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DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual report (“**Annual Report**”) and interim report (“**Interim Report**”) of Directel Holdings Limited (the “**Company**”) for the year ended 31 December 2014 and the six months ended 30 June 2015 respectively, in relation to the share option scheme of the Company (“**Share Option Scheme**”) and the issue of unlisted warrants under general mandate (“**Fund Raising**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as defined in the Annual Report. The Board would like to provide the following supplementary information on the Share Option Scheme and the Fund Raising as below:

Share Option Scheme

The Company adopted the Share Option Scheme on 20 May 2010 for the purpose of providing incentives or rewards to eligible participants including: (i) full-time or part-time employees, (ii) directors (including any executive, non-executive and independent non-executive directors (where applicable)); (iii) substantial shareholders of each member of the Group; (iv) associates of directors or substantial shareholders of each member of the Group; (v) the trustees of any trust pre-approved by the Board; and (vi) the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the abovementioned persons to provide them with the incentive to work better for the interests of the Group.

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 100,000,000 shares, representing 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme and as at the date of the Annual Report. The maximum number of shares issuable under share options granted to each eligible participant in

the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the Option). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors, save that such a period shall not be more than 5 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of the share options shall be not less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options, which must be a date on which the Stock Exchange is open for business of dealing in securities; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

The Share Option Scheme became effective on 20 May 2010 and remained in force for 5 years until 19 May 2015. As at 19 May 2015, no share options were granted and there were no outstanding share options under the Share Option Scheme.

Fund Raising

Reasons of the issue of unlisted warrants

The Board considered that the subscription of 200,000,000 unlisted warrants (the "Warrants") by the subscriber, JD Edward Asset Management Company Limited which was completed on 29 May 2014, was an appropriate means of fund raising for

the Company as it did not have any immediate dilution effect on the shareholding of the existing Shareholders and the Warrants were not interest bearing. In addition to the net proceeds that would be raised upon completion of the warrant subscription, further capital would be raised upon exercise of the subscription rights attaching to the Warrants. The Board considered that the subscription and the issue of the Warrant Shares provide opportunities for the Group to strengthen the Group's capital base and financial position to better equip the Group with the financial flexibility for development of the business of the Group.

Use of Proceeds

The gross proceeds of approximately HK\$2 million were raised by the subscription of the unlisted warrants and the net proceeds of approximately HK\$1.654 million would be utilized by the Group as general working capital of the Group. Assuming the full exercise of the subscription rights attaching to the Warrants, it was expected that gross proceeds of approximately HK\$32.96 million would be raised. The net proceeds of approximately HK\$32.94 million would be used for general working capital of the Group and as funds for future development of the Group when investment opportunities arise. As at the date of the Interim Report, no subscription rights attaching to the Warrants have been exercised and the Company have not utilized any of the net proceeds.

By Order of the Board
Directel Holdings Limited
Pang Kwok Chau
Executive Director

Hong Kong, 14 September 2015

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

This announcement, 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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