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Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) of Directel Holdings Limited (直通電訊控股有限公司) (the “Company”) dated 28 May 2010.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Shares thereby being offered.



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

- Number of Placing Shares : 250,000,000 Shares (Subject to the Offer Size Adjustment Option)**
- Placing Price : Not more than HK\$0.32 per Share and expected to be not less than HK\$0.20 per Share (payable in full upon application, plus brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%)**
- Nominal Value : HK\$0.01 each**
- Stock Code : 8337**

Sole Sponsor



Guotai Junan Capital Limited

Sole Bookrunner and Lead Manager



Guotai Junan Securities (Hong Kong) Limited

Copies of the Prospectus required by the GEM Listing Rules and the Companies Ordinance are available, for information purposes only, during normal office hours from 9:00 a.m. to 5:00 p.m. at the office of (1) Guotai Junan Securities (Hong Kong) Limited at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong; (2) Daiwa Capital Markets Hong Kong Limited at Level 26, One Pacific Place, 88 Queensway, Hong Kong; (3) Ever-Long Securities Company Limited at 18/F., Dah Sing Life Building, 99-105 Des Voeux Road Central, Hong Kong; (4) Kingsway Financial Services Group Limited at 5/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong; (5) Oriental Patron Securities Limited at Suite 2701-03 & 2705-08, 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong; and (6) OSK Securities Hong Kong Limited at 12/F., World-Wide House, 19 Des Voeux Road Central, Hong Kong, from Friday, 28 May 2010 to Wednesday, 2 June 2010 (both dates inclusive).

Pursuant to the Underwriting Agreement, the Company is offering 250,000,000 Placing Shares (subject to the Offer Size Adjustment Option) for subscription by way of Placing, on and subject to the terms and conditions as set out in the Prospectus. The Company has also granted the Offer Size Adjustment Option to the Lead Manager under the Underwriting Agreement pursuant to which the Lead Manager (for itself and on behalf of the Underwriters) may exercise the Offer Size Adjustment Option (i) on or before the second last day prior to the Listing Date; and (ii) within 30 days from the date of the Prospectus, whichever is earlier, in writing, to require the Company to allot and issue up to 37,500,000 additional Shares at the Placing Price, representing 15% of the total number of Shares initially available for subscription under the Placing.

Application has been made to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Shares issued and to be issued as described in the Prospectus, including (i) any Shares to be issued under the Placing, the Capitalisation Issue and the Offer Size Adjustment Option; and (ii) any Shares which may fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme. Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Wednesday, 2 June 2010. Shares will be traded in board lot of 10,000 Shares each.

Application for the Placing Shares will only be considered on the basis of the terms and conditions as stated in the Prospectus. The Placing is conditional upon the fulfilment of the conditions set forth in the paragraph headed "Conditions of the Placing" in the section headed "Structure and Conditions of the Placing" in the Prospectus. Prospective investors of the Placing should note that Guotai Junan Securities (Hong Kong) Limited (for itself and on behalf of the Underwriters) is entitled to terminate its obligations under the Underwriting Agreement by notice in

writing to the Company given by Guotai Junan Securities (Hong Kong) Limited acting as the Lead Manager (for itself and on behalf of the Underwriters), upon the occurrence of any of the events set out under the sub-section headed “Grounds for termination” in the section headed “Underwriting” of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. In the event that the conditions of the Placing are not fulfilled (or where applicable, waived by Guotai Junan Securities (Hong Kong) Limited (for itself and on behalf of the Underwriters)) in accordance with the terms and conditions of the Underwriting Agreement on or before the dates and times as specified therein, the Placing will lapse and all monies received will be refunded to applicants of the Placing without interest and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the GEM website and the Company’s website at *www.directel.hk* on the next business day immediately after such lapse.

Subject to the granting by the Listing Division of the Stock Exchange of the listing of, and permission to deal in, the Shares on GEM, as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

The Placing Price will be fixed by an agreement expected to be entered into between the Company and the Lead Manager (for itself and on behalf of the Underwriters) on the Price Determination Date, which is currently scheduled to be on or about Friday, 28 May 2010, or such other date as may be agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters) but in any event not later than Monday, 31 May 2010. If the Company and the Lead Manager (for itself and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price on the Price Determination Date, or such other date as may be agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters) but in any event not later than Monday, 31 May 2010, the Placing will not become unconditional and will lapse immediately. In such event, the Company will issue an announcement to be published on the GEM website and the Company’s website at *www.directel.hk*.

The Placing Price will not be more than HK\$0.32 per Share, and is currently expected to be not less than HK\$0.20 per Share.

The announcement of the determination of the Placing Price, the level of indication of interests in the Placing and the basis of allocations of the Placing Shares will be published on the GEM website and the Company's website at www.directel.hk on or before Tuesday, 1 June 2010.

By order of the Board
Directel Holdings Limited
Li Kin Shing
Chairman

Hong Kong, 28 May 2010

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 Xuedao, Mr. Chu, Howard Ho Hwa and Ms. Lee Man Yee, Maggie.

This announcement and a copy of the Prospectus will remain on the GEM website at www.hkgem.com and in the case of the announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.directel.hk.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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, (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.