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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)

QUARTERLY UPDATES; AND CONTINUED SUSPENSION

This announcement is made by Netel Technology (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 17.26A of The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

QUARTERLY UPDATES

A. Exponential growth in the number of registered members of the Company’s platform of 散工王 Facebook page (“散工王”)

Ten years ago, GBjobs.com Limited (“**GBjobs**”), a wholly-owned subsidiary of the Company, launched its recruitment services in Hong Kong. Until five years ago, in view of the rapid development of part time work in the local market, GBjobs launched its part-time recruitment services through 散工王. Similar to other information technology businesses, when it grows to a point of explosive growth, there will be geometric growth of the Company’s business. The following shows the data released by Facebook in 2020 which reflects this fact:

Date	Registered members	Active members	New members compared to preceding week	New job vacancy compared to preceding 28 days	New member growth per month
22 Feb 2020	100,900	62,000	700	2,391	2,800
20 August 2020	115,000	69,200	747	2,120	2,988
26 September 2020	118,700	70,700	926	3,694	3,704
12 November 2020	125,700	77,000	1,735	4,739	6,940

It is seen that the number of registered members in 散工王 has exceeded 5% of the total work population in Hong Kong. In addition, there has been an increase of around 6,000 new members every month, which is twice the growth rate as compared to two months ago.

In terms of employers' side, in November 2020, its growth rate was around 98% of that in February this year, which also denotes an astonishing increase. Such growth rate is not only due to the social demand on part time workers, but more importantly, the Company has successively made use of its Big Data for promotion of 散工王. In fact, the Company has already been in the course of promoting to other product or service providers of combining Big Data with new media as a way of promotion channel. This technique is seen to gradually replace the traditional propaganda media.

In addition to using Big Data and new media for promotion by 散工王, the Company also applied such promotion technique in show flat tours to help the Company turned losses into profits from 2018 to 2019. The properties of the show flat tours were promoted by 散工王, which created considerable income. At that time, there were about 50,000 members in 散工王. As at the date of this announcement, there are already more than 125,000 members. Furthermore, there are already numerous brand customers who are attracted to 散工王 to promote their products or services. As such, 散工王 helps the Company to generate additional income.

It is believed that 散工王 will gradually migrate and generate direct income to the Group, which is the same as Google and Baidu. When the number of high-technology visits reaches an explosive point, there will be a geometric increase in memberships and revenue generated from the platform. At that time, it is the best timing to charge advertising fees which will become the direct income of the Group. The Company has been waiting for this timing to come for five years. In the past, the opening up of 散工王 is to attract registered members, which the Company believes such goal has been accomplished. As long as the Company starts to accept advertising fees from product or service providers, for indicative purpose, as long as 20% of employers pay HK\$1,000 per month for advertising, the monthly income already reaches seven digits. It is only natural to slowly shift from indirect income to direct income, in view of the Company's investment in the Big Data and 散工王 for almost 10 years and 5 years, respectively.

散工王 has been helping the Company to generate indirect income, such as rental income received from letting recruitment vehicles. In addition, a convenience store with the most branches in Hong Kong is also one of the Group's customers, which rent the Company's recruitment vehicle for hire. Besides, they will also place advertisement on the 散工王 platform as a complement to their promotion strategy. It is generally believed that such combination of promotion channels are rarely seen in the market. 散工王 has increased the competitiveness in headhunting and recruitment vehicle, which also brings in indirect income.

Therefore, the Company holds an opposite view to the Stock Exchange which deems the Company having low income as if the Company has been waiting for selling of the listing status. The underlying fact is that, such income level is generated from the Company's dedicated work for developing software and attracting registered members for free over the past ten years. This is the typical pattern for high-technology companies and should not be ignored. Similar to other high-technology companies, no matter Alibaba, Baidu, Google have passed this stage. It is generally believed that the Company should be recognised as the pride of Hong Kong's Big Data.

When Hong Kong TVB launched the mobile recruitment vehicle in 2014, the news perspective program once visited the Company. This time, the financial programme of TVB also visited and asked about 散工王, which will be broadcast in November 2020. Therefore, both platforms of 散工王 and GBjobs have attracted the attention of many Hong Kong job seekers.

Over the years, it is generally believed that tens of thousands job seekers in Hong Kong successfully located jobs through GBjobs and 散工王. This is the Company's social responsibility. In the past five years, 散工王 has not collected any fees from employers or employees. Again, this is the Company's social responsibility.

B. Big Data show flat tour

From 2018 to 2019, the Company promoted real estates in the Greater Bay Area through the promotion of Big Data and members over 散工王 platform and achieved success, helping the Company to earn a seven-digit profit. In addition, the Company also won the best partner award from the building sales platform of the largest Internet company in China. It is a pity that after the Hong Kong social movement and pneumonia, the Company is no longer possible to go to China to continue replicate the success. However, the Company has not stopped developing relations with real estate companies in China, and has been in the course of looking for business partners to increase the portfolio of attractive properties.

In view of the softening of the epidemic, the Company believes it can go to China soon. Recently, the Company signed a contract with a real estate company in China, as it found a real estate suitable for the 120,000 members of 散工王 platform. The Company will use Big Data to promote such real estate by organising show flat tours, which is the same as in the past. Since time is an essence, the Company will take the lead in launching online viewing of such real estate.

It is a very successful example to use Big Data and 散工王 promotion channels in show flat tours. It is generally believed that this business will develop in the long term. In the Company's database, there are tens of thousands of mainland real estate developers. Coupled with much successful experiences in the past, the Company have attracted the attention of many real estate developers. Recently, the Company just negotiated a contract for a mainland real estate company to rent promotional car. This is a long-term contract that will bring the Company's seven-digit revenue.

From 2018 to 2019, the Company have less than 40,000 members on the 散工王 platform. However, advertisements in relation to the show flat tours have been placed on the platform for a considerable period of time. Coupled with the Company's Big Data, more than 80% of property buying group business comes from Big Data and advertising through 散工王 platform. Today, the Company's 散工王 platform have more than 125,000 members. Together with the Company's successful experience, such business will do better this time.

The Company believes that it can already use the Big Data to the fullest if there is no pneumonia that interrupts the business. Therefore, the delisting decision of the Company by the Stock Exchange would be very unfair to the Company and stockholders if such factor was not taken into consideration.

C. Big Data helps exports of enterprises

Another contribution of the Company to the society is to help companies export. The Company uses Big Data and build an electronic mall to help Hong Kong and mainland companies export, and help mainland companies build Facebook in Hong Kong. Since the mainland has no way to download Facebook, this business will grow with the development of Big Data.

In this quarter, the Company cooperated with a Hong Kong company that has been operating the Amazon platform for more than 20 years. The Company formally introduced the service of opening an Amazon account to customers and potential customers of the Group. Through such cooperation, it will make the Company's business to be more professional.

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D. Headhunting services through GBjobs

During the period of pneumonia, the entire economy was going down and the recruitment through GBjobs by the Company was also deeply hit in Hong Kong. However, recently, the Company found that employers in certain industries have started hiring one after another, including the largest convenience store in Hong Kong. They have begun to rent the recruitment vehicles of the Company and place advertisements on the Company's recruitment platform. More importantly, more and more employers understand the Company's recruitment vehicles and headhunting services through the promotion of 散工王 platform. The number of employers who have published jobs in the 散工王 platform has increased sharply from around 2,391 on 22 February 2020 to around 4,739 as of today. The Company believes that when the economy starts to recover, the Company will become the full recruiting partner of such employers.

During the course of conducting recruitment activities, the Company found that the epidemic have impacted certain industries but contributed to others. Therefore, the Company's headhunting services focus on those industries which was less impacted. For example, the Company has a long-term contract with a well-known elevator company in Europe to hire elevator maintenance technicians. It is found that such businesses have made progress in this environment.

The brand of GBjobs has been established. This industry is believed to be long-lasting and the short-term impact of the epidemic will pass. If one choose a certain period of economic downturn to measure and evaluate the Company's business, it is very unfair to the stockholders and investors of the Company.

E. Cross-border headhunting services

One of the main businesses of the Company is cross-border headhunting. The Company conducts information technology headhunting in China for Hong Kong Science Park and Cyberport. In turn, the Company also paves the way for people in Hong Kong to work in China. This business combines the Company's Big Data and artificial intelligence technology, as well as the Company's license to collect and organize personal information in China. It is believed that such combination will bring long-term benefits to cross-border headhunting.

It is a pity that the cross-border headhunting business is also affected by the epidemic. However, recently, GBjobs was invited to participate in the Guangdong Human Resources Bureau and the exchange meeting of overseas talent recruitment. It is convinced that GBjobs will have a good opportunity to develop both in Hong Kong and China, and will not be impacted by the epidemic in the long term.

F. Deposits received from investors as a result of issuance of new shares

As disclosed in the Company's announcement dated 25 August 2020, the Company entered into ten Subscription Agreements with ten Subscribers, in order to provide funds for the acquisition of a target company in Shanghai (the "**Target Company**") and its other business plan. As at the date of this announcement, the Company has received deposits of approximately HK\$3 million in aggregate. It indicates that the investors are full of confidence in the company's development through committing their respective funds to the Company before the resumption of trading of the Company's shares. According to the Company's understanding, the investors mainly find that the Company is still full of vitality under the epidemic, and the Company's Big Data, including 散工王, is still growing rapidly.

G. Regarding the acquisition of the Target Company and its related business development

The Target Company's business in Shanghai has been freed from the interference of the epidemic, which is reflected by several major successful bidding of new contracts under the recent environment. Therefore, it is believed that the acquisition of the Target Company will further bring the business of 散工王 and the Company to the Yangtze River Delta. Relatively, the Company can also help Shanghai's business develop to Hong Kong and overseas.

H. Update on the listing status

On 19 October 2020, the Company held a meeting with the Listing Appeals Committee for a review hearing in relation to the delisting decision by the Listing Division. As at the date of this announcement, there has been no material updates in this regard.

Should there be any material development(s), further announcement(s) will be made by the Company as and when appropriate and in accordance with the 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 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, 13 November 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 nonexecutive 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.