

**VODATEL NETWORKS HOLDINGS LTD**  
**JOSÉ MANUEL DOS SANTOS STARTS TO PLAY THE STOCK MARKET**

If it had not been for increased interest income, piling up in the last quarter of the 2000 Financial Year, publicly listed [Vodatel Networks Holdings Ltd](#) (Code: 8033, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd) would have had to announce a Bottom Line that was about 4.69 percent lower than the 1999 Bottom Line.

However, Management of Vodatel has much for which to be proud – because it did a great deal better than many investors thought possible, including TARGET’s analysts.

Vodatel went public in late February this year when it raised about \$HK144 million, net of expenses, by Placing 150 million shares.

With the Financial Year for this Company, ended June 30, 2000, it, really, has not had much time to prove its worth, but its 2000 Consolidated Profit and Loss Account must be considered impressive, especially for a GEM company.

On a Turnover of about \$HK482.27 million, the Company reported a Net Profit Attributable to Shareholders of about \$HK78.19 million.

The Turnover was just \$HK3.85 million higher than the 1999 Turnover of about \$HK478.42 million, while the Net Profit Attributable to Shareholders was just \$HK6.96 million higher than the 1999 figure of about \$HK71.23 million.

But that injection of fresh cash, received when the Company was listed on The GEM, made all the difference to the Company’s fortunes.

But there is a downside to the situation, also.

According to Note 4 at Page 44 of the 2000 Annual Report of the Company, a Provision of about \$HK9.77 million had to be made for Bad and Doubtful Debts.

In the 1999 Year, the required Provision for Bad and Doubtful Debts amounted to \$HK2.41 million.

No explanation has been given for this requirement and there was no indication of such a Provision, mentioned in the Company’s Prospectus.

Further, staff costs have risen about 27.21 percent in the past Financial Year, from the 1999 figure of about \$HK20.29 million to the 2000 figure of about \$HK25.81 million.

No explanation has been given for this, obviously required increase, but TARGET notes that the increase in the Turnover, Year-on-Year, was less than one percent.

Looking only at the composition of the Turnover, it is clear that the Company sold 7 percent less goods to customers, during the 2000 Year, compared with the 1999 Year, but managed to increase the sales of its services by about 1.88 percent, from the 1999 Figure of about \$HK420.47 million to the 2000 figure of about \$HK428.39 million.

The one factor, which pushed up the Net Profit, was, of course, the interest income which came in at about \$HK10.30 million ... [CLICK TO ORDER FULL ARTICLE](#)

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