

**DIRECTEL HOLDINGS LTD:  
THIS IS A TINY COMPANY ...  
AND IS DESTINED, ALWAYS, TO BE SO**

One thing seems very apparent about Directel Holdings Ltd () (Code: 8337, The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd): It is a very small company.

And, further, it is destined to remain very small ... if it does not shrink to become even smaller than it is, today, that is.

On the first day of trading on Wednesday, June 2, 2010, the share price of Directel Holdings Ltd closed at 38 cents, after hitting a high of 55 cents and a low of 36 cents.

This Company only issued its Placing Prospectus on Friday, May 28, 2010, when it sought to Place a total of 250 million, one-cent Shares at the Placing Price Range of between 20 cents per share and 32 cents per share.

At the midway point of 26 cents per share, the Company estimates that it will net about \$HK49.80 million from this cash-call.

The money, raised in this Placing, will be used as to:

1. About \$HK16.30 million, equivalent to about 32.70 percent of the net proceeds of the **I**nitial **P**ublic **O**ffering (**IPO**), *'for further expansion of the business of mobile phone services in Macau [the Macau Special Administrative Region (MSAR) of the People's Republic of China (PRC)] and Taiwan and development of such service in other Asia Pacific territories, which the Group is still evaluating ...'*;
2. About \$HK15 million, equivalent to about 30.10 percent of the net proceeds of the IPO *'for the upgrade of the Group's telecommunications equipment for being compatible with the 3G mobile networks ...'*;
3. About \$HK13.60 million, equivalent to about 27.30 percent of the net proceeds of the IPO, *'for introducing **RF-SIM** (**R**adio **F**requency **S**ubscriber **I**ntity **M**odule) to the Group's mobile phone services in Hong Kong and Macau'*; and,
4. About \$HK4.90 million, equivalent to about 9.90 percent of the net proceeds of the IPO to be used as Working Capital.

No! This is not a telephone company.

No! This is not a high-technology company.

No! This is not a manufacturer – of anything.

Directel Holdings Ltd is a 13-man band – including Senior Management – engaging in what the Placing Prospectus describes as *'a mobile virtual network operator ("MVNO") which is principally engaged in the*

*provision of mobile phone services ...'.*

The word, 'virtual', as applied in the description of the business of Directel Holdings Ltd, is meant to suggest: Possessed of certain physical virtues or powers; effective in respect of inherent qualities; capable of exerting influence by means of such qualities.

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