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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)



INTERNATIONAL ELITE LTD.

精英國際有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1328)

**CONNECTED TRANSACTIONS
IN RELATION TO ENTERING INTO
TECHNOLOGY DEVELOPMENT AGREEMENTS**

On 23 November 2015 (after trading hours), Directel Communications, an indirect wholly-owned subsidiary of Directel entered into Technology Development Agreements with Xiamen Elite, an indirect wholly-owned subsidiary of IEL, pursuant to which Directel Communications will entrust Xiamen Elite to research and develop the OTA Card based on CA-SIM and RF-SIM technology and the application programming interface for the “One Card Multiple Number” for Directel Communications.

As Mr. Li Kin Shing is a director and controlling shareholder (as defined in the Listing Rules or the GEM Listing Rules) (as the case may be) of both Directel and IEL, Xiamen Elite and Directel Communications are connected persons of Directel and IEL respectively under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules. The transactions contemplated under the Technology Development Agreements constitute connected transactions for each of Directel and IEL respectively under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules.

Mr. Li Kin Shing holds 70.36% and 69.63% of the issued share capital respectively in Directel and IEL, Mr. Wong Kin Wa, a director of both Directel and IEL holds 0.96% and 0.17% of the issued share capital in Directel and IEL respectively, Mr. Li Wang and Ms. Li Yin is the brother and sister of Mr. Li Kin Shing. On the Directel Board, Mr. Li Kin Shing, Mr. Li Wang and Mr. Wong Kin Wa and on the IEL Board, Mr. Li Kin Shing, Ms. Li Yin and Mr. Wong Kin Wa have abstained from voting on the respective board resolutions approving the Technology Development Agreements and the transactions contemplated thereunder.

Since each of the percentage ratios (other than the profits ratio) applicable to Directel exceeds 5% but is less than 25% and the total consideration is less than HK\$10,000,000, the transactions contemplated under the Technology Development Agreements are subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Since each of the percentage ratios (other than the profits ratio) applicable to IEL exceeds 0.1% but is less than 5%, the transactions contemplated under the Technology Development Agreements are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

THE TRANSACTION

On 23 November 2015 (after trading hours), Directel Communications, an indirect wholly-owned subsidiary of Directel entered into the Technology Development Agreements with Xiamen Elite, indirect wholly-owned subsidiary of IEL, pursuant to which Directel Communications will entrust Xiamen Elite to research and develop the OTA Card based on CA-SIM and RF-SIM technology and the application programming interface for the "One Card Multiple Number" for Directel Communications.

Date: 23 November 2015

Parties: (1) Directel Communications; and
(2) Xiamen Elite.

Scope of work: Directel Communications will entrust Xiamen Elite to research and develop the OTA Card based on CA-SIM and RF-SIM technology and the application programming interface for the "One Card Multiple Number" for Directel Communications.

Time requirements: Xiamen Elite should complete the scope of work on or before 31 December 2015.

Consideration: The consideration for research and development of OTA Card and the application programming interface for the “One Card Multiple Numbers” shall be RMB2,000,000 (equivalent to HK\$2,430,134) and RMB1,500,000 (equivalent to HK\$1,822,600) respectively. The aggregate consideration of RMB3,500,000 (equivalent to HK\$4,252,734) shall be satisfied by internal resources and paid by Directel Communications to Xiamen Elite in cash as follows:

- (i) RMB2,100,000 (equivalent to HK\$2,551,640) shall be payable within 5 Business Days from the date of the Technology Development Agreements;
- (ii) RMB1,000,000 (equivalent to HK\$1,215,067) shall be payable within 5 Business Days after Xiamen Elite has submitted the OTA Card to Directel Communications; and
- (iii) RMB400,000 (equivalent to HK\$486,027) shall be payable within 5 Business Days after Xiamen Elite has submitted the application programming interface for the “One Card Multiple Number” submitted by Xiamen Elite.

The above consideration has been determined and agreed between the parties on an arm’s length basis based on the scope of work and after taking into account the costs and income of both parties and market conditions.

Ownership of intellectual property: The software and applications created in the course of performance of the Technology Development Agreements will belong to Directel Communications.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directel Board believe that the transactions contemplated under the Technology Development Agreements would provide Directel Group the requisite technology to launch its mobile and roaming services to align with the developing trends of mobile internet and promote strategic transformation and innovation. The IEL Board believe that the transactions contemplated under the Technology Development Agreements would provide IEL Group with additional income by leveraging on its expertise in RF-SIM and CA-SIM technology.

The Directel Board and the IEL Board (including the independent non-executive directors of both boards) are of the view that the transactions contemplated under the Technology Development Agreements will be conducted in the ordinary and usual course of business of the Groups and on normal commercial terms, and that the terms of the transactions are fair and reasonable and in the interests of the Directel and IEL and their Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES AND THE GEM LISTING RULES

As Mr. Li Kin Shing is a director and controlling shareholder (as defined in the Listing Rules or the GEM Listing Rules) (as the case may be) of both Directel and IEL, Xiamen Elite and Directel Communications are connected persons of Directel and IEL respectively under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules. The transactions contemplated under the Technology Development Agreements constitute connected transactions for each of Directel and IEL respectively under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules.

Mr. Li Kin Shing holds 70.36% and 69.63% of the issued share capital respectively in Directel and IEL, Mr. Wong Kin Wa, a director of both Directel and IEL holds 0.96% and 0.17% of the issued share capital in Directel and IEL respectively, Mr. Li Wang and Ms. Li Yin is the brother and sister of Mr. Li Kin Shing. On the Directel Board, Mr. Li Kin Shing, Mr. Li Wang and Mr. Wong Kin Wa and on the IEL Board, Mr. Li Kin Shing, Ms. Li Yin and Mr. Wong Kin Wa have abstained from voting on the respective board resolutions approving the Technology Development Agreements and the transactions contemplated thereunder. Save as disclosed above, no other directors of Directel and IEL have a material interest in the transactions contemplated under the Technology Development Agreements and none of them has abstained from voting on the relevant board resolutions.

Since each of the percentage ratios (other than the profits ratio) applicable to Directel exceeds 5% but is less than 25% and the total consideration is less than HK\$10,000,000, the transactions contemplated under the Technology Development Agreements are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Since each of the percentage ratios (other than the profits ratio) applicable to IEL exceeds 0.1% but is less than 5%, the transactions contemplated under the Technology Development Agreements are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rule.

GENERAL INFORMATION

Information on Directel Group

The Directel Group is a mobile virtual network operator which is principally engaged in the provision of mobile phone services, resale of airtime to mobile network operators and telesales dealership services.

Information on IEL Group

The IEL Group is a customer relationship management outsourcing service provider which principally engages in the provision of inbound and outbound services to companies in various service-oriented industries and the research and development, production and sales of RF-SIM products and the licensing of RF-SIM operation rights in markets other than Hong Kong and Macau as well as the research and development and technology transfer of CA-SIM application right to customers.

DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“associate”	has the same meaning ascribed to it under the GEM Listing Rules and/or the Listing Rules (whichever is applicable)
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which commercial banks in PRC are open for business to the general public
“CA-SIM”	the certificate authority SIM, a technology developed from Radio-Frequency Subscriber Identity Module (“RF-SIM”), being a combination of ordinary mobile phone subscriber identity module card and contactless smartcard and has function of (i) public key infrastructure; (ii) application programming interface; and (iii) software development kit
“connected person”	has the same meaning as ascribed to it under the GEM Listing Rules and the Listing Rules
“Directel”	Directel Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange

“Directel Board”	the board of directors of Directel
“Directel Group”	Directel and its subsidiaries
“Directel Communications”	Directel Communications Limited (直通電訊有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of Directel
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Groups”	the Directel Group and IEL Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IEL”	International Elite Ltd., a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“IEL Board”	the board of directors of IEL
“IEL Group”	IEL and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratios”	the percentage ratios described under Rule 19.07 of the GEM Listing Rules and Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region and the Macau Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	the shareholders of Directel and IEL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technology Development Agreements”	the Technology Development Agreements dated 23 November 2015 between Directel Communications and Xiamen Elite pursuant to which Directel Communications will entrust Xiamen Elite to research and develop the OTA Card based on CA-SIM and RF-SIM technology and the application programming interface for the “One Card Multiple Number” for Directel Communications.
“Xiamen Elite”	廈門盛華電子科技有限公司 (Xiamen Elite Electric Company Limited*), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of IEL.
“%”	per cent

In this announcement, unless otherwise specified, amounts in RMB are converted to HK\$ at the conversion rate of HK\$1.00 = RMB0.8230, for illustration only. No representation is made that any amounts in RMB could have been or could be converted into HK\$ at such rate or any other rates.

** The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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

By Order of the Board
International Elite Ltd.
Li Kin Shing
Chairman

Hong Kong, 23 November 2015

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

As at the date of this announcement, the IEL Board comprise four executive Directors, Mr. Li Kin Shing, Ms. Li Yin, Mr. Wong Kin Wa and Mr. Li Wen and three independent non-executive Directors, Mr. Chen Xue Dao, Mr. Cheung Sai Ming and Mr. Liu Chun Bao.

This announcement, for which the directors of Directel 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 Directel, 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 Directel at www.directel.hk.