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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.

In the recruitment segment, the Company has been able to maintain stable business despite the social unrest in Hong Kong and uncertainty surrounding the global economies. To react with such dynamic environment, the Company has been working hard to enhance the Company’s products and services, by integrating its resources including, but not limited to, Gbjobs, China Salary Index and 散工王. During the past few months, the Company is beginning to target 20 cities in China for promoting its China Salary Index and cross border headhunting. With a hope that the proposed capital injection plan can be materialized and executed, the management expects to utilize certain amount of proceeds to conduct further marketing activities to promote the Group’s services and brand.

In the prospecting segment, the business is promising. Nowadays, traditional media method (e.g. newspaper and magazine) is not as effective as few years ago because people spend more time on browsing electronic devices. Further, digital method can easily penetrate in other countries. These factors drive the continuous growth in digital marketing. As a technological driven company, the Company is in a good position to serve its client in a most efficient and effective way as it has an advance Big Data System which already contains a big information backbone.

The Company has stepped up its prospecting service in Philippines and has started to lead commercial delegates from China to Philippines to materialize their export business. The first delegate will leave for Manila in November 2019 and the Company intends to organize such activities on a monthly basis. In addition, Netel Digital Marketing Limited, a subsidiary of the Company, will sign a cooperation agreement with Modern Group, a conglomerate in Indonesia, to facilitate cooperation between Modern Group and the Company. These will help to expand the Group's business geographically.

As a technology-driven company, its scale of operation should not solely defined by quantitative fact such as the level of revenue to which it attracts. Emphasis should also be placed other quantitative fact such as the amount of countries/population to which it is serving and the amount of R and D which is taking place.

After endless and tremendous effort spent by the management and staffs of the Group, the Group has been profitable for 5 consecutive quarters from 2018. Such consecutive profit trend is not a coincidence and it is definitely suggesting and proving that the business is sustainable. With its solid management team, its staffs and its Independent Committee Members, the Group is confident that it will continue to deliver profit given the current fierceness situation experience in Hong Kong market and Sino-U.S. trade war.

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, 8 November 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 collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 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.