
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Netel Technology (Holdings) Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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NETEL TECHNOLOGY (HOLDINGS) LIMITED

金利通科技(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8256)

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES, PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company is set out on pages 15 to 20 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy for the meeting in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.neteltech.com.hk>.

Please note that the English text of this circular shall prevail over the Chinese text.

31 August 2018

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF
HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	3
2. Issue Mandate	4
3. Share Buy-back Mandate and Extension Mandate	4
4. Re-election of Retiring Directors and Continuous Appointment of an Independent Non-executive Director Who Has Served More Than Nine Years	5
5. Annual General Meeting	6
6. Recommendation	6
7. Responsibility Statement	7
8. General Information	7
 Appendix I – Explanatory Statement	 8
 Appendix II – Information on Directors Subject to Re-election and Continuous Appointment of an Independent Non-executive Director Who Has Served More Than Nine Years Proposed for Re-election	 12
 Notice of the Annual General Meeting	 15

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company convened to be held at 15/F, Oriental Crystal Commercial Building, 46 Lyndhurst Terrace, Hong Kong on 2 October 2018 at 10:00 a.m. or any adjournment thereof
“Annual Report”	the annual report of the Company for the year ended 31 May 2018
“Articles of Association” or “Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“Close Associates”	has the meaning as defined under the GEM Listing Rules
“Company”	Netel Technology (Holdings) Limited, a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Core Connected Person”	has the meaning given in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that the total number of shares of the Company bought back under the Share Buy-back Mandate will be added to the total number of shares of the Company which may be allotted and issued under the Issue Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with shares of the Company of up to a maximum of 20% of the total number of Shares of the Company in issue as at the date of the passing of the relevant resolution
“Latest Practicable Date”	24 August 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Notice”	the notice for convening the AGM set out on pages 15 to 20 of this circular
“Old Share Option Scheme”	the share option scheme adopted by the Company pursuant to the shareholders’ written resolution passed on 4 December 2002 which has been expired
“Options”	the options granted under the Share Option Scheme and the Old Share Option Scheme conferring a right to subscribe for Shares
“Share Buy-back Mandate”	a general and unconditional mandate to the Directors to enable them to buy back shares of the Company the total number of which shall not exceed 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing ordinary share(s) of HK\$0.02 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to the shareholders’ ordinary resolution passed on 10 September 2012
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



NETEL TECHNOLOGY (HOLDINGS) LIMITED

金利通科技(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8256)

Executive Directors:

Mr. James Ang (*Chairman*)

Mr. Wei Ren

Ms. Yau Pui Chi, Maria

Dr. Zhong Shi

Registered office:

Century Yard Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Mr. Chiang Kin Kon

Mr. Wong Kwok Fai

Mr. Chau Siu Keung

*Head office and principal place of
business in Hong Kong:*

Room C, 9/F,

Max Share Centre 373 King's Road

North Point Hong Kong

31 August 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND BUY BACK SHARES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE
DIRECTOR WHO HAS SERVED MORE THAN
NINE YEARS AND NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM.

LETTER FROM THE BOARD

At the AGM, in addition to the ordinary business, resolutions will be proposed to approve the grant of each of the Issue Mandate, the Share Buy-back Mandate, the Extension Mandate, the re-election of retiring Directors and continuous appointment of an independent non-executive director who has served more than nine years.

Pursuant to the GEM Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the AGM. This circular is also prepared for such purpose.

2. ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new shares of the Company of up to 20% of the total number of Shares of the Company in issue as at the date of the passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,214,255,718 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or bought back by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 242,851,143 Shares.

3. SHARE BUY-BACK MANDATE AND EXTENSION MANDATE

At the AGM, an ordinary resolution will also be proposed to give to the Directors the Share Buy-back Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to buy back, on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed, shares of the Company of up to a maximum of 10% of the total number of Shares of the Company in issue as at the date of the passing of the relevant resolution at the AGM.

Based on 1,214,255,718 Shares in issue as at the Latest Practicable Date and assuming that no Shares will be issued or bought back by the Company prior to the AGM, subject to the passing of the proposed resolution granting the Share Buy-back Mandate to the Directors, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 121,425,571 shares, representing 10% of the total number of Shares of the Company in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM providing that any shares of the Company bought back under the Share Buy-back Mandate (up to a maximum of 10% of the total number of Shares of the Company in issue as at the date of the passing of the resolution granting the Share Buy-back Mandate) will be added to the total number of shares of the Company which may be allotted and issued under the Issue Mandate.

Each of the Issue Mandate and the Share Buy-back Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by its Articles of Association or any applicable law to hold its next annual general meeting; or (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the GEM Listing Rules, the Company is required to give all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Share Buy-back Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.

4. RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS

In accordance with the existing Article 87(1) of the Articles of Association, Mr. James Ang, Dr. Zhong Shi and Mr. Chau Siu Keung will retire from office by rotation, and, being eligible; offer themselves for re-election as Directors at the AGM.

According to the code provision A.4.3 of the Appendix 15 of the GEM Listing Rules, further appointment of an independent non-executive director who has served more than nine years should be subject to a separate resolution to be approved by shareholders. Mr. Chau Siu Keung who has served the Company more than nine years since 8 May 2009 will be subject to separate resolution to be approved by shareholders at the AGM.

Particulars of Mr. James Ang, Dr. Zhong Shi and Mr. Chau Siu Keung are set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

At the AGM, in addition to ordinary businesses, resolutions will be proposed to approve the grant of each of the Issue Mandate, the Share Buy-back Mandate, the Extension Mandate, the re-election of retiring Directors and continuous appointment of an independent non-executive director who has served more than nine years.

The notice convening the AGM to be held at 15/F, Oriental Crystal Commercial Building, 46 Lyndhurst Terrace, Hong Kong on 2 October 2018 at 10:00 a.m. is set out on pages 15 to 20 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and, in any event, not later than 48 hours before the time for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

6. RECOMMENDATION

The Directors believe that the proposed grant of each of the Issue Mandate, the Share Buy-back Mandate, the Extension Mandate, the re-election of retiring Directors and continuous appointment of an independent non-executive director who has served more than nine years are in the best interests of the Company and the Shareholders as a whole.

The Directors believe that the exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Share Buy-back Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share of the Company and/or earnings per share of the Company and will only be exercised when the Directors believe that buy-backs of Shares will benefit the Company and the Shareholders as a whole.

An exercise of the Share Buy-back Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 May 2018, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any buy-back in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

LETTER FROM THE BOARD

The Directors recommend Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

To the best of knowledge of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting at the AGM under the GEM Listing Rules.

7. RESPONSIBILITY STATEMENT

This circular, 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, information and belief the information contained in this circular 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 circular misleading.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Netel Technology (Holdings) Limited
James Ang
Chairman

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information as to the proposed Share Buy-back Mandate.

1. GEM LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to buy back their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all buy-back of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general share buy-back mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at Latest Practicable Date, there were a total of 1,214,255,718 Shares in issue.

Subject to the passing of the proposed resolution granting the Share Buy-back Mandate and on the basis that no further Shares will be issued or bought back prior to the AGM, the Company will be allowed under Share Buy-back Mandate to buy back a maximum of 121,425,571 Shares.

3. REASONS FOR THE BUY-BACK

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back shares of the Company on the Stock Exchange or any other stock exchange on which shares of the Company are listed. Share buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share of the Company and/or earnings per share of the Company and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACK

Buy-back made pursuant to the Share Buy-back Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association, the laws of the Cayman Islands and GEM Listing Rules. The Company will not purchase the Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Taking into account the current working capital position of the Company, the Directors consider that, if the Share Buy-back Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 May 2018, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any buy-backs to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the shares of the Company have been traded on the GEM in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
August	0.088	0.070
September	0.090	0.076
October	0.084	0.039
November	0.049	0.038
December	0.055	0.038
2018		
January	0.040	0.031
February	0.040	0.032
March	0.088	0.025
April	0.052	0.025
May	0.049	0.036
June	0.039	0.025
July	0.057	0.026
August* (Up to the Latest Practicable Date)	0.048	0.043

* Trading in the Shares has been suspended since 8 August 2018.

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to buy back Shares pursuant to the Share Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following persons were interested in 5% or more of the issued share capital of the Company. In the event that the Share Buy-back Mandate is exercised in full and there is no change in the number of Shares held by them after the Share Buy-back Mandate is exercised, the interest of such persons will be increased to approximately the percentage set out in the last column as follows:

Name of Shareholder	Number of Shares held	Approximate percentage of shareholding	Approximate percentage of shareholding if the Share Buy-back Mandate is exercised in full
Mr. James Ang (" Mr. Ang ") (<i>Note</i>)	373,141,819	30.73%	34.14%

Note: Represents Shares held by Mr. Ang (the Chairman and Executive Director of the Company) and his family member, in person or through Mr. Ang's wholly-owned companies

In the opinion of the Directors, if the Share Buy-back Mandate were exercised in full, the above shareholder would be obliged to make a mandatory offer to shareholder under Rules 26 and 32 of the Takeover Code. The Directors have no intention to exercise the Share Buy-back Mandate to such extent that will result to make a mandatory offer under the Takeovers Code. The Directors have also no intention to exercise the Share Buy-back Mandate to such an extent that will result in the number of shares of the Company in the hands of public falling below the prescribed minimum percentage of 25%.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Share Buy-back Mandate.

7. SHARE BUY-BACK MADE BY THE COMPANY

The Company had not purchased any of the shares of the Company (whether on the GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

8. DISCLOSURE OF INTERESTS AND UNDERTAKING OF THE DIRECTORS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates have any present intention to sell any shares of the Company to the Company if the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make buy-back pursuant to the Share Buy-back Mandate in accordance with the GEM Listing Rules, the Memorandum and Articles of Association and the applicable laws of Cayman Islands.

As at the Latest Practicable Date, no core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any shares of the Company to the Company nor has any such core connected person undertaken not to sell any shares of the Company held by him/her/it to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders to the Board.

**APPENDIX II INFORMATION ON DIRECTORS SUBJECT TO RE-ELECTION AND CONTINUOUS
APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR
WHO HAS SERVED MORE THAN NINE YEARS PROPOSED FOR RE-ELECTION**

**PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION AND CONTINUOUS
APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS
SERVED MORE THAN NINE YEARS PROPOSED FOR RE-ELECTION**

The biographical details of the Directors eligible for re-election at the AGM are set out below:

Mr. James Ang (“Mr. Ang”); aged 59, the Executive Director

Mr. Ang’s directorate in the Company commenced in December 2002.

Mr. Ang is the chairman of the Company and the founder of the Group. Mr. Ang is responsible for the business planning on overall development of the Group. He has around 31 years of experience in telecommunications industry. Prior to joining the Group in 1996, he served as a sales manager of Swire Telecom from 1984 to 1986 and was responsible for the establishment of offices in the People’s Republic of China (the “PRC”). After being employed with Swire Telecom, Mr. Ang served as a Director of the telecom division of AT&T from 1986 to 1995 and took charge of its business development in different countries. He obtained an honours diploma in Business and Management from the Hong Kong Baptist College (now known as the Hong Kong Baptist University). He is also a graduate from the University of London with bachelor degree in laws. He was called to the bar in United Kingdom and Hong Kong.

In the three years immediately preceding the Latest Practicable Date, Mr. Ang did not hold any directorship in other listed public companies.

Mr. Ang is not connected with any directors, (other than being the husband of Ms. Yau Pui Chi, Maria, an Executive Director), senior management or substantial or controlling shareholders of the Company, and as at the Latest Practicable Date, he and his family were interested in 373,141,819 Shares of the Company, which represented 30.73% of the issued share capital in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between the Company and Mr. Ang. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles. He was paid approximately HK\$3,384,000 as director’s remuneration for the year ended 31 May 2018, which is determined by the Board based on, amongst other things, level of responsibilities and performance.

**APPENDIX II INFORMATION ON DIRECTORS SUBJECT TO RE-ELECTION AND CONTINUOUS
APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR
WHO HAS SERVED MORE THAN NINE YEARS PROPOSED FOR RE-ELECTION**

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 17.50(2)(w) of the GEM Listing Rules.

Dr. Zhong Shi (“Dr. Zhong”); aged 43, the Executive Director

Dr. Zhong’s directorate in the Company commenced in June 2010.

Dr. Zhong was promoted to Chief Executive Officer of the Group in July 2013. He is the Chief Technology Officer of the Group and is the head of the Research and Development Department. Dr. Zhong has more than 19 years of experience in telecommunication and computer systems. Prior to joining the Group, he has been the Senior Research Engineer of TOSHIBA Telecommunication Research Lab in England, and also has been the Project Manager of Nan Tian Computer System in the People’s Republic of China (the “PRC”). He obtained his Ph.D. and MS.C in Department of Computer Science, School of Informatics from the University of Edinburgh, United Kingdom.

In the three years immediately preceding the Latest Practicable Date, Dr. Zhong did not hold any directorship in other listed public companies.

Dr. Zhong is not connected with any directors, senior management or substantial or controlling shareholders of the Company, and as at the Latest Practicable Date, he holds 16,700,000 Options of the Company, which represented 1.38% of the issued share capital in the Company. Other than that, he does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Pursuant to the service contract between Dr. Zhong and the Company, Dr. Zhong has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles. Dr. Zhong was paid approximately HK\$345,000 as director’s remuneration for the year ended 31 May 2018, which is determined by the Board based on, amongst other things, level of responsibilities and performance.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 17.50(2)(w) of the GEM Listing Rules.

**APPENDIX II INFORMATION ON DIRECTORS SUBJECT TO RE-ELECTION AND CONTINUOUS
 APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR
 WHO HAS SERVED MORE THAN NINE YEARS PROPOSED FOR RE-ELECTION**

Mr. Chau Siu Keung (“Mr. Chau”); aged 61, the Independent Non-Executive Director

Mr. Chau’s directorate in the Company commenced in May 2009.

He has been an independent non-executive director of the company since May 2009. Mr. Chau has over 38 years experience in sales and marketing field and over 26 years of experience in business management. Mr. Chau is currently a director of a Hong Kong private limited company which is principally engaged in the trading and investment in Hong Kong and the People’s Republic of China (the “PRC”).

In the three years immediately preceding the Latest Practicable Date, Mr. Chau did not hold any directorship in other listed public companies.

Mr. Chau is not connected with any directors, senior management or substantial or controlling shareholders of the Company, and as at the Latest Practicable Date, he holds 2,200,000 Options of the Company and was interested in 1,272,000 Shares of the Company, which together represented 0.29% of the issued share capital in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Chau has been appointed as an independent non-executive Director since 8 May 2009 and should he be re-elected at the AGM, he may continue to serve the Company for more than nine years. The Company has received from Mr. Chau’s confirmation of independence according to Rule 5.09 of the GEM Listing Rules. Mr. Chau has not engaged in any executive management of the Group. Taking into consideration of his independent scope of work in the past years, the Board considers Mr. Chau to be independent under the GEM Listing Rules despite the fact that he has served the Company for more than nine years. The Board believes that Mr. Chau is still independent to the Company and should be re-elected in the AGM.

There is no service contract entered into between the Company and Mr. Chau. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles. He was paid HK\$3,000 as director’s remuneration for the year ended 31 May 2018. He is not entitled to any fixed remuneration, except for having discretionary bonus determined by the Board based on, amongst other things, level of responsibilities and performance.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 17.50(2)(w) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



NETEL TECHNOLOGY (HOLDINGS) LIMITED

金利通科技(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8256)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Netel Technology (Holdings) Limited (the “Company”) will be held at 15/F, Oriental Crystal Commercial Building, 46 Lyndhurst Terrace, Hong Kong on 2 October 2018 at 10:00 a.m. to consider and, if thought fit, transact the following ordinary business:

1. to receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company and the Company’s auditors for the year ended 31 May 2018;
2. to re-elect the retiring directors of the Company and to authorise the board of directors of the Company to fix the remuneration of the directors of the Company;
3. To re-elect Mr. Chau Siu Keung who has served more than nine years as independent non-executive director and to authorise the board to fix his remuneration;
4. to re-appoint the Company’s auditors and to authorise the board of Directors to fix their remuneration;

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

5. “THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares of the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the memorandum and articles of association of the Company in force from time to time; or (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20 per cent. of the total number of Shares of the Company in issue on the date of the passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of Shares of the Company bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of Shares of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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 the applicable law of Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“Rights Issue” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the Company’s register of members on a fixed record date in proportion to their then holdings of shares of the Company (subject to such exclusion or other arrangements as the directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to buy back shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time, the memorandum and articles of association of the Company, and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of shares which may be bought back or agreed to be bought back by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the total number of Shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of 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 the applicable law of Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 5 above be and it is hereby extended by the addition to the total number of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the total number of Shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 6 above, provided that such amount shall not exceed 10% of the total number of Shares of the Company at the date of the passing of the said resolution.”

By order of the Board of Directors of
Netel Technology (Holdings) Limited

James Ang

Chairman

Hong Kong, 31 August 2018

List of directors:

As at the date of this notice, the Board comprises four executive Directors, Mr. James Ang, Mr. Wei Ren, Ms. Yau Pui Chi, Maria and Dr. Zhong Shi, and three independent nonexecutive Directors, Mr. Chiang Kin Kon, Mr. Wong Kwok Fai and Mr. Chau Siu Keung.

Registered office:

Century Yard Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room C, 9/F
Max Share Centre
373 Kings Road
North Point
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he/she/it is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum and articles of association of the Company, vote in his/her/its stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the above meeting or any adjourned meeting.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.