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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)

PROFIT WARNING

This announcement is made by Directel Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2019 (the “**Period**”) by the board (the “**Board**”) of directors (the “**Directors**”) of the Company, the Board wishes to inform the shareholders of the Company and potential investors that it is anticipated that the Group would record a net loss for the Period as compared to a net profit of the Group for the corresponding period in 2018. The anticipated loss was primarily attributable to (i) a significant decrease in revenue generated from the provision of telecommunications services in Hong Kong as the contracts with committed subscription which had been entered into in 2017 were completed in 2018 and the Group was unable to secure new contracts with committed subscription with distributors in the first quarter of 2019 for the 4G products; (ii) the significant decrease in the revenue mentioned in (i) which in turn led to a gross loss for the Period as a certain amount of the operating costs in this sector are fixed costs in nature; (iii) an increase in fair value change on contingent consideration payables for the acquisition of the Joint Top Group in September 2017; and (iv) an increase in administrative and operating expenses mainly from the increase in professional fees, staff costs and repair and maintenance fees.

As the Company is still in the course of preparing its results for the three months ended 31 March 2019, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors or have not been confirmed by the Company's audit committee. The overall financial results of the Group for the three months ended 31 March 2019 will only be ascertained when all the relevant results and corresponding treatments are finalised. The results of the Group for the three months ended 31 March 2019 are scheduled to be approved and announced by the Board on or about 10 May 2019. Shareholders of the Company and potential investors are advised to read the first quarterly results announcement of the Company when it is published.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 April 2019

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 GEM of the Stock Exchange 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.