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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 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).

The board of directors (the “**Board**”) of the Company wishes to inform the holders (the “**Shareholders**”) of the shares of the Company (the “**Shares**”) that there have been the following key development and business updates of the Group.

RESUMPTION PROPOSAL

On 22 January 2019, the Company submitted to the Stock Exchange a resumption proposal to demonstrate that the Group has a sufficient level of operations and intangible assets for which a sufficient potential value can be demonstrated under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the Shares. Up to the date of this announcement, the Company had not yet received any response from the Stock Exchange in this regard. Further announcement(s) setting out updates of the aforesaid resumption proposal will be made by the Company as and when appropriate and in accordance with the relevant requirements of the GEM Listing Rules.

UPDATES OF THE IT APPLICATIONS SEGMENT OF THE GROUP

The prospecting and related services sub-segment

An additional real estate site for the Group to provide prospecting services

In January 2019, the Company entered into a master agreement with a property developer in the Kingdom of Cambodia (the “**Cambodia**”), pursuant to which the Company will organise show flat tours to and offer prospecting services of a real estate site in Phnom Penh of the Cambodia and receive commission for each successful real estate transaction thereunder. As at the date of this announcement, the Group was already in the course of identifying and approaching, through its big data system, potential real estate buyers for this real estate site in Phnom Penh of the Cambodia and expected that the first show flat tour thereto will be organised shortly.

New type of prospecting services agreement secured by the Company

On the other hand, the Company also entered into a long-term agreement with a client in January 2019, pursuant to which the Company will help identify, approach and invite potential customers in Hong Kong through the Group’s big data system to attend seminars organised by the client so as to facilitate its business. Accordingly, the Company charges the client a fixed amount of monthly fees and receives additional commission upon each successful transaction recorded by the client. The Board considers this an encouraging progress in the Group’s revenue model in respect of prospecting services, and the Company will continue to exploit more business opportunities in this regard with an aim to create maximum value for the Shareholders.

The GBjobs and recruitment related services sub-segment

“Larger-scale” recruitment services contracts secured by the Company

The Company has been securing “larger-scale” recruitment services contracts, each involving relatively more job positions at a time, with large-scale and well-known brands since around August 2018. Such brands include ground handling services provider operating in the Hong Kong International Airport, several famous food and beverage chain stores, popular coffeehouses, and leading elevators, escalators and moving walkways engineers in Hong Kong, etc. Not only have these contracts already contributed revenue to the Group, they are generally open-end orders in nature and the Directors believe that they represent long-term relationships between the Group and these brands which can stimulate the growth of GBjobs in the future.

Additional development of GBjobs

The Company has also entered into a service agreement with a consultancy company in Hong Kong which engages in matching local candidates to job vacancies in the United States of America (the “USA”). Pursuant to the service agreement, the Group will provide information of potential candidates to the consultancy company, and when a candidate is successfully matched to a job vacancy in the USA, the Group will handle the visa application procedure for the candidate. In return, the Company charges the consultancy company a fixed amount of monthly fees, and charges additional fee for each case of successful matching. As at the date of this announcement, the Group had already been receiving the aforesaid monthly fees and was in the course of identifying potential candidates in this regard. The Directors expect that the income stream arising from this service agreement will further increase when the Group can start to provide potential candidates to the consultancy company.

Opportunity captured to monetise the value of the China Online Salary Index

Reference is made to the announcement of the Company dated 21 November 2018 in relation to, among others, information on the Group’s China Online Salary Index. Starting from November 2018, the Group has been entering into service agreements with various external recruitment and technology companies in Hong Kong and the People’s Republic of China (the “PRC”). Pursuant to these service agreements, the Company will assist these companies to set up their own websites with the China Online Salary Index embedded therein, and charge these companies a significant amount of initial set up fees accordingly. The Group will also charge these companies monthly fees for providing supportive services such as website maintenance. Apart from such revenue, the Directors believe that these collaboration between the Group and other recruitment and technology companies could bring up future business opportunities and facilitate growth of both sides.

GBjobs in the Philippines and Singapore

The Group has recently established GBjobs websites in the Republic of the Philippines (the “Philippines”) and the Republic of Singapore (“Singapore”), respectively, providing recruitment related services comparable to the ones in Hong Kong and the PRC. The Group also plans to develop online salary Index in the Philippines and Singapore like the case of the China Online Salary Index. The Board considers the above to be the first step of the Group’s geographical expansion in respect of GBjobs and recruitment related services business, and expects that it can broaden the Group’s revenue base.

OTHER UPDATES OF THE GROUP

Independent committee to advise the Company

The Company has established an independent committee (the “**Independent Committee**”), comprising Mr. Fung Hing Wang, Dr. Tang Kam Tim (“**Dr. Tang**”) and Mr. Wang Zheng Wei, the primary responsibility of which is to advise the Company on business strategy and conduct periodic review thereon. Members of the Independent Committee possess extensive experience in fields such as statistics, manufacturing, industrial activities and business development, technology and innovation. The Board believes that the Independent Committee is able to help the Group formulate useful and favourable business strategies, ensure that these strategies will be properly executed, and help the Group capture business opportunities. In particular, with the assistance of Dr. Tang, the Group met with a real estate developer based in Dongguan, Guangdong Province of the PRC, and has been discussing with it to possibly conclude a real estate prospecting service agreement in the ordinary course of business of the Group.

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.

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

Hong Kong, 3 February 2019

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 nonexecutive Directors, Mr. Chiang Kin Kon, Mr. Wong Kwok Fai and Mr. Chau Siu Keung.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.neteltech.com.hk.