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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)

**DISCLOSEABLE TRANSACTION INVOLVING THE ISSUE OF
CONSIDERATION SHARES UNDER GENERAL MANDATE IN RELATION TO
THE ACQUISITION OF 100% ISSUED SHARE CAPITAL IN THE TARGET**

THE ACQUISITION

On 27 May 2016 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendors and the Guarantors, pursuant to which the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Sale Shares at a total consideration of HK\$132,903,850, which is to be satisfied by (i) the payment of Cash Consideration at Completion; and (ii) the Purchaser allotting and issuing not more than 435,750,000 Shares of HK\$0.01 each at the issue price of HK\$0.305 per Consideration Share in three tranches (subject to Adjustment) .

The Acquisition is subject to fulfillment of the conditions precedent as detailed in the paragraph headed “Conditions Precedent” in this announcement. Upon Completion, the Target will become a direct wholly-owned subsidiary of the Company.

GENERAL

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in relation to the transactions contemplated under the Sale and Purchase Agreement exceed 5% but below 25%, the transactions contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date: 27 May 2016 (after trading hours)

Parties:

Purchaser: the Company

Vendors:

- (i) First Vendor, which holds 60% of the issued share capital of the Target; and
- (ii) Second Vendor, which holds 40% of the issued share capital of the Target. The principal business of the Vendors is investment holding.

Guarantors:

- (i) Mr. Li;
- (ii) Mr. Zhan;
- (iii) Mr. Zhao;
- (iv) Mr. Fang; and
- (v) Mr. Zhang.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendors and the Guarantors and their respective associates are Independent Third Parties.

Subject matter of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares. The Target is an investment holding company and is owned as to 60% and 40% by the First Vendor and the Second Vendor, respectively. Upon Completion, the Target will become a direct wholly-owned subsidiary of the Company.

The Consideration

The total consideration of HK\$132,903,850 (subject to Adjustment) shall be satisfied by (i) the payment of the Cash Consideration at Completion; and (ii) the Purchaser allotting and issuing not more than 435,750,000 Shares of HK\$0.01 each at the issue price of HK\$0.305 per Consideration Share in the Purchaser credited as fully paid to the Vendors in proportion to their respective interests in the Sale Shares, in three tranches in the following manner:

- (i) allot and issue 87,150,000 Consideration Shares to the Vendors within 90 days from the Completion Date (“**First Tranche Allotment**”);
- (ii) allot and issue not more than 116,200,000 Consideration Shares to the Vendors subject to Adjustment on the 30th Business Day immediately following the issue of the audited consolidated financial statements of the Target Group for the year ending 31 December 2018 (“**Second Tranche Allotment**”); and
- (iii) allot and issue not more than 232,400,000 Consideration Shares to the Vendors subject to Adjustment on the 30th Business Day immediately following the issue of the audited consolidated financial statements of the Target Group for the year ending 31 December 2019 (“**Third Tranche Allotment**”).

Assuming there is no Adjustment, the Consideration Shares comprise 435,750,000 Shares, representing (a) approximately 14% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 12.28% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The consideration has been determined after arm’s length negotiations among the Company and the Vendors with reference to various factors, including but not limited to, (a) the customer base of the Target Group; (b) the growth potential and prospect of the Target Group; (c) the Profit Guarantee; and (d) the anticipated synergy to be created for the Target Group’s existing business after Completion.

Profit guarantee and adjustments for the consideration of the Acquisition

Pursuant to the Sale and Purchase Agreement, the Vendors jointly and severally guarantee to the Purchaser that the audited consolidated net profit after taxation arising from the ordinary course of business (excluding “other income”, “other gain”, “other net income”, “other net gain” and any income that is not generated from the Target Group’s principal business) of the Target Group as set out in its audited consolidated financial statements prepared in accordance with International Financial Reporting Standards for the following period:

- (i) starting from the Completion Date and ending on 31 December 2017 (“**First Relevant Financial Year**”) shall not be less than RMB10 million (the “**2017 Profit Guarantee**”);
- (ii) for the year ending on 31 December 2018 (“**Second Relevant Financial Year**”) shall not be less than RMB25 million (the “**2018 Profit Guarantee**”); and
- (iii) for the year ending on 31 December 2019 (“**Third Relevant Financial Year**”) shall not be less than RMB40 million (the “**2019 Profit Guarantee**”);

together the aggregate profit guarantee of the Target Group for the Relevant Financial Years amounting to a total of RMB75 million (the “**Profit Guarantee**”).

Pursuant to the Sale and Purchase Agreement, the number of Consideration Shares to be allotted and issued on Second Tranche Allotment or (as the case may be Third Tranche Allotment) shall be adjusted as follows:

Consideration Shares to be allotted and issued at Second Tranche Allotment

$$A \times \frac{X + Y}{\text{RMB75,000,000}} - B$$

Where:

- A = the total number of Consideration Shares to be allotted and issued by the Purchaser
- B = the number of Consideration Shares allotted and issued at First Tranche Allotment
- X = the actual net profit after taxation of the Target for the First Relevant Financial Year
- Y = the actual net profit after taxation of the Target for the Second Relevant Financial Year

In any event and subject to any early fulfillment of the Profit Guarantee, the number of Consideration Shares to be allotted and issued at First Tranche Allotment and Second Tranche Allotment, in aggregate, shall not exceed 203,350,000 Shares.

In the event that the Target Group records an aggregate net loss after taxation in its audited consolidated financial statements for the First and Second Relevant Financial Year, the Purchaser shall not allot and issue any Consideration Shares to the Vendors at the proposed Second Tranche Allotment.

Consideration Shares to be allotted and issued at Third Tranche Allotment

$$A \times \frac{X + Y + Z}{\text{RMB}75,000,000} - B - C$$

Where:

A = the total number of Consideration Shares to be allotted and issued by the Purchaser

B = the number of Consideration Shares allotted and issued at First Tranche Allotment

C = the number of Consideration Shares allotted and issued at Second Tranche Allotment

X = the actual net profit after taxation of the Target for the First Relevant Financial Year

Y = the actual net profit after taxation of the Target for the Second Relevant Financial Year

Z = the actual net profit after taxation of the Target for the Third Relevant Financial Year

In the event that the Target Group records (i) an aggregate net loss after taxation in its audited consolidated financial statements for each of the Relevant Financial Year; or (ii) a net loss after taxation in its audited consolidated financial statements for the Third Relevant Financial Year, the Purchaser shall not allot and issue any Consideration Shares to the Vendors at the proposed Third Tranche Allotment.

No Adjustment shall be made to the number of Consideration Shares to be allotted and issued at Second Tranche Allotment (or as the case may be Third Tranche Allotment) if the actual profit after taxation for each of the Relevant Financial Year is not less than the respective Profit Guarantee.

In the event where the Profit Guarantee is fulfilled in any of the Relevant Financial Year at the discretion of the Vendors and upon receipt of a request from the Vendors, the Purchaser shall then allot and issue the Consideration Shares in full or in such numbers as the Vendors may request to the Vendors or their nominees in the manner provided for in the Sale and Purchase Agreement on the 30th Business Day immediately following the issue of the audited consolidated financial statements of the Target Group for the Relevant Financial Year in which the Profit Guarantee is fulfilled. If subsequently, the Target Group records a net loss or the accumulated net profits after taxation as at the end of the Third Relevant Financial Year is less than RMB75,000,000, the Vendors will, jointly and severally, repay a sum to the Purchaser in accordance with the formula below, within 30 days following the date when the audited consolidated financial statements of the Target Group for the Third Relevant Financial Year is issued:

$$\text{Repayment sum} = (A - ((B + C + D)/\text{RMB}75,000,000) \times E) \times F \times 2$$

where:

- A = the actual total number of Consideration Shares issued
- B = the actual net profits (or loss) after taxation of the Target for the First Relevant Financial Year
- C = the actual net profits (or loss) after taxation of the Target for the Second Relevant Financial Year
- D = the actual net profits (or loss) after taxation of the Target for the Third Relevant Financial Year
- E = maximum number of Consideration Shares to be issued (i.e. 435,750,000 Consideration Shares)
- F = issue price of the Consideration Shares (i.e. HK\$0.305 per Consideration Share)

In any event, the total number of Consideration Shares to be allotted and issued to the Vendors, in aggregate shall not exceed 435,750,000 Shares.

The Consideration Shares

The issue price of HK\$0.305 per Consideration Share was arrived at by the Company and the Vendors after arm's length negotiations based on the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement and the total value of the Consideration Shares was approximately HK\$132,903,750.

The issue price represents:

- (i) a premium of approximately 5.54% over the average closing price of approximately HK\$0.289 per Share as quoted on the Stock Exchange on for the last five consecutive trading days up to and including 26 May 2016; and
- (ii) a premium of approximately 6.64% over the average closing price of approximately HK\$0.286 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 26 May 2016.

The Consideration Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 622,500,000 Shares. Accordingly, the issue of the Consideration Shares is not subject to any further approval by the Shareholders.

The Consideration Shares, when issued, will rank *pari passu* in all respects with the existing Shares then in issue.

The Consideration Shares to be issued to the Vendors or their nominees are subject to a lock-up period (the "**Lock-Up Period**") commencing from the date of First Tranche Allotment and ending on the date which is the 30th Business Day immediately following the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2019.

The Company will make an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued.

Conditions precedent

Completion shall be subject to and conditional upon the satisfaction of, amongst others, the following conditions precedent:

- (a) all necessary approvals and consents required to be obtained by any of the Target and/or the Vendors and/or the Guarantors and/or the Purchaser from any government authority or other third party in respect of the Sale and Purchase Agreement and/or the transactions contemplated thereunder being obtained unconditionally and irrevocably; or where such approval or consent is given subject to conditions, on such conditions as are acceptable to the Vendors affected and the Purchaser, in each case acting reasonably;
- (b) each Party having completed its due diligence on the other Party and its business, operations and financial position or any of its officers, employees, agents, professional advisers or other agents;
- (c) all Consents, registration, filings, confirmations, clearances, rulings and decisions by the Authorities or the bankers or creditors of any member of the Target Group companies, or any other third party that are, in accordance with the applicable laws and regulations, necessary or appropriate for or in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained; and
- (d) the warranties remaining true and accurate in all respects and not misleading in any respect;

Each of the Vendors and the Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the conditions precedent abovementioned which are in such Party's favour by notice in writing to the other Party.

Each of the Parties shall use its best endeavours to ensure that the conditions precedent are satisfied or remain satisfied as soon as possible after the date of the Sale and Purchase Agreement but in any event no later than the Long Stop Date, unless waived by the Purchaser or Vendors pursuant to the terms and conditions of the Sale and Purchase Agreement .

Completion

Completion will take place on the Completion Date after all the conditions precedent to the Sale and Purchase Agreement have been fulfilled (or such other time, date and/or place as may be agreed among the Parties).

Guarantors

The Guarantors have agreed, jointly and severally, to guarantee unconditionally and the due and punctual performance of the Vendors' obligations under the Sale and Purchase Agreement.

Undertaking by Mr. Li in relation to the Restructuring of the Target Group

Mr. Li has given an undertaking to the Company in which he undertakes to facilitate the Restructuring and procure the same to be completed on or before 30 November 2016.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming (i) no Shares will be issued and/or repurchased by the Company from the date of this announcement up to Completion; (ii) no share options have been granted pursuant to the share option schemes adopted by the Company on 11 May 2016; (iii) there will be no conversion of the Unlisted Warrants issued by the Company; and (iv) the Consideration Shares will be allotted and issued in full in accordance with the terms of the Sale and Purchase Agreement, the shareholding structures of the Company as at the date of this announcement and immediately after the issue and allotment of the Consideration Shares in full are as follows:

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares at First Tranche Allotment		Immediately after the allotment and issue of the Consideration Shares at Second Tranche Allotment		Immediately after the allotment and issue of the Consideration Shares at Third Tranche Allotment	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Vendors	0	0.00	87,150,000	2.72	203,350,000	6.13	435,750,000	12.28
Existing Shareholders	<u>3,112,500,000</u>	<u>100.00</u>	<u>3,112,500,000</u>	<u>97.28</u>	<u>3,112,500,000</u>	<u>93.87</u>	<u>3,112,500,000</u>	<u>87.72</u>
Total	<u>3,112,500,000</u>	<u>100.00</u>	<u>3,199,650,000</u>	<u>100.00</u>	<u>3,315,850,000</u>	<u>100.00</u>	<u>3,548,250,000</u>	<u>100.00</u>

INFORMATION ON THE TARGET GROUP

The Target was incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the date of this announcement, the Target is owned as to 60% and 40% by the First Vendor and Second Vendor, respectively.

The Target Group is principally engaged in the provision of integrated technology and services including but not limited to (i) providing online to offline (“O2O”) solutions by combining wireless technology and social network platforms; and (ii) software development.

In O2O solutions business through Beijing Che Ying which owns a smartphone application platform named Yang Che Bao* (養車寶) with registered users of approximately 4 million as of December 2015. The Target Group aims at building and operating for its customers an O2O platform through Yang Che Bao to provide vehicles after-sales services in the PRC, including but not limited to vehicle cleaning and maintenance services, vehicle insurance and smart shopping on vehicle parts.

In addition, regarding the software development business in the PRC, the Target Group develops software to support the latest mobile social networking technology to collect consumer location and data combined with real-time sales record and customer relationship management systems.

Financial information

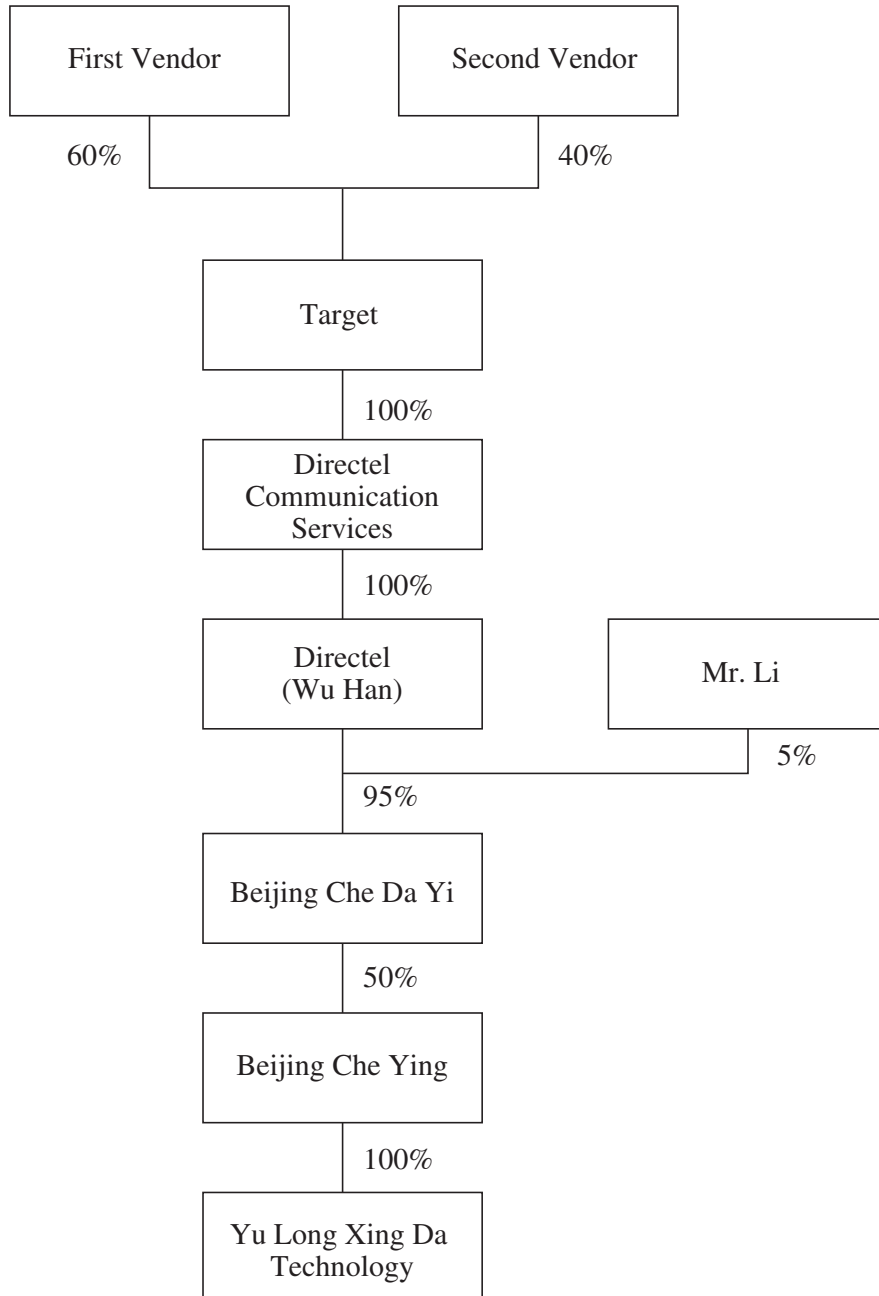
According to the unaudited management account of the Target Group as at 30 April 2016 and the unaudited financial information for the period from 1 May 2016 to 27 May 2016 (“**Updated Financial Information**”), selected financial information are set out below.

	As at the date of this announcement (unaudited) <i>HK\$'000</i>
Target Group	
Net loss before taxation	8,251
Net loss after taxation	8,251
Total asset value	6,226

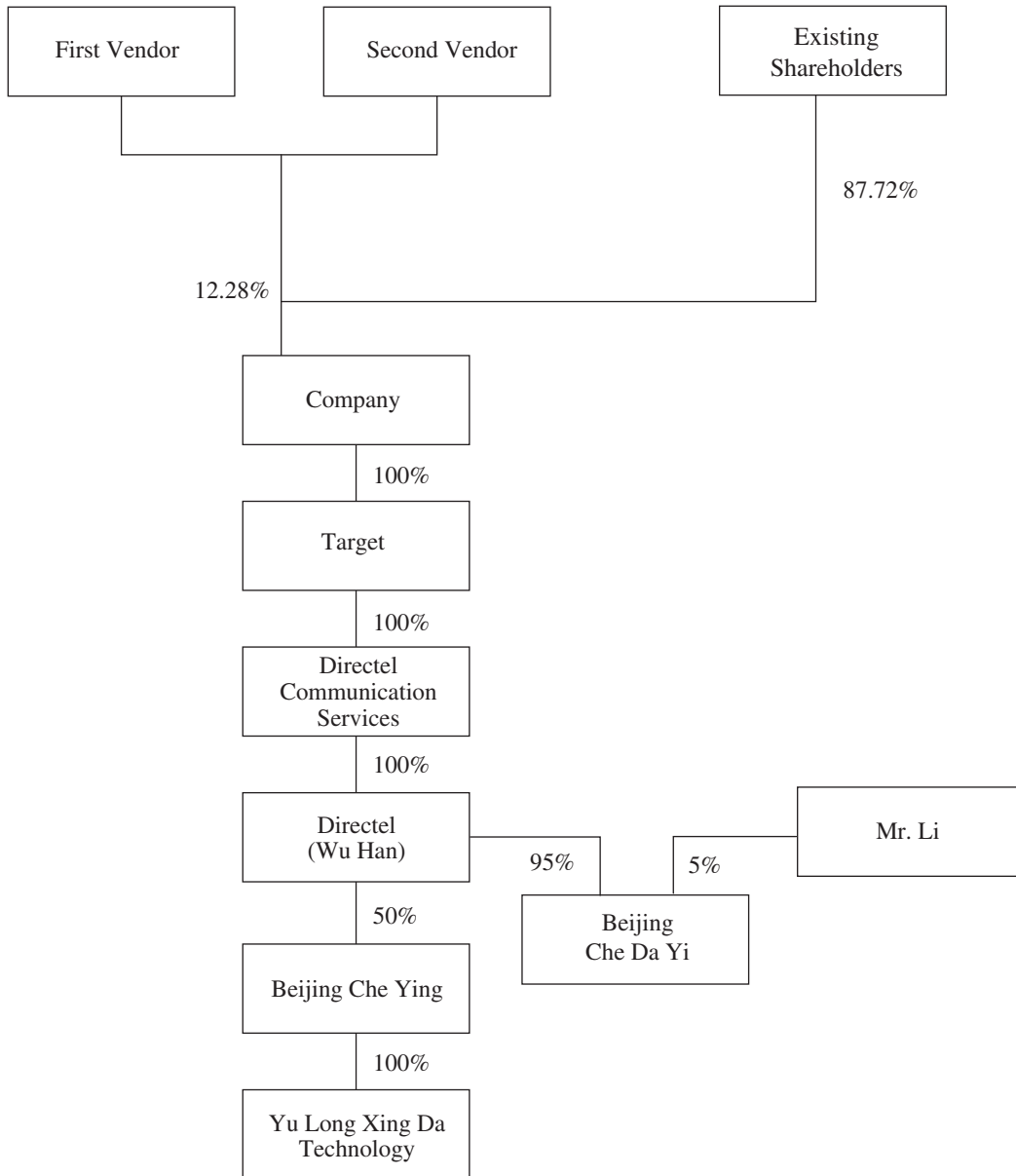
The unaudited net liability of Target Group as at the date of this announcement were approximately HK\$1,843,000.

Shareholding Structure of the Target Group

The corporate structure of the Target Group before the Completion is as follows:



The corporate structure of the Target Group after the Completion, the First, Second and Third Tranche Allotments (assuming no Adjustment is required) and the Restructuring is completed is as follows:



REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the provision of mobile phone services; and (ii) trading of airtime sourced from mobile network operators (“MNOs”).

It is the Company’s strategy to review from time to time potential business opportunity and investments to enhance the Shareholders’ value. The Group has been focusing on finding suitable investments that present development opportunities and also able to provide a sustainable stream of cash flow and profit in the long run.

The Target Group is principally engaged in the provision of integrated technology and services including but not limited to (i) providing O2O solutions by combining wireless technology and social network platforms; and (ii) software development. Given the increase importance of mobile internet and O2O application to both consumers and merchants, the Company believes that the Acquisition represents an opportunity to invest in an industry that presents growth opportunities. The Company believes that the Target Group commands promising prospects and will become one of the key business of the Group going forward.

Taking into account the benefits of the Sale and Purchase Agreement, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in relation to the transactions contemplated under the Sale and Purchase Agreement exceed 5% but below 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Company pursuant to the Sale and Purchase Agreement
“Adjustment”	the adjustment of the number of Consideration Shares to be allotted and issued under the Sale and Purchase Agreement, details of which are set out in the paragraph headed “The Sale and Purchase Agreement — Profit guarantee and adjustment for the consideration of the Acquisition” in this announcement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Authorities”	means any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in the PRC or elsewhere including but not limited to the Stock Exchange and “Authority” means any one of them
“Beijing Che Ying”	Beijing Che Ying Technology Limited* (北京車盈科技有限公司), a company incorporated in the PRC, which is owned as to 50% by Beijing Che Da Yi
“Beijing Che Da Yi”	Beijing Che Da Yi Investment Development Centre (Limited Partnership)* (北京車得易投資發展中心 (有限合夥)), a company incorporated in the PRC, which is owned as to 95% by Directel (Wu Han) and 5% by Mr. Li
“Board”	the board of Directors

“Business Day”	means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“Cash Consideration”	means HK\$100 (or the equivalent amount of RMB)
“Company/ Purchaser”	Directel Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Growth Enterprise Market of The Stock Exchange (Stock code: 8337)
“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Consideration Shares”	a maximum of 435,750,000 new Shares to be allotted and issued by the Company to the Vendors
“Completion Date”	means the date falling on the third Business Day after satisfaction (or waiver) of the last of the conditions precedent in the Sale and Purchase Agreement, or such other date as may be agreed among the Vendors and the Purchaser in writing
“Consent”	includes any license, consent, approval, authorisation, permission, waiver, order or exemption
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directel (Wu Han)”	Directel (Wu Han) Limited* (直通電訊(武漢)有限公司), a company incorporated in the PRC, which is owned as to 100% by Directel Communication Services

“Directel Communication Services”	Directel Communication Services Limited (直通電訊服務有限公司), a company incorporated in Hong Kong with limited liability, which is owned as to 100% by the Target
“Director(s)”	director(s) of the Company
“First Vendor”	Autogain Holding Limited, a company incorporated in the British Virgin Islands with limited liability, which is owed as to 80% by Mr. Li, and approximately 6.67%, 6.67% and 6.67% by Mr. Zhan, Mr. Zhao and Mr. Fang respectively, each an Independent Third Party
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“General Mandate”	the general mandate granted at the annual general meeting of the Company held on 11 May 2016
“Group”	the Company and its subsidiaries
“Guarantors”	collectively Mr Li, Mr. Zhan, Mr. Zhao, Mr. Fang and Mr. Zhang, and each of them a “Guarantor”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) of the Company and is (are) independent of the Company and connected persons of the Company as at the date of this announcement
“Long Stop Date”	means 30 September 2016 or such later date as mutually agreed in writing by the Parties;

“Material Adverse Effect (or change)”	means any event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to (i) the business, operations, financial condition, prospects, management, properties, assets or liabilities of any Party or their respective controlled entities; or (ii) the ability of any Party to perform any of its obligations thereunder or to consummate the transactions contemplated in the Sale and Purchase Agreement
“Mr. Li”	Li Peng* (李鵬), a limited partner holding 5% partnership interest of Beijing Che Da Yi, a substantial shareholder of Autogain holding 80% of the issued share capital of the First Vendor, and one of the Guarantors
“Mr. Fang”	Fang Ming* (方鳴), a shareholder of First Vendor, holding approximately 6.67% of the issued share capital of the First Vendor, and one of the Guarantors
“Mr. Zhan”	Zhan Ying* (展盈), a shareholder of First Vendor, holding approximately 6.67% of the issued share capital of the First Vendor, and one of the Guarantors
“Mr. Zhang”	Zhang Chunhui* (張春輝), the sole shareholder of the Second Vendor, and one of the Guarantors
“Mr. Zhao”	Zhao Zhongkai* (趙忠凱), a shareholder of First Vendor, holding approximately 6.67% of the issued share capital of the First Vendor, and one of the Guarantors
“Party(ies)”	Any of the Company, the Target, the Vendors or the Guarantors
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Relevant Financial Years”	collectively the First Relevant Financial Year, the Second Relevant Financial Year and the Third Relevant Financial Year, and each a Relevant Financial Year

“Restructuring”	the transfer of 50% equity interests of Beijing Che Ying from Beijing Che Da Yi to Directel (Wu Han) at a consideration determined with reference to the registered capital of Beijing Che Da Yi
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	means an aggregate of 50,000 ordinary shares in the share capital of the Target legally and beneficially owned as to 100% by the Vendors
“Second Vendor”	Autobright Holding Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Mr. Zhang
“Share(s)”	the ordinary share of par value of 0.01 in the share capital of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 27 May 2016 entered into among the Company, the Vendors and the Guarantors in relation to the Share Subscription and the Acquisition
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	Subsidiaries of the Target, namely (i) Directel Communication Services, (ii) Directel (Wu Han), (iii) Beijing Che Da Yi (iv) Beijing Che Ying; and (v) Yu Long Xing Da Technology
“substantial Shareholders”	has the meaning ascribed thereto under the GEM Listing Rules
“Target”	Autowin International Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 60% by the First Vendor and 40% by the Second Vendor at the date of this announcement
“Target Group”	the Target and its Subsidiaries

“Unlisted Warrants”	600,000,000 unlisted warrants issued by the Company on 29 May 2014 (as adjusted after the completion of the bonus issue on 23 June 2015) which if exercised in full, the warrants holders can subscribe for a total of 600,000,000 warrant Shares
“Vendors”	collectively the First Vendor and the Second Vendor
“Yu Long Xing Da Technology”	Beijing Yu Long Xing Da Technology Limited* (北京興隆興達科技有限公司), a company incorporated in the PRC, which is owned as to 100% by Beijing Che Ying
“%” or “per cent”	percentage

- * Terms marked with “*” denotes translation of certain PRC nationals, entitles, enterprises, etc into Chinese or English (as the case may be) for identification purposes only. In the event of inconsistency, the Chinese name or the names in their original languages prevails.

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

Hong Kong, 27 May 2016

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.