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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)

BUSINESS AND OTHER UPDATES AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Netel Technology (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with the information of the latest development of the Group.

BUSINESS AND OTHER UPDATES

The big data business of the Group continues to make great progress and has potential for helping enterprises to facilitate their export activities. The Group decides to provide further services to exporters through partners on one of the renowned online sales platform(s) which is based in the United States. Along this direction, the Group will contact the relevant export companies directly through the mainland chamber of commerce and government business organisations. Recently, the Shenzhen government has been authorised by the central government to increase its efforts to develop big data in the Greater Bay Area. Against this backdrop, the Group will develop and expand the application of its big data system (the “**Big Data System**”) to export activities in this area.

From 2018 to 2019, the Group organised guided show flat tours through its Big Data System for potential buyers to purchase properties in the Greater Bay Area. At that time, the Company cooperated with an electronic platform, “Tencent Smart Real Estate”(騰訊智慧房產), which is a specialised platform linking up real time information of real estates from different real estate developers in the People’s Republic of China (the “**PRC**”) and more than ten real estate developers achieved good results. Despite the social movements that occurred in 2019 and the subsequent pneumonia have hindered the development of show flat tours, the Company decided to re-activate such activities recently. As at the date of this announcement, there are over 20,000 Chinese real estate developers in the Big Data System. The Company has already secured several legally-binding contracts with real estate developers and will vigorously develop big data for real estate applications in this direction.

As disclosed in the announcement of the Company dated 15 October 2020 (the “**Announcement**”), the Company has secured a loan facility from an investor in Shenzhen, the PRC, for a maximum amount of RMB20 million for the purpose of purchase of goods in respect of its prospecting of epidemic-related products. The Company is of the view that the loan facility serves as an additional financial channel to the Group which will greatly improve its sales capabilities.

The Company would like to emphasis that, nearly 70% of its shares are held in public hands, which generally consist of local, mainland and Southeast Asian investors. The Company is of the view that the public interest is the core matter for the Listing Appeal Committee to consider. As announced in the Announcement, several entrepreneurs and investors in Shenzhen passed their support letters to the Company, which were directed to the Stock Exchange regarding their opposition to the delisting of the Company’s shares.

The Company would like to reiterate that, it has been listing on the Stock Exchange since 2002, and such 18-year history has proved the development capabilities of the Company. The Company is regarded as an IT company, and its business cycle is generally similar to the top IT companies in the United States and China which have been working silently for more than 10 years before their businesses get better. The Company is of the view that, when it is just about to extend its business into China for development, the sudden decision imposed by the Listing Division to delist its shares was very unfair to investors. Taking public interest as its primary concern, the Company has all along been collecting and listening to the opinions of investors and shareholders and will take actions at an appropriate time that is considered to be the most beneficial to investors and shareholders.

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 of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 October 2020

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 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.