

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



## **DIRECTEL HOLDINGS LIMITED**

**直通電訊控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8337)**

### **COMPLETION OF ISSUE OF UNLISTED WARRANTS UNDER GENERAL MANDATE**

Reference is made to the announcement of the Company dated 30 April 2014 (the “**Announcement**”) and the subsequent announcement of the Company dated 8 May 2014 in relation to, among others, the proposed issue of unlisted Warrants under General Mandate. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

#### **COMPLETION OF THE SUBSCRIPTION**

The Board is pleased to announce that the condition for the Subscription under the Subscription Agreement has been fulfilled and completion of the Subscription took place on 29 May 2014. Warrants conferring the rights to the Subscriber to subscribe up to an aggregate of HK\$32,960,000 for the Warrant Shares were issued by the Company to the Subscriber.

Based on the initial Subscription Price of HK\$0.1648 per Warrant Share and assuming that there will not be any change in the issued share capital of the Company before the exercise of the subscription rights attaching to the Warrants in full, 200,000,000 Warrant Shares will be issued, representing approximately 19.28% of the existing issued share capital of the Company and approximately 16.16% of the issued share capital as enlarged by the allotment and issue of the Warrant Shares.

## **FURTHER INFORMATION**

Further to the disclosure made in the Announcement, the Directors would like to provide additional information regarding the Subscriber, the fair and reasonableness of the Issue Price and Subscription Price and whether the Subscription is in the interest of the Company and Shareholders as a whole.

To the best of Directors' knowledge, information and belief, the Subscriber, being an investment holding company is investing in less than 5% of a company listed on the main board of the Stock Exchange and less than 5% of a private Chinese company with an offshore structure seeking for an offshore initial public offering or trade sale.

The Directors confirm that the Subscriber approached the Company for negotiation on the potential subscription of the warrants and after arm's length negotiation, the Issued Price and the Subscription Price were determined between the Company and the Subscriber based on (i) the declining financial performance of the Group (including the fact that the Company recorded a decrease in profit for the year ended 31 December 2013 and the profit warning of the Company dated 10 April 2014 regarding the loss for the three months ended 31 March 2014 as compared to the profit recorded in the corresponding period in 2013); (ii) the low liquidity of the Shares in the market; (iii) the prevailing market price of the Shares; (iv) the general market condition and fluctuation of the stock market; (v) the comparison with other issuers in the market which issued warrants in discount; and (vi) the Subscription Price payable by the Warrant holder(s) upon exercise of the subscription rights attached thereto. The Company had not taken into account the value of the Warrants based on other financial and/or valuation models and the Directors are of the view that each of the Issue Price and Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors further consider that the negotiation of issue of the Warrants is an appropriate mean for introducing the new investors to the Company as (i) the Warrants are not interest bearing; (ii) the issue of the Warrants will not have an immediate dilutive effect on the shareholding of the existing Shareholders; (iii) despite the Company does not have any urgent funding needs, the proposed issue of Warrants provides an opportunity for the Company to obtain additional working capital upon the exercise of the subscription rights attaching to the Warrants by the holders thereof; (iv) the discount of the Subscription Price would provide an incentive to the Warrant holder(s) to exercise the subscription rights which in turn will broaden the shareholder base and enhance capital base upon the

such rights are exercised; and (v) the introduction of an institutional investor to the Company may attract other potential investors or provide a potential collaboration opportunity in the future. The Directors consider that the issue of the Warrants is in the interest of the Company and the Shareholders as a whole.

By Order of the Board  
**Directel Holdings Limited**  
**Li Kin Shing**  
Chairman

Hong Kong, 29 May 2014

*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 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, 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](http://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](http://www.directel.hk).*