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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)

UPDATE ON DEVELOPMENT OF THE GROUP

This announcement is made by the board of directors (the “**Board**”) of Netel Technology (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 17.10 and 17.26A of The Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 7 August 2018 in relation to the decision (the “**Decision**”) of the GEM Listing (Review) Committee of the Stock Exchange to uphold the GEM Listing Committee’s decision to suspend trading in the Company’s shares (the “**Shares**”) under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company’s listing under Rule 9.14 of the GEM Listing Rules.

The Company is required to submit a resumption proposal (the “**Resumption Proposal**”) to demonstrate that it has a sufficient level of operations or assets as required by Rule 17.26 of the GEM Listing Rules at least 10 business days before the expiry of a period of six months from the date of the letter setting out the Decision, i.e. 22 January 2019. If the Company fails to submit a viable resumption proposal by the expiry of the six-month period, the Stock Exchange will proceed with the cancellation of the Company’s listing.

The Board wishes to inform the holders of the Shares (the “**Shareholders**”) that there have been the following key business updates on the development of the Group, mainly in relation to the two business sub-segments under its IT application segment, namely the GBjobs and recruitment related services segment and the prospecting and related services segment.

IT APPLICATION – GBJOBS AND RECRUITMENT RELATED SERVICES

The entering into of various recruitment service agreements

Between July 2018 and October 2018, leveraging on its big data system, the Company has been concluding several long-term contracts with various food and beverage companies in the Hong Kong Special Administrative Region (“**Hong Kong**”) and a company providing ground services in the Hong Kong International Airport. Under these contracts, the Group would provide recruitment services to the companies by referring suitable job candidates to them and receive referral commissions accordingly.

The entering into of recruitment and/or prospecting services framework agreements with various elderly homes

In addition, since August 2018, the Company has entered into framework agreements in respect of possible provision of recruitment and/or prospecting services by the Group to various elderly homes in Hong Kong. Pursuant to the aforesaid framework agreements, the Group may refer and the elderly homes may employ caregiver candidates to work in the elderly homes, under which the Group may receive referral commissions for each successful referral. The Group may also refer potential tenants to reside in the elderly homes and receive referral commissions in this relation. The Board is enthusiastic about the future business opportunities of this market as it is expected to be driven by the aging population and the increasing needs for elderly care services in Hong Kong.

The organisation of training sessions for caregiver candidates

In connection with the above, the Group has also been organising training sessions for caregiver candidates in the Company’s office in the People’s Republic of China. After identifying and approaching interested candidates through its big data system, the Group appoints registered nurses from Hong Kong to deliver the aforesaid training sessions and charges each candidate a fixed amount of training fees accordingly. It is expected that the candidates will possess the necessary skills after completing the training sessions and can work in elderly homes in Hong Kong upon completion of prerequisite administrative procedure. Accordingly, the Board believes that the organisation of such training sessions can be supplementary to the possible provision of the recruitment and/or prospecting services by the Group under the previously mentioned framework agreements, while generating extra income in the form of training fees for the Group. Since the first training session in September 2018, the Group has already organised a total of three training sessions (including the first one) and trained 81 candidates. The Board expects that this will become a new income source of the Group going forward.

IT APPLICATION – PROSPECTING AND RELATED SERVICES

According to the unaudited management accounts of the Company, revenue of this sub-segment amounted to approximately HK\$1.7 million for the three months ended 31 August 2018, representing a very substantial growth when compared to that of approximately HK\$8,000 for the three months ended 31 August 2017. This increase in revenue is contributed by the increase in the staff size in this segment to 5 members as at 31 August 2018 (as at 31 August 2017: 1 member), which enables the Group to capture more business opportunities and secure more business in this regard.

In addition, the Company is in the process of identifying a suitable target for possible cooperation or acquisition which can further enhance the Group's value chain via the provision of more downstream services to its customers. As at the date of this announcement, no legally binding agreement has been reached by the Company in this regard. Further announcement(s) will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

THE RESUMPTION PROPOSAL

The Company is currently devising the Resumption Proposal with potential investors and professional advisers. As at the date of this announcement, no concrete proposal has been formulated. Further announcement(s) setting out the details of the Resumption Proposal and its progress will be made by the Company as and when appropriate and in accordance with the relevant requirements of the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares on GEM of the Stock Exchange has been suspended since 9:00 a.m. on 8 August 2018 and will remain suspended until further notice.

Shareholders and potential investors should note that the resumption of trading in the Shares on GEM of the Stock Exchange is subject to various conditions which may or may not be fulfilled. There is no guarantee that the resumption of trading in the Shares on GEM of the Stock Exchange will take place. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

By order of the Board
Netel Technology (Holdings) Limited
James Ang
Chairman

Hong Kong, 7 November 2018

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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 contained herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcement” page of the GEM website for at least 7 days from its date of publication and on the website of the Company at www.neteltech.com.hk.