
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors (the “Directors”) of Directel Holdings Limited (the “Company”) collectively and individually accept full responsibility, including particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, (i) the information contained in the circular is accurate and complete in all material aspects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein misleading.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in the Company, you should at once hand this circular and accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

PROPOSED BONUS ISSUE OF SHARES SPECIFIC MANDATE TO ISSUE WARRANT SHARES AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

This circular will remain on the Growth Enterprise Market (“GEM”) website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at www.directel.hk.

A notice convening the extraordinary general meeting (the “EGM”) of the Company to be held at Jasmine Room, 3/F, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, 3 June 2015 at 11:00 a.m. is set out on pages 16 to 18 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying proxy form to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM. The return of the proxy form will not preclude you from attending and voting in person in the EGM if you so wish.

18 May 2015

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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 Stock 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.

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors from time to time
“Bonus Issue”	the proposed allotment and issue of Bonus Shares on the basis of two Bonus Shares for every one existing Share held by the Qualifying Shareholders
“Bonus Shares”	the new Shares to be issued under the Bonus Issue
“business day”	a day (excluding Saturday, Sunday and public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Company”	Directel Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Directors”	the directors of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened and held to approve, inter alia, the Bonus Issue and the increase in authorised share capital of the Company
“Excepted Shareholders”	Overseas Shareholders who are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this circular
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company convened and held on 10 May 2013
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	the warrant instrument executed by the Company on 29 May 2014 by way of a deed poll containing terms of the Warrants, including the adjustment mechanisms of the initial subscription price for Warrant Shares

DEFINITIONS

“Latest Practicable Date”	14 May 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong
“Qualifying Shareholders”	holders of Shares, not being Excepted Shareholders, who are entitled to the Bonus Issue
“Record Date”	Wednesday, 10 June 2015, being the record date for determination of entitlements to the Bonus Issue
“Register of Members”	the principal or branch register of members of the Company maintained in Cayman Islands or Hong Kong, respectively
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Shareholders”	holders of the Shares from time to time
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Specific Mandate”	the specific mandate for the issue of the Warrant Shares to be granted to the Directors by the Shareholders at the EGM.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	JD Edward Asset Management Company Limited, a company incorporated in the British Virgin Islands with limited liability, the principal business of which is investment holding
“Subscription Agreement”	the agreement dated 30 April 2014 and entered into between the Company and the Subscriber in relation to the Subscription of the Warrants
“Subscription Price”	an initial exercise price of HK\$0.1648 per Warrant Share (subject to adjustment) at which holder(s) of the Warrants may subscribe for the Warrant Shares

DEFINITIONS

“Subscription Rights”	the rights of the holder of the Warrants which may be exercised in whole or in part (but not in respect of a fraction of a Share) within the subscription period to subscribe for fully paid Shares at HK\$0.1648 per Share, subject to adjustment
“Warrants”	200,000,000 unlisted warrants issued by the Company at HK\$0.01, each entitles the holder thereof to subscribe for one Warrant Share at a subscription price of HK\$0.1648 per Warrant Share (subject to adjustment) at any time during a period of 60 months commencing from 29 May 2014, being the date of issue of the Warrants
“Warrant Shares”	up to initially 200,000,000 new Shares (subject to adjustment) to be allotted and issued upon exercise of the Subscription Rights attaching to the unlisted Warrants
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable of the Bonus Issue:

Date (2015)

Despatch of this circular and notice of the EGM	On or before Monday, 18 May
Latest time for lodging transfer of shares for registration in order to be entitled to attend EGM.....	4:30 p.m. on Friday, 29 May
Latest time to return form of proxy for the EGM	11:00 a.m. on Monday, 1 June
Closure of Register of Members	Monday, 1 June — Wednesday, 3 June (both days inclusive)
Latest time for holders of Warrants to lodge the subscription form together with a remittance in cash for the amount of the exercise price for the respective Shares in order to participate in the Bonus Issue	4:30 p.m. on Wednesday, 3 June
Time and date of EGM	11:00 a.m. on Wednesday, 3 June
Publish of poll results announcement of EGM	Wednesday, 3 June
Last day of dealings in Shares cum-entitlements to the Bonus Shares	Thursday, 4 June
First day of dealings in Shares ex-entitlements to the Bonus Shares	Friday, 5 June
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. on Monday, 8 June
Closure of Register of Members	Tuesday, 9 June — Wednesday, 10 June (both days inclusive)
Record Date for determination of entitlement to the Bonus Shares	Wednesday, 10 June
Register of Members re-opens	Thursday, 11 June
Certificates for the Bonus Shares expected to be despatched on or before	On or before Tuesday, 23 June

EXPECTED TIMETABLE

Dealing in Bonus Share commence 9:00 a.m. on Wednesday, 24 June

Note: All times refer to Hong Kong local time in this circular.

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD OF DIRECTORS



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

Non-executive director:

Mr. Li Kin Shing (*Chairman*)

Mr. Wong Kin Wa

Executive directors:

Mr. Pang Kwok Chau (*Chief Executive Officer*)

Mr. Li Wang

Independent non-executive directors:

Mr. Chen Xue Dao

Mr. Chu, Howard Ho Hwa

Ms. Lee Man Yee, Maggie

Registered office:

Clifton House

75 Fort Street

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

***Head office and principal
place of business:***

Office Nos. 1, 2, 14 and 15
37th Floor

Hong Kong Plaza

No. 188 Connaught Road West
Hong Kong

18 May 2015

To the shareholders

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES
SPECIFIC MANDATE TO ISSUE WARRANT SHARES
AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
OF THE COMPANY**

INTRODUCTION

At the extraordinary general meeting (the “EGM”) of Directel Holdings Limited (the “Company”) to be held at Jasmine Room, 3/F, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, 3 June 2015 at 11:00 a.m., resolutions relating to (i) the proposed Bonus Issue; (ii) issue and allotment of the Warrant Shares (including any further issue and allotment of warrant shares pursuant to adjustments to the Subscription Price made in accordance with the Instrument) under the Specific Mandate; and (iii) the increase in authorised share capital of the Company will be proposed, and to seek your approval of the resolutions in relation thereto to be proposed at the EGM.

LETTER FROM THE BOARD OF DIRECTORS

PROPOSED BONUS ISSUE OF SHARES

Basis of Bonus Issue

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Issue is proposed to be made on the basis of two Bonus Shares for every one existing Share held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par on the basis of 1,037,500,000 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or repurchased before the Record Date, it is anticipated that 2,075,000,000 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid by way of capitalization of an amount in the share premium account of the Company. After the completion of the Bonus Issue, there will be a total of 3,112,500,000 Shares in issue as enlarged by the Bonus Issue.

Record Date and Closure of Register of Members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Excepted Shareholders is further elaborated below under the heading “Overseas Shareholders”.

The Register of Members of the Company will be closed from Tuesday, 9 June 2015 to Wednesday, 10 June 2015 (both days inclusive) during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue.

Holders of the Warrants must lodge the subscription form together with a remittance in cash for the amount of the subscription price for respective Shares no later than 4:30 p.m. on Wednesday, 3 June 2015 in order to participate in the Bonus Issue. If the holders of the Warrants choose not to participate in the Bonus Issue, the Bonus Issue may lead to adjustment to the subscription price and/or the number of the Warrant Shares which may fall to be issued upon the exercise of Subscription Rights of the Warrants. For details, please refer to the paragraphs set out under the heading “Adjustments to the subscription price of Warrant Shares”.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Monday, 8 June 2015.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until after the Record Date.

Reasons for the Bonus Issue

The Board proposed the Bonus Issue in recognition of the continual support of the Shareholders and to encourage them to support the Group in its future business development. Although there will be no change in the proportionate interest of the Shareholders in the Company and the share price per Share on an ex-entitlement basis is expected to be reduced by the same as a result of the Bonus Issue, the Directors believe that the Bonus Issue will enable the Shareholders who hold the Shares to

LETTER FROM THE BOARD OF DIRECTORS

participate in the future business growth of the Company and enhance the liquidity of the Shares in the market. The Bonus Issue, which is like a declaration of dividend in the form of shares instead of cash, allows the Company to reserve cash for the future business growth of the Group, which may help enhance the value of the Shares in the future and the Shareholders are allowed to participate in such future business growth of the Group by holding the Shares and enjoying the benefit thereof, and at the same time the Company can satisfy the desire of the Shareholders to receive a dividend from the Company as a reward for their long-term support. The Bonus Shares will be credited as fully paid at par by way of capitalisation of a portion of the share premium account, which the Board considers will not adversely affect the financial position and operation of the Group.

Conditions of the Bonus Issue

The completion of Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the EGM;
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the articles of association of the Company.

The proposed Bonus Issue and the specific mandate to issue and allot the Warrant Shares are inter-conditional. In the event that the proposed Bonus Issue is not implemented, the specific mandate to issue and allot the Warrant Shares will not proceed, and vice versa.

Status of the Bonus Shares

The Bonus Shares, upon issue, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

Overseas Shareholders

Based on the Register of Members as at the Latest Practicable Date, there were no Overseas Shareholders. If at 4:30 p.m. on the Record Date, the Register of Members reveals there are Overseas Shareholders, an enquiry will be made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules. Upon such enquiry, if the Board considers that it would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude those Overseas Shareholders having registered addresses outside Hong Kong (the “Excepted Shareholders”) but not having corresponding addresses in Hong Kong from the Bonus Issue, the Bonus Shares will not be granted to the Excepted Shareholders. In such circumstance, arrangement will be made for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders to be sold in the market as soon as practicable after dealings commence. Any net proceeds of such sale, after deduction of expenses, of

LETTER FROM THE BOARD OF DIRECTORS

HK\$100 or more will be distributed in Hong Kong dollars to the relevant Excepted Shareholders, if any, pro rata to their respective shareholdings and remittances therefore will be posted to them by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

Fractions of Bonus Shares

No fractional entitlements arising from the Bonus Issue (if any) will be issued to the Shareholders, but will be aggregated and issued and sold for the benefit of the Company.

SPECIFIC MANDATE TO ISSUE AND ALLOT WARRANT SHARES

Reference is made to the announcements of the Company dated 30 April 2014 and 29 May 2014 for the issue and allotment of the Warrants and the Warrant Shares under the General Mandate and the announcement dated 15 May 2015 for the Specific Mandate to issue and allot the Warrant Shares.

Since the expected increase in the number of Warrant Shares from 200,000,000 to 600,000,000 would exceed the General Mandate, the Company will seek the grant of the Specific Mandate to issue and allot the Warrant Shares (including any further issue and allotment of warrant shares pursuant to adjustments to the Subscription Price made in accordance with the Instrument) at the EGM.

Conditions of the issue and allotment of the Warrant Shares

The completion of the issue and allotment of the Warrant Shares is conditional upon:

- (i) the completion of the Bonus Issue;
- (ii) the approval of the issue and allotment of Warrant Shares by the Shareholders at the EGM; and
- (iii) the Listing Committee shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall object without reasonable grounds) the listing of, and permission to deal in, the Warrant Shares which fall to be allotted and issued upon the exercise of the Subscription Rights attached to the Warrants.

The proposed Bonus Issue and the Specific Mandate to issue and allot the Warrant Shares are inter-conditional. In the event that the proposed Bonus Issue is not implemented, the Specific Mandate to issue and allot the Warrant Shares will not proceed, and vice versa. The proposed Bonus Issue and the Specific Mandate to issue and allot the Warrant Shares are made inter-conditional, since the Company will not be able to issue and allot the full number of Warrant Shares to the holder of the Warrants as a result of the adjustment to the Subscription Price if the Bonus Issue was completed and such Specific Mandate was not granted and the relative interests of the holder(s) of the Warrants in the Company will not be fairly and appropriately reflected.

LETTER FROM THE BOARD OF DIRECTORS

Principal terms of the Warrants

Number of Warrants: 200,000,000 Warrants, issued by the Company at HK\$0.01, conferring the rights to the Subscriber to subscribe up to 200,000,000 Warrant Shares (subject to adjustment).

Based on the initial subscription price of HK\$0.1648 per Warrant Share and assuming that there will not be any change in the issued share capital of the Company before the exercise of the Subscription Rights in full (other than the issue of the Warrant Shares), upon the exercise of the Subscription Rights in full, 200,000,000 Warrant Shares will be issued, representing approximately 19.28% of the existing issued share capital of the Company and approximately 16.16% of the issued share capital as enlarged by the allotment and issue of the Warrant Shares.

As confirmed by China Galaxy International Securities (Hong Kong) Co., Limited, an approved marchant bank, assuming there is no other change to the share capital of the Company and the holders of the Warrants did not participate in the Bonus Issue, the Directors estimate that the Subscription Price will be adjusted from HK\$0.1648 per Warrant Share to HK\$0.0549 per Warrant Share and consequently the number of Warrant Shares will be adjusted from 200,000,000 to 600,000,000, representing approximately 57.83% of the existing issued capital of the Company and approximately 16.16% of the issued share capital as enlarged by the issue and allotment of the Warrant Shares and the Bonus Issue.

Status: The Warrants were constituted by way of deed poll executed by the Company. The Warrants rank pari passu in all respects among themselves.

Form: The Warrants were issued upon completion in registered form. Definitive certificates were issued to the Subscriber.

Issue Price: HK\$0.01 per Warrant payable in cash.

Subscription Price: Each Warrant carries the right to subscribe for one Share at an initial Subscription Price of HK\$0.1648 per Warrant Share, subject to adjustment provisions of the Instrument as referred to under the paragraphs set out under the section headed "Provisions relating to the adjustment of Subscription Price of the Warrant Shares".

LETTER FROM THE BOARD OF DIRECTORS

- Subscription Period: The Subscription Rights attaching to the Warrants may be exercised at any time from its date of issue, being 29 May 2014 until 4:00 p.m. (Hong Kong time) 60 months of its issue date (i.e. 28 May 2019) (or, if that is not a Business Day, the first Business Day immediately such date) (both dates inclusive), subject to earlier termination as provided in the Instrument.
- Rights of the Warrant Shares: The Warrant Shares that fall to be issued upon the exercise of the Subscription Rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue on the relevant date of registration of the name of the relevant holder(s) of the Warrants on the register of members of the Company as holder of such Warrant Shares.
- Transferability: The Warrants are transferable, in integral multiples of 1,000,000 Warrants or, subject to the agreement by the Company, in such other denomination, and any transfer of the Warrants to any connected person of the Company shall be subject to the requirements that the Stock Exchange may impose from time to time.
- Rights of Warrants: The holders of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants. The holders of the Warrants should not have the right to participate in any distributions and/or offers of further securities made by the Company.
- Limitations on exercise of the Subscription Rights attaching to the Warrants: The Subscription Rights attaching to the Warrants shall only be exercisable so long as:
- (a) the aggregate shareholdings of the holders of the Warrants, its associates and parties acting in concert with it immediately after such exercise will not be or exceed 20 per cent (20%) of the then issued share capital of the Company;
 - (b) the exercise of the Subscription Rights will not result in the holders of the Warrants by itself or taken together with its associates and/or parties acting in concert with it becoming the controlling shareholder (as defined in the Hong Kong Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong (“Takeovers Code”) of the Company or will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company which the holders of the Warrants would be obliged to make a general offer under the Takeovers Code in force from time to time; and

LETTER FROM THE BOARD OF DIRECTORS

- (c) the exercise of the Subscription Rights under the Warrants would not result in the holders of the Warrants and other than substantial shareholder(s) of the Company (if any), being presumed to be parties acting in concert with each other under the Takeovers Code by virtue of their then respective shareholding in the Company.

Rights of holders of Warrants on liquidation:

If a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to wind-up the Company voluntarily, every holder of Warrants shall be entitled at any time within six weeks after passing of such resolution by irrevocable surrender of his warrant certificate(s) to the Registrar with the subscription form(s) duly completed, together with payment of the Subscription Price to elect to be treated as if he had immediately prior to the commencement of such winding up exercised such of the Subscription Rights represented by his Warrant(s) as are specified in the subscription form(s) submitted by him and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the Company and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the holders of the Warrants of the passing of such resolution within seven days after the passing thereof.

If an effective resolution is passed during the exercise period for the voluntary winding up of the Company for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the holders of the Warrants, or some persons designated by them for such purpose by special resolution, shall be a party or in conjunction with which a proposal is made to the holders of the Warrants and is approved by special resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the holders of the Warrants.

If the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and each Warrant certificate shall cease to be valid for any purpose.

LETTER FROM THE BOARD OF DIRECTORS

Provisions relating to the adjustment of Subscription Price of the Warrant Shares

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the adjustment provisions of the Instrument:

- (A) The Subscription Price shall (except as mentioned in sub-paragraphs (B) and (C) below) be adjusted as provided in the Instrument in each of the following cases:
- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
 - (ii) an issue (other than pursuant to a scrip dividend scheme in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
 - (iii) capital distribution being made by the Company, including but not limited to a reduction or redemption of share capital, share premium account or capital reserve fund or otherwise, to holders of the Shares (in their capacity as such);
 - (iv) a grant by the Company to the holders of Shares (in their capacity as such) of rights to acquire cash assets of the Company or any of its subsidiaries;
 - (v) an offer or grant being made by the Company to holders of its Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90% of the market price (calculated as provided in the Instrument);
 - (vi) an issue wholly for cash being made by the Company or any Subsidiary (as defined in the Instrument) of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined below) per Share is less than 90% of the market price (calculated as provided in the Instrument), or the terms of any such issue being altered so that the said total Effective Consideration is less than 90% of the market price;

“**Total Effective Consideration**” shall mean the consideration receivable by the issuer for issue of securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights and the Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the maximum number of Shares to be issued upon (and assuming) such full conversion or exchange at the initial conversion or exchange rate or the exercise in full of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue;

- (vii) an issue being made wholly for cash of Shares at a price less than 90% of the market price (calculated as provided in the Instrument); and

LETTER FROM THE BOARD OF DIRECTORS

- (viii) a cancellation of any Shares repurchased by the Company (other than on the Hong Kong Stock Exchange or any other stock exchange recognised for such purpose) in circumstances where the Directors consider that it would be fair and appropriate to make an adjustment to the Subscription Price to reflect the relative interests of the persons affected by such purchase of shares by the Company.
- (B) Except as mentioned in paragraph (C) below, no such adjustment as is referred to in paragraph (A) above shall be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the subscription rights) to acquire Shares;
 - (ii) an issue by the Company of Shares or by the Company or any subsidiary of securities convertible into or rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iii) an issue of Shares pursuant to a scrip dividend scheme in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculated as provided in the Instrument) of such Shares is not more than 110% of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash; and
 - (iv) the issue of Shares by the Company or the issue of securities wholly or partly convertible into or exchangeable for or carrying rights of subscription for Shares pursuant to a share option scheme.
- (C) Notwithstanding the provisions referred to in paragraphs (A) and (B) above, in any circumstance where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required, or that an adjustment should take effect on a different date or from a different time from that provided for under the said provisions, the Company may appoint an approved merchant bank or the auditors of the Company to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would not or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the auditors of the Company shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such approved merchant bank or the auditors of the Company to be in its opinion appropriate.
- (D) Every adjustment to the Subscription Price will be certified by the auditors of the Company or an approved merchant bank and notice of each adjustment (giving the relevant particulars) will be given to the Warrantholders. Any such certificate(s) of the auditors and/or approved merchant bank will be available at the head office and the principal place of business for the time being of the Company in Hong Kong, where copies may be obtained.

LETTER FROM THE BOARD OF DIRECTORS

Adjustment to Subscription Price and number of Warrant Shares

As at the Latest Practicable Date, there are 200,000,000 Warrants outstanding. As agreed between the Company and the Subscriber on 21 April 2015, the Subscription Price shall be adjusted pursuant to paragraph (C) under the section headed “Provisions relating to the adjustment of the Subscription Price of the Warrant Shares”, on the basis that (i) the proposed Bonus Issue and the Specific Mandate to issue and allot the Warrant Shares are approved by the Shareholders at the upcoming EGM or any adjournment thereof; and (ii) there are no further changes in the share capital of the Company before the Bonus Issue. As a result of the Bonus Issue, the Subscription Price for the Warrant Shares and the number of Warrant Shares will be adjusted from HK\$0.1648 to HK\$0.0549 and 200,000,000 to 600,000,000 Shares respectively.

The adjustment provision and mechanism under paragraph (A)(ii) under the section headed “Provisions relating to the adjustment of Subscription Price of the Warrant Shares” is applicable to the proposed Bonus Issue. Pursuant to the adjustment provision under such paragraph (A)(ii) and applying the relevant rounding mechanisms, the adjusted Subscription Price will be rounded to the nearest cent. In accordance with the calculations based on the above adjustment, the Directors estimate that the adjusted Subscription Price will be HK\$0.05 per Warrant Share and the total number of the Warrant Shares to be issued will be approximately 659,200,000 which will represent approximately 17.48% of the issued share capital as enlarged by the issue and allotment of the Warrant Shares and the Bonus Issue.

Assuming there is no other change to the issued share capital of the Company and before the Bonus Issue, the number of Warrant Shares of 200,000,000 represent approximately 16.16% of the issued share capital as enlarged by the issue and allotment of the Warrant Shares. Therefore, the Directors are of the opinion that the application of the above adjustment mechanism pursuant to paragraph (A)(ii) under the section headed “Provisions relating to the adjustment of Subscription Price of the Warrant Shares” will have a dilutive effect on the shareholding of the existing Shareholders and the adjustment should be calculated on a different basis pursuant to paragraph (C) under the same section.

In order to achieve a result which will be fair and appropriately reflect the relative interests of the Shareholders and holder(s) of the Warrants, the Directors have relied on the adjustment provision under paragraph (C) and will apply the same formula for paragraph A(ii) but the adjusted Subscription Price will be rounded to the nearest four decimal places instead of the nearest cent. Based on the foregoing, the Directors estimate that the adjusted Subscription Price will be HK\$0.0549 per Warrant Share and the total number of the Warrant Shares to be issued will be approximately 600,000,000 which will represent approximately 16.16% of the issued share capital as enlarged by the issue and allotment of Warrant Shares and the Bonus Issue.

LETTER FROM THE BOARD OF DIRECTORS

The shareholding structure of the Company assuming there will not be any change in the issued share capital of the Company and (i) as at the Latest Practicable Date; (ii) full exercise of the Subscriptions Rights attaching to the Warrants and before the Bonus Issue; and (iii) immediately after the Bonus Issue and issue and allotment of Warrant Shares based on the above adjustment to the Subscription Price are as follows:

Shareholders	As at the Latest Practicable Date		Assuming full exercise of the Subscription Rights attaching to the Warrants and before the Bonus Issue ^(Note 3)		Immediately after the Bonus Issue and issue and allotment of Warrant Shares based on the above adjustment to the Subscription Price ^(Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
New Everich Holdings Limited (Note 1)	696,250,000	67.11%	696,250,000	56.26%	2,088,750,000	56.26%
Li Kin Shing (Note 2)	33,750,000	3.25%	33,750,000	2.73%	101,250,000	2.73%
Pang Kwok Chau	10,000,000	0.96%	10,000,000	0.81%	30,000,000	0.81%
Wong Kin Wa	10,000,000	0.96%	10,000,000	0.81%	30,000,000	0.81%
Public						
Subscriber	—	—	200,000,000	16.16%	600,000,000	16.16%
Other Public Shareholders	287,500,000	27.72%	287,500,000	23.23%	862,500,000	23.23%
Total	1,037,500,000	100%	1,237,500,000	100%	3,712,500,000	100%

Notes:

- 696,250,000 Shares are owned by New Everich Holdings Limited which is owned by Mr. Li Kin Shing and Ms. Kwok King Wa as to 54% and 46% respectively. Mr. Li Kin Shing is deemed interested in 100% of the 696,250,000 Shares. Ms. Kwok King Wa is the spouse of Mr. Li Kin Shing and is deemed interested in the 696,250,000 Shares under the SFO.
- 33,750,000 Shares are owned by Mr. Li Kin Shing in person. Ms. Kwok King Wa is the spouse of Mr. Li Kin Shing and is deemed interested in the 33,750,000 Shares under the SFO.
- The shareholding and the percentages are for illustrative purpose only since there are limitations on the exercise of the Subscription Rights attaching to the Warrants under the Instrument to prevent the holder(s) of the Warrants from being obliged to make a general offer under the Takeovers Code. For details, please refer to the section headed “Principal Terms of the Warrants — Limitations on the exercise of the Subscription Rights attaching to the Warrants”.

China Galaxy International Securities (Hong Kong) Co., Limited, an approved merchant bank, has reviewed and confirmed in writing that the current adjustment mechanism applied by the Directors pursuant to paragraph (C) are in accordance with the terms and conditions of the Instrument. In view that the exact number of the Bonus Shares will not be determined until the Record Date, the Company will make further announcement for the adjustments to the subscription price and the number of the Warrant Shares and notify the respective holders of the Warrants regarding the adjustments to be made pursuant to the respective terms and conditions applicable to the Warrants.

LETTER FROM THE BOARD OF DIRECTORS

Save for the Warrants, the Company had no other outstanding options, warrants or convertible securities to subscribe for any securities of the Company as at the Latest Practicable Date.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue and the Warrant Shares. No part of the securities of the Company is listed or dealt in, nor its listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange. It is expected that certificates for the Bonus Shares will be posted on or before Tuesday, 23 June 2015 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the Register of Members on the Record Date. It is expected that the dealing of Bonus Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 24 June 2015.

Subject to the granting of the approval for the listing of, and permission to deal in, the Bonus Shares and the Warrant Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares and the Warrant Shares will be accepted as eligible securities for deposit, clearance and settlement in CCASS established and operated by HKSCC with effect from the commencement date of dealings in the Shares on the Stock Exchange or such other date as determined by HKSCC. Dealings in the Shares may be settled through CCASS. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests. The Bonus Shares and Warrant Shares will not be listed or traded on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or proposed to be sought. Dealings in the Bonus Shares and Warrant Shares will be subject to the payment of stamp duty in Hong Kong.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The current authorised share capital of the Company is HK\$40,000,000 divided into 4,000,000,000 ordinary shares of HK\$0.01 each, whereas 1,037,500,000 ordinary shares have been issued as of the date of this circular. In order to accommodate the future expansion and growth of the Group, the Board of the Company proposes to increase the authorised share capital of the Company to HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each, by the creation of an additional 6,000,000,000 ordinary shares of HK\$0.01 each. The additional ordinary shares shall rank pari passu in all respects with the existing ordinary shares.

The proposed increase in authorised share capital of the Company is determined by taking into account the Bonus Issue as well as the Company's need for flexibility to issue new Shares for future expansion and growth and is conditional upon, among others, the passing of an ordinary resolution by the Shareholders to be proposed at the EGM. The Board is of the view that the proposed increase in authorised share capital of the Company will provide flexibility to the Company in determining its future business plan, and is therefore in the interest of the Shareholders. The Company currently has no intention to issue any part of the new authorised share capital of the Company upon the approval of the Shareholders having been obtained in respect of the increase in the authorised share capital of the Company at the EGM.

LETTER FROM THE BOARD OF DIRECTORS

COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or controlling shareholders of the Company nor their respective associates is considered to have interests in a business that competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors have been appointed or were appointed as directors to represent the interests of the Company and/or the Group.

Directel Limited, a company incorporated in the Cayman Islands, is held as to 50% and 50% by Mr. Li Kin Shing, a non-executive Director, the chairman of the Company, a controlling shareholder and a substantial shareholder of the Company, and Ms. Kwok King Wa, a controlling shareholder and a substantial shareholder of the Company and the spouse of Mr. Li Kin Shing, respectively. According to the GEM Listing Rules, Directel Limited is an associate of Mr. Li Kin Shing and Ms. Kwok King Wa and thus a connected person.

Directel Limited is the legal and beneficial owner of the RF-SIM intellectual property rights in Hong Kong and Macau. Further, Directel Limited is the licensee of the operation rights of RF-SIM in markets other than the PRC in addition to its owned RF-SIM intellectual property rights in Hong Kong and Macau and it has the right to grant licences of the operation rights of RF-SIM intellectual property rights to others in markets other than the PRC. There is a risk that such services provided by Directel Limited may compete with the services provided by the Group as Directel Limited is expected to grant licences of the operation rights of RF-SIM intellectual property rights in other regions in the future.

International Elite Ltd. (“IEL”) is a company incorporated in the Cayman Islands and a listed company on the Main Board of the Stock Exchange with Mr. Li Kin Shing and Ms. Kwok King Wa as controlling shareholders. According to the GEM Listing Rules, IEL is an associate of Mr. Li Kin Shing and Ms. Kwok King Wa and thus a connected person. Sunward Telecom Limited (“Sunward Telecom”) and its wholly-owned subsidiaries (collectively, the “Sunward Group”) are wholly-owned subsidiaries of IEL. The Sunward Group, as a whole, is principally engaged in (i) the research and development, production and sales of RF-SIM products; and (ii) licensing of the RF-SIM operations rights in markets other than Hong Kong and Macau.

The Directors confirm that as China-Hongkong Telecom Limited, a wholly-owned subsidiary of the Company, has obtained the exclusive licence of the operation rights of RF-SIM intellectual property rights in Hong Kong and Macau and since the services provided by the Group are mainly in Hong Kong and Macau, there will be no direct competition between the services provided by Directel Limited, which are in territories other than the PRC, Hong Kong and Macau. There will also be no direct competition between the services provided by IEL, which its strategy is to concentrate on the application of the RF-SIM intellectual property rights in the PRC. Nevertheless, Mr. Li Kin Shing, Ms. Kwok King Wa and Directel Limited as covenantors (the “Covenantors”) executed a deed of non-competition undertaking in favour of the Company on 24 May 2010 pursuant to which the Covenantors have undertaken to the Company inter alia, that (i) the Covenantors shall not, directly or indirectly, engage in, invest in, participate in, or attempt to participate in, whether on his/her/its own account or with each other or in conjunction with or on behalf of any person or company, any business which will or may compete with the RF-SIM business of the Group in Hong Kong and Macau; and (ii)

LETTER FROM THE BOARD OF DIRECTORS

in the event the Covenantors or their associates were given any business opportunities that is or may involve in direct or indirect competition with the business of the Group, the Covenantors shall assist the Company in obtaining such business opportunities in the terms being offered to the Covenantors, or more favourable terms being acceptable to the Company.

GENERAL INFORMATION

The notice for the EGM has been set out on pages 16 to 18 of this circular.

Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying proxy form to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, (i) the proposed Bonus Issue; (ii) the issue and allotment of the Warrant Shares (including any further issue and allotment of warrant shares pursuant to adjustments to the Subscription Price made in accordance with the Instrument) under the Specific Mandate; and (iii) the increase in authorised share capital of the Company. A notice convening the EGM to be held at Jasmine Room, 3/F, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, 3 June 2015 at 11:00 a.m. is set out on pages 16 to 18 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

In accordance with the Listing Rules, any Shareholder who has a material interest in the resolution(s) shall abstain from voting on such resolution(s) at the EGM. The Subscriber will abstain from voting on the resolution to approve the issue and allotment of Warrant Shares at the EGM accordingly. As at the Latest Practicable Date, the Subscriber does not hold any Shares and is the sole holder of the Warrants. Save for the Subscriber, to the best of knowledge, information and belief of the Directors, no other Shareholder has a material interest in the resolution(s) and will be required to abstain from voting on such resolution(s). The ordinary resolutions to approve the (i) the proposed Bonus Issue; (ii) the issue and allotment of the Warrant Shares (including any further issue and allotment of warrant shares pursuant to adjustments to the Subscription Price made in accordance with the Instrument) under the Specific Mandate; and (iii) the increase in authorised share capital of the Company at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the results of the EGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The information contained herein relating to

LETTER FROM THE BOARD OF DIRECTORS

the Company has been supplied by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the (i) Bonus Issue; (ii) the Specific Mandate to issue and allot the Warrant Shares (including any further issue and allotment of warrant shares pursuant to adjustments to the Subscription Price made in accordance with the Instrument); and (iii) increase in authorised share capital are in the interest of the Company and accordingly the Directors recommend you to vote in favour of the relevant resolutions at the forthcoming EGM.

Yours faithfully,
By order of the Board
Directel Holdings Limited
Pang Kwok Chau
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of Directel Holdings Limited (the “**Company**”) will be held at Jasmine Room, 3/F, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, 3 June 2015 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

As special business, to consider and if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:

1. “**THAT**, subject to and conditional upon (i) the Listing Committee of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting, or agreeing to grant the listing of, and permission to deal in, the Bonus Shares (as hereinafter defined) and the Warrant Shares (as hereinafter defined); and (ii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company:
 - (a) upon the recommendation of the directors of the Company, a sum of HK\$20,750,000 being part of the amount standing to the credit of the share premium account of the Company, or such other sum as may be necessary to give effect to the bonus issue of ordinary shares (“**Share**”) of HK\$0.01 each in the capital of the Company pursuant to this resolution, be capitalised and accordingly the directors of the Company be and are hereby authorised and directed to apply such sum in paying up in full at par such number of new Shares in the capital of the Company, and that such new Shares (“**Bonus Shares**”) shall be issued, allotted and distributed, credited as fully paid up, to and amongst those shareholders whose names appear on the register of members of the Company on Wednesday, 10 June 2015 (the “**Record Date**”) (not being those shareholder(s) (the “**Excepted Shareholder(s)**”), whose address(es) as shown on the register of members of the Company on the Record Date to be outside Hong Kong (if any), to whom the board of directors of the Company, after making enquiries, considers to be necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue) on the basis of two Bonus Shares for every one existing issued Share in the share capital of the Company held by them respectively on the Record Date;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) as a specific mandate to the Directors, to allot and issue new Shares (subject to adjustment) to be allotted and issued upon exercise of the subscription rights attaching to the unlisted warrants (“Warrant Shares”) granted by the Company pursuant to the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company convened and held on 10 May 2013;
- (c) the Bonus Shares and Warrant Shares to be issued and allotted pursuant to this resolution shall be subject to the articles of association of the Company and shall rank *pari passu* in all respects with the then existing Shares in issue on the Record Date; and
- (d) the Directors be authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares and the Warrant Shares, including, but not limited to, determining the Excepted Shareholders, the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

2. **“THAT:**

- (a) the authorised share capital of the Company be increased from HK\$40,000,000 divided into 4,000,000,000 shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each (the “Increase in Authorised Share Capital”) by the creation of an additional 6,000,000,000 shares of the Company and such shares shall rank *pari passu* with all existing shares of the Company; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and to give effect to the Increase in Authorised Share Capital.”

On behalf of the Board
Directel Holdings Limited
Pang Kwok Chau
Executive Director

Hong Kong, 18 May 2015

Head office and principal place of business:

Office Nos. 1, 2, 14 and 15
37th Floor
Hong Kong Plaza
No. 188 Connaught Road West
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) The instrument appointing a proxy shall be in writing under the head of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
- (2) A member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company but must attend the extraordinary general meeting to represent the member.
- (3) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
- (4) In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the extraordinary general meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
- (5) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (6) For determining the entitlement to attend and vote at the extraordinary general meeting, the company's register of members will be closed from Monday, 1 June 2015 to Wednesday, 3 June 2015, both days inclusive, during which time no transfer of shares will be registered. In order to ensure that the shareholders are entitled to attend and vote at the extraordinary general meeting, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 29 May 2015 for registration of the relevant transfer.

As at the date of this circular, the non-executive directors of the Company are Mr. Li Kin Shing and Mr. Wong Kin Wa, the executive directors of the Company are Mr. Pang Kwok Chau and Mr. Li Wang and the independent non-executive directors of the Company are Mr. Chen Xue Dao, Mr. Chu, Howard Ho Hwa and Ms. Lee Man Yee, Maggie.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, confirm that, to the best of their knowledge and belief (1) the information contained in this circular is accurate and complete in all material respects and not misleading; and (2) there are no other matters the omission of which would make any statement in this circular misleading.

This circular will remain on the GEM website (www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This circular will also be posted on the Company's website at www.directel.hk.