through OCI – non-listed equity investment	7(a)	30,373	30,373
Debt instruments at fair value through OCI – quoted debt instruments	7(a)	31,483	31,769
		<u>64,857</u>	<u>65,866</u>
Current assets			
Inventory		22,066	20,564
Trade receivables	7(b)	172,712	185,426
Contract assets		71,048	70,202
Prepayment		85,591	64,626
Other receivables and deposits		7,546	6,998
Debt instruments at fair value through OCI – quoted debt instruments	7(a)	2,404	93
Pledged deposit		–	3,470
Cash and short-term deposits		70,072	39,119
		<u>431,439</u>	<u>390,498</u>

		Unaudited	Audited
		30th June	31st December
		2025	2024
	Notes	HK\$'000	HK\$'000
Current liabilities			
Trade payable	7(c)	88,646	125,247
Contract liabilities		102,511	53,723
Interest-bearing loans and borrowings		31,084	5,725
Other accounts payable and accruals		29,626	34,989
Lease liabilities		1,364	1,168
Income tax payable		4,378	4,458
Warranty provision		24,901	19,392
Dividend payable		6,161	–
		288,671	244,702
Net current assets		142,768	145,796
Total assets less current liabilities		207,625	211,662
Non-current liabilities			
Lease liabilities		–	765
Net assets		207,625	210,897
Equity			
Issued capital and share premium		61,771	61,771
Reserves		156,147	158,729
Equity attributable to equity holders of the parent		217,918	220,500
Non-controlling interests		(10,293)	(9,603)
Total equity		207,625	210,897

Interim condensed consolidated statement of changes in equity

	Unaudited					
	Attributable to equity holders of the parent					
	Issued		Retained		Non-	Total
	capital and share premium HK\$'000	Other reserves HK\$'000	earnings/ (accumulated losses) HK\$'000	Total HK\$'000	controlling interests HK\$'000	equity HK\$'000
As at 1st January 2025	61,771	154,241	4,488	220,500	(9,603)	210,897
Total comprehensive income for the Six-month Period	–	(1,604)	5,183	3,579	(738)	2,841
Incorporation of a subsidiary	–	–	–	–	48	48
2024 final dividend provided for	–	(6,161)	–	(6,161)	–	(6,161)
As at 30th June 2025	<u>61,771</u>	<u>146,476</u>	<u>9,671</u>	<u>217,918</u>	<u>(10,293)</u>	<u>207,625</u>
As at 1st January 2024	61,771	160,787	(5,787)	216,771	(6,956)	209,815
Total comprehensive income for the six months ended 30th June 2024	–	3,058	901	3,959	(522)	3,437
2023 final dividend provided for	–	(6,161)	–	(6,161)	–	(6,161)
As at 30th June 2024	<u>61,771</u>	<u>157,684</u>	<u>(4,886)</u>	<u>214,569</u>	<u>(7,478)</u>	<u>207,091</u>

Interim condensed consolidated statement of cash flows

	Notes	Unaudited	
		Six-month Period HK\$'000	For the six months ended 30th June 2024 HK\$'000
Operating activities			
Cash generated from/(used in) operations		4,308	(56,403)
Interest paid		(359)	(226)
Income tax paid		(2)	(7)
Net cash flows from/(used in) operating activities		3,947	(56,636)
Investing activities			
Interest received on financial assets		1,382	1,992
Purchases of property, plant and equipment	5	(202)	(575)
Purchases of debt instruments designated at fair value through OCI		(14,136)	(9,680)
Proceeds from disposal of debt instruments designated at fair value through OCI		11,710	10,080
Decrease in pledged time deposit		3,470	—
Net cash flows from investing activities		2,224	1,817
Financing activities			
Proceeds from loans		31,084	45,585
Repayment of loans		(5,725)	—
Payment of lease liabilities		(577)	(780)
Net cash flows from financing activities		24,782	44,805
Net increase/(decrease) in cash and cash equivalents		30,953	(10,014)
Cash and cash equivalents as at 1st January		39,119	50,280
Cash and cash equivalents as at 30th June	10	70,072	40,266

Notes to the interim condensed consolidated financial statements

1 Basis of preparation and changes to the accounting policies of the Group

(a) Basis of preparation

The interim condensed consolidated financial statements for the Six-month Period were prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting*. They were reviewed by the audit committee of the Company and were not audited.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group as at 31st December 2024 and any public announcements made by the Company during the Six-month Period.

(b) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements were consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31st December 2024, except for the adoption of new standards effective as at 1st January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

2 Operating segment information

For management purposes, the Group was organised into business units based on their products and services and had two reportable operating segments as follows:

- (a) Macao and Hong Kong; and
- (b) Mainland China.

Management monitored the results of the operating segments of the Group separately for the purpose of making decisions about resource allocation and performance assessment. The executive Directors primarily used a measure of adjusted EBITDA to assess the performance of the operating segments. However, they also received information about the revenue and assets of the segments on a monthly basis.

Segment assets excluded equity investment designated at fair value through OCI and debt investments at fair value through OCI.

Six-month Period	Macao and Hong Kong HK\$'000	Mainland China HK\$'000	Total HK\$'000
Revenue from external customers	145,120	120,704	265,824
Adjusted EBITDA/(loss before interest, tax, depreciation and amortisation)	7,404	(3,701)	3,703
Six months ended 30th June 2024			
Revenue from external customers	177,605	107,501	285,106
Adjusted EBITDA/(loss before interest, tax, depreciation and amortisation)	5,225	(6,581)	(1,356)
Total segment assets (exclude debt and equity instruments at fair value through OCI)			
30th June 2025	410,433	21,603	432,036
31st December 2024	384,542	9,587	394,129

Reconciliation:

	Six-month Period HK\$'000	Six months ended 30th June 2024 HK\$'000
Adjusted EBITDA/(loss before interest, tax, depreciation and amortisation)	3,703	(1,356)
Depreciation – property, plant and equipment	(357)	(427)
Depreciation – right-of-use assets	(589)	(765)
Finance income – net	1,382	1,740
Gain/(loss) on disposal of financial assets at fair value through OCI	194	(575)
Impairment of debt investments at fair value through OCI	(30)	(3)
	<u>4,303</u>	<u>(1,386)</u>
Profit/(loss) before tax		

3 Income tax credit

The Group calculated the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit in the interim condensed consolidated statement of profit or loss are:

	Six-month Period HK\$'000	Six months ended 30th June 2024 HK\$'000
Current – Macao		
Overprovision in prior years	144	1,772
Current – Mainland China		
Charge for the period	(2)	(7)
	<u>142</u>	<u>1,765</u>

4 Dividends

The Directors do not recommend payment of interim dividend for the Six-month Period (six months ended 30th June 2024: nil).

5 Property, plant and equipment

During the Six-month Period, the Group acquired property, plant and equipment at a cost of HK\$202,000 (six months ended 30th June 2024: HK\$575,000).

6 Related-party transactions

- (a) The Group had the following transactions with related parties during the Six-month Period:

	Six-month Period HK\$'000	Six months ended 30th June 2024 HK\$'000
Sale of goods to a company of which a Director was a controlling shareholder	1,378	1,269

The sales were made to a company of which a Director was a controlling shareholder. The Directors considered that the sales were made according to the published prices and conditions similar to those offered to the major customers of the Group.

- (b) Other transaction with a related party:

During the Six-month Period, a Director was entitled to receive HK\$565,000 (six months ended 30th June 2024: HK\$590,000) from the Group for leasing certain offices to the Group.

(c) Compensation of key management personnel of the Group:

Key management compensation amounted to HK\$4,920,000 for the Six-month Period (six months ended 30th June 2024: HK\$4,790,000).

(d) Current accounts payable to related parties

	30th June 2025 HK\$'000	31st December 2024 HK\$'000
Lease liabilities to a Director	1,284	1,806
Proportional accrual of additional thirteenth-month salary to executive Directors	360	–
Dividend payable to ERL	3,579	–
Dividend payable to Directors	265	–

7 Fair value and fair value hierarchy of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair value of the financial instruments since the last annual financial report.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payable, other receivables and deposits, financial liabilities included in other accounts payable and accruals and interest-bearing bank borrowings approximated to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities were included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed debt investments were based on quoted market prices. The fair value of unlisted equity investment designated at fair value through OCI was estimated using a market-based valuation technique based on assumptions that were not supported by observable market prices or rates. The valuation required the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as EV to EBITDA multiple, for each comparable company identified. The multiple was calculated by dividing EV of the comparable company by an earnings measure. The trading multiple was then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple was applied to the corresponding earnings measure of the unlisted equity investment to measure the fair value. The Directors believed that the estimated fair value resulting from the valuation technique, which was recorded in the condensed consolidated balance sheet, and the related changes in fair values, which were recorded in OCI, were reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted equity investment at fair value through OCI, management estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments:

	Valuation technique	Significant unobservable inputs	Weighted average	Sensitivity of fair value to the input
Unlisted equity investment	Market approach	Median EV/EBITDA multiple of peers	6.34	An increase/decrease in multiple would result in increase/decrease in fair value
		Discount for lack of marketability	24.86%	An increase/decrease in discount would result in decrease/increase in fair value

The discount for lack of marketability represented the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investment.

(a) Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the financial instruments of the Group:

Assets measured at fair value:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level one) HK\$'000	Significant observable inputs (Level two) HK\$'000	Significant unobservable inputs (Level three) HK\$'000	
As at 30th June 2025				
Equity instruments at fair value through OCI – non-listed equity investment	–	–	30,373	30,373
Debt instruments at fair value through OCI – quoted debt instruments	33,887	–	–	33,887
	<u>33,887</u>	<u>–</u>	<u>30,373</u>	<u>64,260</u>

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level one) HK\$'000	Significant observable inputs (Level two) HK\$'000	Significant unobservable inputs (Level three) HK\$'000	
As at 31st December 2024				
Equity instruments at fair value through OCI – non-listed equity investment	–	–	30,373	30,373
Debt instruments at fair value through OCI – quoted debt instruments	<u>31,862</u>	<u>–</u>	<u>–</u>	<u>31,862</u>
	<u><u>31,862</u></u>	<u><u>–</u></u>	<u><u>30,373</u></u>	<u><u>62,235</u></u>

The Group did not have any financial liabilities measured at fair value as at 30th June 2025 and 31st December 2024.

During the Six-month Period, there were no transfers of fair value measurements between level one and level two and no transfers into or out of level three for both financial assets and financial liabilities (six months ended 30th June 2024: nil).

(b) Trade receivables

The trading terms of the Group with its customers were mainly on receipts in advance, letter of credit or documents against payment and open terms credit. The credit terms granted to customers varied and were generally the result of negotiations between the individual customers and the Group. Each customer had a maximum credit limit. The Group sought to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances were reviewed regularly by senior management. In view of the aforementioned and the fact that the trade receivables of the Group related to a large number of diversified customers, there was no significant concentration of credit risk. The Group did not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables were non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, was as follows:

	30th June 2025 HK\$'000	31st December 2024 HK\$'000
Within three months	119,344	139,028
Four to six months	45,984	36,622
Seven to twelve months	2,349	4,586
Over twelve months	5,035	5,190
	<hr/>	<hr/>
Total	172,712	185,426
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(c) Trade payable

An ageing analysis of the trade payable as at the end of the reporting period, based on the invoice date, was as follows:

	30th June 2025 HK\$'000	31st December 2024 HK\$'000
Within three months	76,567	112,212
Four to six months	–	5,484
Seven to twelve months	4,395	375
Over twelve months	7,684	7,176
	<hr/>	<hr/>
Total	88,646	125,247
	<hr/> <hr/>	<hr/> <hr/>

8 Seasonality of operations

The business is not subject to seasonal fluctuations.

9 EPS attributable to ordinary equity holders of the parent

The calculation of the basic EPS amount was based on the profit for the Six-month Period attributable to ordinary equity holders of the parent, and the weighted average number of Shares of 616,115,000 (six months ended 30th June 2024: 616,115,000) in issue during the Six-month Period.

The calculations of basic EPS were based on:

	Six-month Period HK\$'000	Six months ended 30th June 2024 HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic EPS calculation:	5,183	901
	Number of Shares	
	Six-month Period (thousands)	Six months ended 30th June 2024 (thousands)
Shares		
Weighted average number of Shares in issue during the Six-month Period used in the basic EPS calculation	616,115	616,115

10 Cash and short-term deposits

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents are comprised of the following:

	30th June 2025 HK\$'000	30th June 2024 HK\$'000
Cash at bank and in hand	69,735	42,463
Short-term deposits	337	337
Total cash and short-term deposits	70,072	42,800
Bank overdraft	–	(2,534)
Total cash and cash equivalents	70,072	40,266

BUSINESS REVIEW

Business in Macao, Hong Kong and Mainland China

Macao, Hong Kong and Mainland China remain the three core operating markets of the Group. During the Six-month Period, the Group signed approximately HK\$330,000,000 worth of new contracts, translating to an increase of approximately 6% as comparable to the order book of the preceding period of 2024.

Entering 2025, different initiatives taken by the Government of USA, in particular tariffs, cause radical uncertainties in the global scope and create supply and demand shocks. To navigate these uncertainties, companies join the race to understand and ascertain both the primary and secondary macroeconomic impacts of these initiatives, including near-term, cyclical and plausible long-term consequences and the possibility of permanent structural impact. In Macao, with USA being a non-core trading partner and the domestic market for technology demands has years ago shifted to include both foreign and Chinese technology vendors, therefore Macao has not felt similar shocks as experienced by others in the international fronts. As different gaming operators continue to upgrade and expand their core data networks infrastructure to engage in data analytics and to deploy new and robust AI applications to enhance customer experience and in customer acquisition and retention, the Group witnessed strong business momentum. As the key contributor, business generated from the Macao market accounted for over 60% of the order book for the Six-month Period with some key wins in the areas of surveillance and data networks infrastructure secured from the four pillar gaming customers of the Group.

As Chinese vendors continue to gain popularity in Macao and Hong Kong due to their ability to offer similar features and functionalities when compared to their foreign counterparts yet being competitively priced, MDL continues to enhance its product portfolio by adding in an array of different Chinese market leaders in cybersecurity, virtualisation, cloud computing technologies and data backup and recovery solutions, making MDL one of the solutions providers in Macao to own a complete and comprehensive range of IT portfolio comprising of both international and Chinese vendors. With system compatibility and stability being critical considerations of customers, during the Six-month Period, MDL made investments to further enhance its ability in system migration, including building a new team in Hengqin to provide technical support in solution design, migration plan, system testing, phased implementation and system risk assessment and strengthening its pre-sales team in Macao for better customer communications and engagement.

Contrary to the Macao market, the Hong Kong and Mainland China markets felt the challenges from market uncertainties. In Mainland China, despite the Mainland China team successfully secured its first win from the technology arm of the top insurance company in Mainland China for the provision of data networks infrastructure maintenance support, the two existing major customers of the Group, namely a leading provider of Internet value-added services and a leading Internet technology leader that operates creative content platforms, have remained cautious with their capital investments with reductions, delays and suspensions of some of their expansion plans of their overseas data centres. Another factor affecting the business performance of the Group in Hong Kong and Mainland China was the change in ownership of the SD-WAN vendor that the Group represents, which adversely affects SD-WAN equipment and service delivery. Consequently, total contracts secured by the Hong Kong team and the Mainland China team during the Six-month Period represented only approximately 40% and 30% respectively of the total contracts secured in 2024.

Other Investments

Tidestone Group – With the first six months of any year being slower months, during the Six-month Period, Tidestone Group secured only two new contracts, totalled HK\$2,600,000, the projects of which involved digital transformation of the procurement system of a telecommunications service provider and an Internet technology service provider in the province of Jiangxi. In August 2025, Tidestone Group was awarded a new project, valued HK\$7,900,000, from a telecommunications service provider in the province of Guangdong, which involved information digitalisation of two power grids with operations in the southern part of Mainland China. This project is of significance as it is one of the projects under the mandate of State Grid Corporation of China (a state-owned enterprise) to drive reform and innovation for the deepening of the integration of digital and intelligent technologies within power grid operations.

TTSA – Aggressive market competition continued to affect the operating performance of TTSA. As a result, TTSA reported revenue of HK\$82,161,000 for the Six-month Period as compared to HK\$85,970,000 for the same period of the preceding year of 2024, representing a drop of 4.43%. TTSA saw a minor drop of 0.84% of its EBITDA to HK\$17,777,000, while net loss also marginally widened to HK\$1,774,000. To strive for improved business performance, TTSA made several initiatives, including the reformulation and rollout of new commercial mobile services offerings in August 2025, strengthening its brand visibility through strategic partnerships at different local events and investment to upgrade its backup infrastructure at selected locations to prevent power instability and to improve energy backup of the networks.

Regarding the acquisition of 57.06% of Oi in TTSA by the Government of Timor-Leste, the Government of Timor-Leste has formally informed Oi of their decision to terminate the acquisition offer.

As at 30th June 2025, fair value of the investment of the Group in TTSA was HK\$30,373,000, which represented 6.12% of the total assets of the Group.

Name	Place of incorporation	Principal activities	Particulars of issued shares held	Interest held	Investment cost HK\$'000
Timor Telecom, S.A.	Timor-Leste	Provision of telecommunications services	78,565 ordinary shares of US\$10 each	17.86%	10,501

Financial Review

With a stronger order book carried forward from 2024, during the Six-month Period, the Group reported revenue of HK\$265,824,000, representing a mere 6.76% decrease over the same comparable period of 2024. Despite a drop in revenue, due to the completion of the service component of several projects, gross profit margin improved considerably from 15.75% for first half of 2024 to 19.02% for the Six-month Period, resulting in a 12.62% increase in gross profit to HK\$50,556,000.

Cost control remains a key priority for the Group. With continuous efforts to manage different elements, initiatives have been made to further streamline operations and to promote closer collaborations among Group entities to optimise workflows, improve efficiency and eliminate redundancies. As a result, despite extending a salary increase at the beginning of the year to award and motivate employees, selling, marketing and administrative expenses for the Six-month Period only marginally increased by HK\$318,000. Management will continue to automate manual tasks to lead to cost savings and to further break down current cost structure to ensure that the Group can more flexibly adapt to changing business environment. Efforts will also be made to continue to foster a cost-conscious culture within the organisation to promote awareness, accountability and for the contribution of ideas for cost-saving initiatives, which collectively can assist the Group to drive for sustainable cost reduction.

With improved gross profit margin and tighter cost controls, the Group reported profit of HK\$4,445,000 for the Six-month Period as compared to profit of HK\$379,000 for the same preceding period of 2024.

To ensure timely order fulfilment while reducing excess inventory to avoid potential stock obsolescence, the Group continues to maintain an optimal stock level of under HK\$25,000,000, with level of inventory of HK\$22,066,000 as at 30th June 2025. The Group continues to focus on the timely recovery of its receivables, while maintaining good payment records with different vendors for better negotiation of more favourable credit terms. During the Six-month Period, the Group saw an upsurge in its contract liabilities to HK\$102,511,000 as the Group continues to build up its annual maintenance contracts where payments from customers are made at the beginning of the maintenance period. In 2025, to further strengthen customer loyalty, the Group rolled out a customer loyalty programme by offering more favourable payment terms to selected customers. As a result of the programme, it is expected that there might be an upsurge to the level of contract assets at year-end.

The Group continued to enjoy a healthy capital structure. During the Six-month Period, to support short-term working capital needs, the Group leveraged its balance sheet and utilised its banking facilities of HK\$31,084,000 with a gearing ratio (debt/equity) of 14.97% as at 30th June 2025 at an effective interest rate of 4%. Total equity stood at HK\$207,625,000 as at 30th June 2025 with total net cash balances and yield-enhanced financial instruments of HK\$72,875,000. To provide sufficient working capital, the Directors do not propose an interim dividend to be paid out for the Six-month Period.

Among the bond holdings were HK\$2,468,000 from Électricité de France, Société Anonyme (a company incorporated in the French Republic with limited liability), HK\$2,450,000 from Bank of New Zealand (a company incorporated in New Zealand with limited liability), HK\$2,448,000 from MGM China Holdings Limited (a company incorporated in the Cayman Islands with limited liability and whose ordinary shares of HK\$1 each are listed on the Main Board) and HK\$2,445,000 from The Toronto-Dominion Bank (a bank incorporated in Canada with limited liability and whose common shares are listed on the New York Stock Exchange in USA and the Toronto Stock Exchange in Canada).

OTHER DISCUSSIONS

Employees' Information

As at 30th June 2025, the Group had 146 employees, of which 17, 12 and 117 employees were based in Mainland China, Hong Kong and Macao respectively. Employee costs totalled HK\$34,302,000.

The remuneration and bonus policies of the Group were basically determined by the performance of individual Directors and employees.

The Scheme was approved by the Members at the AGM on 17th June 2022.

The Group also provided various training programmes and product orientation for the marketing and technical employees so as to improve their overall qualifications and to continuously keep them abreast of industry and technological changes.

Capital Commitments and Significant Investments

As at 30th June 2025, the Group had significant investments in TTSA and yield-enhanced financial instruments. Save as disclosed, the Group did not have any significant capital commitments and significant investments.

Charges on Group Assets

The Group did not have any charges on assets of the Group.

Details of Material Acquisitions and Disposals

During the Six-month Period, the Group had no material acquisitions or disposals.

Details of Future Plans for Material Investment or Capital Assets

The Directors do not have any future plans for material investment or capital assets.

Foreign Exchange Exposure

The Group mainly earns revenue and incurs cost in HK\$, the pataca (the lawful currency of Macao), US\$ and Renminbi (the lawful currency of Mainland China). The Group incurred net foreign exchange gains of HK\$197,000 during the Six-month Period.

Change of Directors' emoluments

The amounts payable per annum to each of the following Directors under their service contracts have been revised with effect from 1st January 2025:

	HK\$'000
José Manuel dos Santos	5,866
Kuan Kin Man	1,566
Monica Maria Nunes	1,927

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June 2025, the relevant interests and short positions of the Directors and Chief Executives in the Shares, underlying Shares and debentures of the Company or its Associated Corporations which will be required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which he took or deemed to have taken under such provisions of SFO) or required pursuant to section 352 of SFO, to be entered in the register referred to therein or required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Exchange were as follows:

Long positions in the Shares:

Name of Director	Notes	Number of Shares held, capacity and nature of interest		Total	Percentage of the share capital of the Company
		Directly beneficially owned	Through controlled corporation		
José Manuel dos Santos	1	–	357,945,500	357,945,500	58.10
Kuan Kin Man	2	22,952,500	–	22,952,500	3.73
Monica Maria Nunes	3	3,292,500	–	3,292,500	0.53
Fung Kee Yue Roger	4	210,000	–	210,000	0.03
		<u>26,455,000</u>	<u>357,945,500</u>	<u>384,400,500</u>	<u>62.39</u>

Notes:

- 1 As at 30th June 2025, these Shares were held in the name of ERL. The entire issued share capital in ERL was held by OHHL, a company wholly-owned by José Manuel dos Santos.
- 2 Kuan Kin Man's personal interest comprised 22,952,500 Shares.
- 3 Monica Maria Nunes's personal interest comprised 3,292,500 Shares.
- 4 Fung Kee Yue Roger's personal interest comprised 210,000 Shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of Substantial Shareholders required to be kept under section 336 of Part XV of SFO showed that as at 30th June 2025, the Company was notified of the following Substantial Shareholders' interests, being 5% or more of the issued share capital of the Company. These interests were in addition to those disclosed above in respect of the Directors and Chief Executives:

Long positions:

Name	Notes	Capacity and nature of interest	Number of Shares held	Percentage of the share capital of the Company
ERL	1	Corporate	357,945,500	58.10
OHHL	1	Corporate	357,945,500	58.10
Lei Hon Kin	2	Family	357,945,500	58.10

Notes:

- 1 As at 30th June 2025, these Shares were held in the name of ERL. The entire issued share capital in ERL was held by OHHL, a company wholly-owned by José Manuel dos Santos.
- 2 Lei Hon Kin, José Manuel dos Santos's spouse, was deemed to be interested in all the interests of José Manuel dos Santos.

SCHEME

The total number of Shares available for issue under the Scheme as at 1st January 2025 and 30th June 2025 was 61,611,500, representing 10% of the issued share capital of the Company as at 1st January 2025 and 30th June 2025.

COMPETING BUSINESS

As at 30th June 2025, none of the Directors, or any person who was (or group of persons who together were) entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and who was (or were) able, as a practical matter, to direct or influence the management of the Company or any of their respective Close Associates had any interest in a business, which competed or might compete with the business of the Group.

CORPORATE GOVERNANCE

The Company applied the principles in the Code by complying with the Code throughout the Six-month Period, except that the management do not provide all Directors with monthly updates.

D.1.2 Management consider 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. Management is also available to address any inquiries from the Directors.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions.

The Company has made specific enquiries of all Directors that they have complied with the required standard of dealings and its code of conduct regarding Directors' securities transactions.

There is no event of non-compliance with the required standard of dealings.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the Six-month Period.

DEFINITIONS

“AGM”	annual general meeting
“Associated Corporation”	<p>a corporation:</p> <ol style="list-style-type: none">1 which is a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company; or2 (not being a subsidiary of the Company) in which the Company has an interest in the shares of a class comprised in its share capital exceeding in nominal value one-fifth of the nominal value of the issued shares of that class
“Board”	the board of Directors (not applicable to Main Board)
“Brazil”	The Federative Republic of Brazil
“BVI”	the British Virgin Islands
“Capital Market Intermediary”	any corporation or authorised financial institution, licensed or registered under SFO that engages in specified activities under paragraph 21.1.1 of the Code of Conduct, including, without limitation, a Capital Market Intermediary appointed pursuant to rule 6A.40 of the GEM Listing Rules. An Overall Coordinator is also a Capital Market Intermediary
“Chief Executive”	a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the Board for the conduct of the business of the Company
“Close Associate”	has the meaning ascribed thereto in the GEM Listing Rules

“Code”	the code provisions of the Corporate Governance Code set out in Appendix C1 of the GEM Listing Rules (not applicable to Code of Conduct)
“Code of Conduct”	Code of Conduct for Persons Licensed by or Registered with 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
“Company”	Vodatel Networks Holdings Limited
“Debt Securities”	debenture or loan stock, debentures, bonds, notes and other securities or instruments acknowledging, evidencing or creating indebtedness, whether secured or unsecured and options, warrants or similar rights to subscribe or purchase any of the foregoing and convertible debt securities
“Director”	the director of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EPS”	earnings per Share
“ERL”	Eve Resources Limited, a company incorporated in BVI with limited liability
“EV”	enterprise value
“Exchange”	The Stock Exchange of Hong Kong Limited, a company incorporated in Hong Kong with limited liability (not applicable to the New York Stock Exchange and the Toronto Stock Exchange)
“GEM”	GEM operated by the Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM made by the Exchange from time to time, their appendices, listing application forms, formal applications, marketing statements and declarations required to be made in respect of listing on GEM by Sponsors, Overall Coordinators and Issuers and other forms published in the “Regulatory Forms” section of the Website of the Exchange from time to time and the rules governing listing or issue fees, and levies, trading fees, brokerage and other charges relating to transactions of securities listed or to be listed on GEM as published in the “Fees Rules” section of the Website of the Exchange from time to time, published on the Website of the Exchange that are indicated as being part of the GEM Listing Rules, any contractual arrangement entered into with any party under them, and rulings of the Exchange made under them
“Group”	the Company and its subsidiaries (not applicable to Tidestone Group)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HK cent”	Hong Kong cent, where 100 HK cents equal HK\$1
“HKEC”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability
“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)

“Issuer”	any company or other legal person any of whose equity or Debt Securities are the subject of an application for listing on GEM or some or all of whose equity or Debt Securities are already listed on GEM
“Macao”	the Macao Special Administrative Region of PRC
“Main Board”	the stock market operated by the Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Mainland China”	PRC, other than the regions of Hong Kong, Macao and Taiwan
“MDL”	Mega Datatech Limited, incorporated in Macao with limited liability and an indirect wholly-owned subsidiary of the Company
“Member”	holder of the Shares
“OCI”	other comprehensive income
“OHHL”	Ocean Hope Holdings Limited, a company incorporated in BVI with limited liability
“Oi”	Oi S.A. – in Judicial Reorganisation, a company incorporated in Brazil with limited liability and whose shares are listed on B3 S.A. – Brasil, Bolsa, Balcão in Brazil

“Overall Coordinator”	a Capital Market Intermediary that engages in specified activities under paragraphs 21.1.1 and 21.2.3 of the Code of Conduct, including without limitation, an Overall Coordinator appointed pursuant to rule 6A.42 of the GEM Listing Rules
“PRC”	The People’s Republic of China
“Scheme”	the scheme involving the grant of options over Shares approved by the Members at the AGM on 17th June 2022
“SD-WAN”	software-defined wide area network
“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
“Six-month Period”	six months ended 30th June 2025
“Sponsor”	any corporation or authorised financial institution licensed or registered under SFO for Type 6 regulated activity and permitted under its licence or certificate of registration to undertake work as a Sponsor and, as applicable, which is appointed a Sponsor pursuant to rule 6A.02 of the GEM Listing Rules
“Substantial Shareholder”	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

“Tidestone Group”	Capital Instant Limited, incorporated in BVI with limited liability and an indirectly owned associate of the Company, and its subsidiaries
“Timor-Leste”	The Democratic Republic of Timor-Leste
“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
“Website of the Exchange”	the official website of HKEC and/or the website “HKEXnews” which is used for publishing regulatory information of Issuers

By order of the Board
José Manuel dos Santos
Chairman

Macao, 22nd August 2025

Executive Directors	Non-executive Director	Independent non-executive Directors
José Manuel dos Santos	Ho Wai Chung Stephen	Fung Kee Yue Roger
Kuan Kin Man		Wong Tsu An Patrick
Monica Maria Nunes		Wong Kwok Kuen

* *for identification purpose only*