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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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This circular, for which the directors (the “Directors”) of Directel Holdings Limited (the “Company”) collectively and individually accept full responsibility, including particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, (i) the information contained in the circular are accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in the Company, you should at once hand this circular and accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)**

**GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
AMENDMENTS OF ARTICLES OF ASSOCIATION,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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This circular will remain on the Growth Enterprise Market (“GEM”) website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at [www.directel.hk](http://www.directel.hk).

A notice convening the annual general meeting (the “AGM”) of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 30 April 2012 at 10:00 a.m. is set out on pages 11 to 16 of this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying proxy form to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The return of the proxy form will not preclude you from attending and voting in person in the AGM if you so wish.

23 March 2012

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## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM. The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM listed issuers.

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LETTER FROM THE BOARD OF DIRECTORS

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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)**

***Non-executive director:***

Mr. Li Kin Shing (*Chairman*)

Mr. Wong Kin Wa

***Executive directors:***

Mr. Pang Kwok Chau (*Chief Executive Officer*)

Mr. Li Wang

***Independent non-executive directors:***

Mr. Chen Xue Dao

Mr. Chu, Howard Ho Hwa

Ms. Lee Man Yee, Maggie

***Registered office:***

Clifton House

75 Fort Street

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

***Head office and principal place  
of business:***

Office Nos. 1, 2, 14 and 15

37th Floor

Hong Kong Plaza

No. 188 Connaught Road West

Hong Kong

23 March 2012

*To the shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
AMENDMENTS OF ARTICLES OF ASSOCIATION,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the annual general meeting (the “AGM”) of Directel Holdings Limited (the “Company”) for the year ended 31 December 2011 to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 30 April 2012 at 10:00 a.m., resolutions will be proposed to grant to the directors (the “Directors”) of the Company general mandates to allot, issue and deal with new shares of the Company and to repurchase shares of the Company. Resolutions will

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## LETTER FROM THE BOARD OF DIRECTORS

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also be proposed to amend the existing articles of association of the Company and to re-elect the Directors in accordance with the articles of association of the Company. This circular contains the explanatory statement in compliance with the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of the Stock Exchange and to give all the information reasonably necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolutions.

### GENERAL MANDATES

At the AGM, separate ordinary resolutions will be proposed to renew the general mandates to authorise the Directors (i) to allot, issue and otherwise deal with shares (“**Shares**”) of HK\$0.01 each in the Company not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution (the “**Issue Mandate**”); (ii) to exercise all powers (the “**Repurchase Mandate**”) of the Company to repurchase issued and fully paid Shares on the GEM up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the resolution; (iii) to extend the general mandate granted to the Directors to allot, issue and deal with additional Shares as mentioned in paragraph (i) above by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

As at 20 March 2012, being the latest practicable date for ascertaining certain information referred to in this circular (the “**Latest Practicable Date**”), there were in issue an aggregate of 1,037,500,000 Shares. Subject to the passing of the proposed resolution for the grant of the Issue Mandate and on the basis that no Share are issued or repurchased by the Company prior to the AGM, the Directors will be authorised to allot and issue under the Issue Mandate up to 207,500,000 Shares, and to the extent the Repurchase Mandate is exercised, plus the amount of Shares representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate shall continue in force during the period ending on the earliest of (a) the date of the next annual general meeting; (b) the date by which the next annual general meeting of the Company is required to be held by law or by its articles of association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The existing general mandates to issue and repurchase Shares granted to the Directors pursuant to the resolutions in writing passed by the shareholders of the Company on 28 April 2011 will expire at the AGM.

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

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## LETTER FROM THE BOARD OF DIRECTORS

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### PROPOSED AMENDMENTS TO THE EXISTING ARTICLES OF ASSOCIATION

The Directors propose to amend the articles of association of the Company (the “**Articles of Association**”) as follows:

- (i) to widen the definition of “Listing Rules” from “the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited” to “subject to such stock exchange(s) where the securities of the Company are listed, the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as amended from time to time) or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or the rules of such other stock exchanges”; and
- (ii) to conform to the latest GEM Listing Rules such that a Director is no longer permitted to disregard 5% interest when considering whether the Director has a material interest which would prevent him from forming part of the quorum or voting at board meeting.

The Company’s legal advisers have confirmed that the proposed amendments to the existing Articles of Association are in compliance with the requirements of the GEM Listing Rules and the Cayman Islands laws. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a company listed in Hong Kong.

The above proposed amendments of the Articles of Association are subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of a special resolution at the AGM and will take effect on the date of approval by the Shareholders at the AGM. Full text of the proposed amendments is set out in resolution number 6 of the notice of AGM.

### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the non-executive Directors are Li Kin Shing and Wong Kin Wa, the executive Directors are Pang Kwok Chau and Li Wang; and the independent non-executive Directors are Chen Xue Dao, Chu, Howard Ho Hwa and Lee Man Yee, Maggie. Pursuant to the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Pang Kwok Chau, Li Wang and Lee Man Yee, Maggie, being Directors to retire in rotation in accordance with the Articles of Association, will retire and being eligible, offer themselves for re-election at the AGM.

Mr. Pang Kwok Chau (彭國洲), aged 51, is the chief executive officer and an executive Director of the Company. He is responsible for the overall marketing strategic planning and direction of the Group. Mr. Pang obtained a craft certificate in radio servicing (無線電修理行業技能證書) after the completion of a two-year part-time evening course from a Technical Institute under the Education Department, Hong Kong in July 1979 immediately following his graduation from secondary school

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## LETTER FROM THE BOARD OF DIRECTORS

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and has over 17 years of experience in the telecommunications industry, especially in international roaming operation. Since joining the Group, Mr. Pang has actively involved in the Group's business of "One Card Multiple Number" service in Hong Kong and the PRC. He has also involved in the Group's overall corporate governance since 2007. Before joining the Group as the general manager in 2001, Mr. Pang served as the manager of China-Hong Kong Telelink Company Limited since 1995. He was appointed as an executive Director on 31 August 2009.

Mr. Pang entered into a service agreement with the Company for an initial term of three years commencing from 1 May 2010 subject to termination in certain circumstances as stipulated therein. Pursuant to the service agreement, Mr. Pang is entitled to an annual remuneration of HK\$652,160 per year. He is also entitled to a bonus payment on such amount as shall be determined by the board of directors of the Company (the "**Board**") in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

Mr. Li Wang (李宏), aged 41, is the executive Director of the Company. He is responsible for the overall management, corporate planning and business development of the Group. Mr. Li has over 8 years of experience in telecommunications industry. Mr. Li worked as a manager of a PRC telecommunications company namely, 廣州天龍資訊工程公司 (Guangzhou Talent Information Engineering Company Limited) from 1993 to 1997 and was responsible for the management and promotion of pager and mobile telecommunications services business. Mr. Li then worked as a vice-general manager of 廣東直通電訊股份有限公司 (Guangdong Zhitong Telecommunications Limited) from 1997 to 1999, and gained experience in marketing of telecommunication service business. He also worked as a director of Directel Communications Limited from 1995 to 2000, a director of Target Link Enterprises Limited, a private company engaged in investment of software, from 1997 to 2004 and a director and a legal representative of 廣東直通投資有限公司 (Guangdong Zhitong Investment Ltd.) from 1992 to 2009. He is the brother of Mr. Li Kin Shing, the chairman and non-executive Director of the Company. He was appointed as an executive Director on 31 August 2009.

Mr. Li entered into a service agreement with the Company for an initial term of three years commencing from 1 May 2010 subject to termination in certain circumstances as stipulated therein. Pursuant to the service agreement, Mr. Li is entitled to an annual remuneration of HK\$218,610 per year. He is also entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

Ms. Lee Man Yee, Maggie (李敏怡), aged 41, was appointed as an independent non-executive Director on 20 May 2010. Ms. Lee has over 11 years of accounting, finance, taxation, audit and corporate governance experience and is a member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Lee obtained a diploma in business administration in the PRC from the Hong Kong Productivity Council.

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## LETTER FROM THE BOARD OF DIRECTORS

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Ms. Lee entered into an appointment letter with the Company for an initial term of three years commencing from 1 June 2010 subject to termination in certain circumstances as stipulated therein. Pursuant to the appointment letter, Ms. Lee is entitled to an annual remuneration of HK\$80,000 per year. She is also entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of her emoluments is based on salaries paid by comparable companies, time commitment, her duties and responsibilities in the Company, the Company's performance and its remuneration policy.

Save as disclosed hereof, as at the Latest Practicable Date, and to the best knowledge and belief of the board of Directors, the Directors confirmed that:

- (a) each of Pang Kwok Chau, Li Wang and Lee Man Yee, Maggie is not connected with any Director, senior management, management shareholders, substantial shareholder or controlling shareholder of the Company;
- (b) each of Pang Kwok Chau, Li Wang and Lee Man Yee, Maggie has no other interests in the Shares which are required to be disclosed under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO");
- (c) each of Pang Kwok Chau, Li Wang and Lee Man Yee, Maggie does not hold any directorships in listed public companies in the last three years;
- (d) there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 17.50(2) (h) to (v) of the GEM Listing Rules; and
- (e) the Company is not aware of any other matter that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange in relation to the re-election of Directors.

### GENERAL INFORMATION

The notice for the AGM has been set out on pages 11 to 16 of this circular.

Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying proxy form to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

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## LETTER FROM THE BOARD OF DIRECTORS

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### PROCEDURES FOR DEMANDING A POLL

Pursuant to the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least two members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

### RECOMMENDATION

The Directors consider that the general mandates to issue and repurchase Shares, the amendments to the Articles of Association and the re-election of Directors proposed are in the interest of the Company and so recommend you to vote in favour of the relevant resolutions at the forthcoming AGM.

Yours faithfully,  
By order of the Board  
**Directel Holdings Limited**  
**Li Kin Shing**  
*Chairman*



*This is an explanatory statement given to all shareholders of the Company, as required by the GEM Listing Rules, to provide requisite information of the Repurchase Mandate.*

## **1. GEM LISTING RULES FOR REPURCHASES OF SHARES**

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on GEM subject to certain restrictions, the more important of which are summarised below:

### **(a) Shareholders' approval**

All proposed repurchase of securities on the Stock Exchange by a company with primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction.

### **(b) Share capital**

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions. The Company's authority is restricted to purchases made on GEM in accordance with the GEM Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 1,037,500,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the AGM, would accordingly result in up to 103,750,000 Shares being repurchased by the Company.

### **(c) Reasons for repurchase**

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share. As compared with the position of the Company in its financial statements for the year ended 31 December 2011 (being the most recent published audited accounts), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be made in full during the proposed repurchase period. However, the Directors will not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**(d) Funding of repurchases**

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands. The Company is empowered by its memorandum and articles of association to repurchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Cayman Islands law, the repurchased Shares will remain part of the authorised but unissued share capital.

**(e) Connected persons**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the GEM Listing Rules) of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Company's shareholders, to sell Shares to the Company. As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and any applicable laws of the Cayman Islands.

**(f) Effect of takeovers code and minimum public float**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("Code"). As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the register of the shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholders	Number of shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Mr. Li Kin Shing ( <i>Note 1</i> )	750,000,000	72.29%	80.32%
Ms. Kwok King Wa ( <i>Note 2</i> )	750,000,000	72.29%	80.32%
New Everich Holdings Limited ( <i>Note 3</i> )	716,250,000	69.04%	76.71%

*Notes:*

1. Among the 750,000,000 Shares, 716,250,000 Shares are owned by New Everich Holdings Limited which is owned as to 54% and 46% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Mr. Li Kin Shing is deemed to be interested in the 716,250,000 Shares under the SFO. Mr. Li Kin Shing acquired 33,750,000 Shares on 19 May 2011.
2. Among the 750,000,000 Shares, 716,250,000 Shares are owned by New Everich Holdings Limited which is owned as to 54% and 46% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Also, Mr. Li Kin Shing acquired 33,750,000 Shares on 19 May 2011. Ms. Kwok King Wa is the spouse of Mr. Li Kin Shing. Accordingly, Ms. Kwok King Wa is deemed to be interested in the 716,250,000 Shares and 33,750,000 Shares respectively under the SFO.
3. These Shares are beneficially owned by New Everich Holdings Limited.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above shareholders would be increased to approximately the respective percentages shown in the last column above and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Code.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate in whole will result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Stock Exchange. The Directors confirm that the Repurchase Mandate will not be exercised to the extent as may result in a public shareholding of less than such prescribed minimum percentage.

## 2. SHARE PURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on GEM or otherwise) during the previous six months immediately preceding the Latest Practicable Date.

**3. SHARE PRICES**

During each of the 12 months immediately proceeding the Latest Practicable Date, the highest and lowest traded prices for Shares on GEM were as follows:

<b>Month</b>	<b>Price Per Share</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2011</b>		
March	0.26	0.19
April	0.22	0.20
May	0.21	0.19
June	0.20	0.18
July	0.20	0.18
August	0.19	0.16
September	0.18	0.15
October	0.18	0.14
November	0.17	0.13
December	0.16	0.12
<b>2012</b>		
January	0.17	0.12
February	0.20	0.16
March (up to the Latest Practicable Date)	0.19	0.17

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Directel Holdings Limited (the “**Company**”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 30 April 2012 at 10:00 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2011.
2. To appoint auditors and to authorise the board of directors of the Company (the “**Directors**”) to fix their remuneration.
3.
  - A. To re-elect Pang Kwok Chau as Director.
  - B. To re-elect Li Wang as Director.
  - C. To re-elect Lee Man Yee, Maggie as Director.
4. To authorise the board of Directors to fix the remuneration of the Directors.
5. As special business, to consider and if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:
  - A. “**THAT**
    - (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with the new shares in the capital of the Company, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a Right Issue (as hereinafter defined),
  - (ii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and its subsidiaries and/or other eligible persons of shares or rights to acquire shares of the Company; or
  - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly;
- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
  - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Right Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).

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## NOTICE OF ANNUAL GENERAL MEETING

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**B. “THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its own shares on The Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
- (b) the aggregate nominal amount of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
  - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

**C. “THAT**

conditional upon Resolutions 5A and 5B being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 5B shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 5A above.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

6. As special business, to consider and if thought fit, pass the following with or without amendments as special resolution:

**“THAT**

the following amendments to the articles of association of the Company be and are hereby approved and adopted:

- (a) the definition of “Listing Rules” in article 1(b) of the articles of association be amended to read as follows:

“shall mean, subject to such stock exchange(s) where the securities of the Company are listed, the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as amended from time to time) or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or the rules of such other stock exchanges.”

- (b) the existing provisions of article 107(c) of the articles of association be deleted in its entirety and substituted by the following:

“(c) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his Associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-

- (i) the giving of any security or indemnity either:

(a) to the Director or his Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;  
or

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.””

On behalf of the Board  
**Directel Holdings Limited**  
**Li Kin Shing**  
*Chairman*

Hong Kong, 23 March 2012

*Head office and principal place of business:*

Office Nos. 1, 2, 14 and 15  
37th Floor  
Hong Kong Plaza  
No. 188 Connaught Road West  
Hong Kong

**Notes:**

- (1) A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company but must attend the annual general meeting to represent the member.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (2) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
- (3) In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the annual general meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
- (4) The register of members will be closed from 27 April 2012 to 30 April 2012, both days inclusive. In order to ascertain the members' entitlement to the attendance of the forthcoming annual general meeting of the Company, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, namely Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 26 April 2012.

*As at the date of this announcement, the non-executive directors of the Company are Mr. Li Kin Shing and Mr. Wong Kin Wa, the executive directors of the Company are Mr. Pang Kwok Chau and Mr. Li Wang and the independent non-executive directors of the Company 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 of the Company, having made all reasonable enquires, confirm that, to the best of their knowledge and belief (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.*

*This announcement will remain on the GEM website ([www.hkgem.com](http://www.hkgem.com)) on the "Latest Company Announcements" page for least 7 days from the date of its posting. This announcement will also be posted on the Company's website at [www.directel.hk](http://www.directel.hk).*