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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.



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 : 287,500,000 Shares
Placing Price : HK\$0.30 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

 **國泰君安(香港)**
GUOTAI JUNAN (HONG KONG)
Guotai Junan Capital Limited

Sole Bookrunner and Lead Manager

 **國泰君安(香港)**
GUOTAI JUNAN (HONG KONG)
Guotai Junan Securities (Hong Kong) Limited

- The 250,000,000 Shares initially offered by the Company under the Placing were moderately over-subscribed. Apart from the 250,000,000 Shares initially offered by the Company under the Placing, the Lead Manager (for itself and on behalf of the Underwriters) has over-allocated an aggregate of 37,500,000 additional Shares under the Placing. In order to cover such over-allocations, the Lead Manager (for itself and on behalf of the Underwriters) has exercised the Offer Size Adjustment Option in full on 28 May 2010 to require the Company to allot and issue an aggregate of 37,500,000 new Shares (the “Offer Size Adjustment Shares”), representing 15% of the Placing Shares initially available under the Placing solely to cover the over-allocations in the Placing.
- 287,500,000 Shares have been conditionally allocated to a total of 123 selected professional, institutional and other investors.
- The Directors confirm that all places under the Placing are independent of and not connected with any of the Directors, chief executive, Controlling Shareholders, Management Shareholders or substantial Shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.
- Immediately after completion of the Placing and the allotment and issue of the Offer Size Adjustment Shares, the public float of the Company will be approximately 30.96% of the enlarged issued share capital of the Company.
- Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Wednesday, 2 June 2010.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

Pursuant to the price determination agreement entered into between the Company and the Lead Manager (for itself and on behalf of the Underwriters) dated 28 May 2010, the Placing Price is agreed to be HK\$0.30 per Share (excluding brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%). As set out and disclosed under the section headed “Reasons for the Placing and Use of Proceeds” in the Prospectus, the net proceeds based on the placing price at HK\$0.30 per Share to be received by the Company from the Placing and the additional net proceeds from the issue of the Offer Size Adjustment Shares are estimated to be approximately HK\$69.9 million. The Directors intend to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING AND THE EXERCISE OF THE OFFER SIZE ADJUSTMENT OPTION

The 250,000,000 Shares initially offered by the Company under the Placing were moderately over-subscribed. Apart from the 250,000,000 Shares initially offered by the Company under the Placing, the Lead Manager (for itself and on behalf of the Underwriters) has over-allocated an aggregate of 37,500,000 additional Shares under the Placing. In order to cover such over-allocations, the Lead Manager (for itself and on behalf of the Underwriters) has exercised the Offer Size Adjustment Option in full on 28 May 2010 to require the Company to allot and issue an aggregate of 37,500,000 new Shares, representing 15% of the Placing Shares initially available under the Placing solely to cover the over-allocations in the Placing. Upon the Offer Size Adjustment Option being exercised in full and immediately after the allotment and issue of the Offer Size Adjustment Shares, the total number of Shares in issue will be 1,037,500,000 Shares of which an aggregate of 321,250,000 Shares will be held in public hands, representing approximately 30.96% of the total number of the Shares in issue as enlarged by the Offer Size Adjustment Shares.

RESULTS OF ALLOCATION

Pursuant to the Placing, 287,500,000 Shares (including 37,500,000 Shares over-allocated by the Lead Manager (for itself or on behalf of the Underwriters)) have been conditionally allocated to a total of 123 selected professional, institutional and other investors. The distribution of the Placing Shares is set out as below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Share allocated (i.e. 287,500,000 Placing Shares)	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue and the issue of the Offer Size Adjustment Shares (i.e. 1,037,500,000 Shares)
Top placees (<i>Note</i>)	113,300,000	39.41	10.92
Top 5 placees	213,200,000	74.16	20.55
Top 10 placees	254,260,000	88.44	24.51
Top 25 placees	285,610,000	99.34	27.53

Number of Placing Shares allocated

Number of placees

(i) 10,000 to 100,000	100
(ii) 100,001 to 1,000,000	5
(iii) 1,000,001 to 10,000,000	12
(iv) 10,000,001 to 50,000,000	4
(v) 50,000,001 or above	<u>2</u>
Total	<u><u>123</u></u>

Note: There were two top placees, each of whom was conditionally allocated 56,650,000 Placing Shares under the Placing.

The Directors confirm that all placees under the Placing are independent of and not connected with any of the Directors, chief executive, Controlling Shareholders, Management Shareholders or substantial Shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23 of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Immediately after completion of the Placing and the issue of the Offer Size Adjustment Shares, the public float of the Company will be approximately 30.96% of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company 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 such 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.

The share certificates issued in respect of the Placing Shares and the Offer Size Adjustment Shares will be deposited into CCASS on Tuesday, 1 June 2010 for credit to the respective CCASS participants' stock accounts or investor participants' stock accounts of the Underwriters, the placees or their agents (as the case may be). Prospective investors should note that the Lead Manager (for itself and on behalf of the Underwriters) is entitled to terminate the Placing and the Underwriting Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Listing Date upon occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" of the

Prospectus at any time prior to 8:00 a.m. on the Listing Date. In the event that the Placing and the Underwriting Agreement are terminated, an announcement will be published by the Company on the GEM website and the Company's website at *www.directel.hk* accordingly.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Wednesday, 2 June 2010. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the GEM website and the Company's website at *www.directel.hk*. The Shares will be traded in board lot of 10,000 Shares each.

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

Hong Kong, 1 June 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 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 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.