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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)

TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement made by Directel Holdings Limited (the “**Company**”) dated 27 May 2016 in relation to acquisition of the entire issued share capital in the Target (the “**Announcement**”).

Terms defined in the Announcement shall have the same meanings when used herein unless the context requires otherwise.

On 27 May 2016, 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.

As the Company and the Target cannot formulate on the future business development and cooperation for the Target, after careful consideration and further negotiations with the counterparties, the Company decided not to proceed with the Acquisition. Therefore, on 14 July 2016 (after trading hours), the parties to the Sale and Purchase Agreement entered into a deed of termination (the “**Deed**”), pursuant to which parties thereto have agreed to terminate the Sale and Purchase Agreement with immediate effect from the date thereof and each party shall be released and discharged from all their obligations under the Sale and Purchase Agreement.

The Board considers that the termination of the Sale and Purchase Agreement and entering into the Deed do not have any material adverse effect on the operation, business and financial position of the Group as a whole.

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

Hong Kong, 14 July 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, Mr. Wong Kin Wa and Mr. Hu Tiejun, the independent non-executive directors are Mr. Chen Xue Dao, Ms. Lee Man Yee, Maggie and Mr. Liu Kejun.

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.