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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.

In this quarter, the Company has continued to focus on its core business of big data development and its related applications, namely recruitment and prospecting. As a technology-driven company, the Company has realized long ago that its business must be focusing on global and Mainland China market, and shall not solely rely on Hong Kong market. This focus helps the Company to avoid the instability of Hong Kong.

The Company has been focusing on both local and cross border head hunting businesses and its cross border head hunting business has accelerated further during this quarter. The Company has been cooperating with the Hong Kong Science and Technology Park and Cyberport, for the needs of cross boarder and local IT professionals’ recruitment for its tenants. Great achievements have been made on this front.

Except for working with Hong Kong Science and Technology Park and Cyberport, the Company has signed head hunt contracts with a number of other IT Corporations in the Mainland and Hong Kong.

To ensure a stable supply of potential job candidates for recruitment purpose, the Company makes the best use of its Big Data System (including but not limited to China Salary Index) and partnerships with IT training schools in the Mainland. The Company is confident that this part of business will broaden its industry recruitment expertise and will push its recruitment services to a new height as its business is more expansive.

The Company is pleased to announce that 散工王 Facebook page has contributed a high growth and stable data source to its Big Data System. As of today, the existing registered members on 散工王 Facebook page is over 92,000 already and more than 30,000 readers per day entered this page for job searching.

Because of the vast number of users, 散工王 is no longer bounded by the recruitment needs of the Corporations, but also attracting advertising placements from Corporations including immigration companies, law firms and companies from consumer markets (e.g. cosmetics companies and food companies). These advertising placements have widened the Company's revenue source and are providing an excellent foundation, not only to grow the Company, but also to ensure the Company is financially sustainable in the long run.

In certain cases, except for advertising revenues, there are opportunities for profit sharing to the Company as some Corporations asked the Company to provide a more tailor made solutions which fit its needs.

Recently, the Company has brought its Big Data to the Mainland via the Chamber of Commerce in the Mainland. In July 2019, the Company held a big data introduction conference for export companies in Shenzhen, attracting countless export companies to ask the Company for cooperation. These export companies were fully aware of the Company's database after knowing the database itself has contained more than 30 million overseas company's information. This information is valuable and needed by export companies in the Mainland, given the current trade war between United State of America and the Mainland. This again, demonstrates and proof why the Company is so keen on continuous development of its Big Data System. The Company will continue to hold such conferences in the Mainland to increase its exposure in the market.

The Company's management believes that measuring the size of a technology-driven company shall not be limited to previous history and current performance, because IT companies are characterized by a geometric growth that can be achieved when a certain amount of active users is reached. We expect investors of Netel to have the opportunity to enjoy this leap forward of the Company in a near future.

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, 12 August 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 non-executive 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.