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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)**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 22 May 2017 (after trading hours), the Company and each of the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company conditionally agreed to issue a total of 60,000,000 Subscription Shares at a price of HK\$0.10 per Subscription Share.

The Subscription Shares represent approximately 5.31% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.04% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be issued under the General Mandate and will rank *pari passu* in all respects among themselves and with the existing Shares.

The gross proceeds arising from the Subscription will be HK\$6,000,000 and the net proceeds arising from the Subscription will amount to HK\$5,760,000. The Company intends to apply the net proceeds from the Subscription as to: (i) approximately HK\$2,000,000 for the development of Big-data business and E-commerce business of the Group; (ii) approximately HK\$1,000,000 for hosting a cross-border recruitment event; and (iii) the remaining balance for the general working capital of the Group such as staff salaries and rental costs of Hong Kong office, Shenzhen office and Guangzhou office respectively. The net proceeds raised per Subscription Share arising from the Subscription will be approximately HK\$0.096 per Subscription Share.

**Since the Subscription is subject to the conditions set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 22 May 2017 (after trading hours), the Company and each of the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company conditionally agreed to issue a total of 60,000,000 Subscription Shares at a price of HK\$0.10 per Subscription Share.

## **SUBSCRIPTION AGREEMENTS**

### **Date**

22 May 2017

### **Parties to the Subscription Agreement I**

- (i) the Company (as issuer); and
- (ii) Ms. Luo Ying (as the Subscriber I)

### **Parties to the Subscription Agreement II**

- (i) the Company (as issuer); and
- (ii) Mr. Yeung King Pui (as the Subscriber II)

### **Parties to the Subscription Agreement III**

- (i) the Company (as issuer); and
- (ii) Ms. Li Yun Chi Candice (as the Subscriber III)

Subscriber I and Subscriber III are businesswomen while Subscriber II is a businessman. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscribers are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules). Each of the Subscribers is independent of and not connected with each other and their respective close associates.

Immediately upon completion of the Subscription, each of the Subscribers will not become a substantial shareholder of the Company.

### **Subscription Shares**

The Subscription Shares represent approximately 5.31% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.04% of the issued share capital of the Company as enlarged by the Subscription Shares.

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for, 5,000,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share.

Pursuant to Subscription Agreement II, the Company has conditionally agreed to allot and issue, and Subscriber II has conditionally agreed to subscribe for, 5,000,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share.

Pursuant to Subscription Agreement III, the Company has conditionally agreed to allot and issue, and Subscriber III has conditionally agreed to subscribe for, 50,000,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share.

### **Subscription Price**

The Subscription Price is HK\$0.10 per Subscription Share. The aggregate nominal value of the Subscription Shares is HK\$1,200,000.

The Subscription Price:

- (a) represents a discount of approximately 1.96% to the closing price of HK\$0.102 per Share as quoted on the Stock Exchange on 22 May 2017, being the date of the Subscription Agreements; and
- (b) is equivalent to the average closing price of HK\$0.10 per Share for the last five trading days immediately prior to 22 May 2017, being the date of the Subscription Agreements.

After deduction of relevant expenses of the Subscription, the net Subscription Price per Subscription Share is approximately HK\$0.096.

The Subscription Price is HK\$0.10. The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription Price are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

### **Ranking of Subscription Shares**

The Subscription Shares will be issued under the General Mandate and will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the Completion Date.

## **Condition of the Subscription**

Completion of the Subscription is conditional upon the fulfillment of the following conditions as set out under the Subscription Agreements:

- (i) the GEM Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares; and
- (ii) in relation to the transactions contemplated in the Subscription Agreements, all relevant regulatory requirements (including but not limited to those under the GEM Listing Rules and all relevant regulatory requirements in Hong Kong) having been complied with and satisfied.

If any of the above conditions is not fulfilled on or before 30 June 2017 (or such other date as may be agreed between the Company and the Subscribers), the rights and obligations of the Subscribers and the Company in respect of the Subscription shall forthwith terminate and cease to have any effect and the Company shall forthwith refund the Deposits without interest to the Subscribers.

**Since the Subscription is subject to the conditions set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **Completion**

The Completion shall take place within five business days immediately following the satisfactions of the conditions set out in the Subscription Agreements (or such other date as may be agreed between the Company and the Subscribers).

## **GENERAL MANDATE**

The Company was authorised to issue and allot 213,862,943 Shares, being 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of such resolution under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 30 September 2016.

As at the date of this announcement, the General Mandate has been utilised as to 37,000,000 Shares comprising: (i) 25,000,000 Shares for the subscription of new Shares by a subscriber completed on 25 November 2016; and (ii) 12,000,000 Shares for the subscription of new Shares by two subscribers completed on 23 January 2017. Save for the subscription mentioned above, there are no other Shares or securities have been allotted and issued by the Company under the General Mandate. Accordingly, the Company may still issue and allot up to 176,862,943 Shares under the unutilised part of the General Mandate and it is intended that the Subscription Shares will be allotted and issued thereunder.

## EFFECT OF ISSUE ON SHAREHOLDING

The existing and enlarged shareholding structure of the Company immediately before and after the completion of the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion Date other than as a result of the allotment and issue of the Subscription Shares) is set out below:

Shareholders	As at the date of the Subscription Agreements		Immediately upon completion of the Subscription Agreements	
	<i>Number of Shares</i>	<i>Approx%</i>	<i>Number of Shares</i>	<i>Approx%</i>
Mr. James Ang <sup>1</sup>	321,182,819	28.44	321,182,819	27.00
Ms. Yau Pui Chi, Maria <sup>2</sup>	36,189,000	3.20	36,189,000	3.04
Mr. Wei Ren <sup>3</sup>	500,000	0.04	500,000	0.04
Mr. Chau Siu Keung <sup>4</sup>	1,272,000	0.11	1,272,000	0.11
Public:				
Subscriber I	—	—	5,000,000	0.42
Subscriber II	—	—	5,000,000	0.42
Subscriber III	—	—	50,000,000	4.20
Others	770,490,899	68.21	770,490,899	64.77
Total	1,129,634,718	100.00	1,189,634,718	100.00

*Notes:*

1. Represents shares held by Mr. James Ang (the Chairman and executive director of the Company) or through Mr. James Ang's wholly-owned companies.
2. Represents shares held by Ms. Yau Pui Chi, Maria (spouse of Mr. James Ang and an executive director of the Company) in person.
3. Represents shares held by Mr. Wei Ren (an executive director of the Company) in person.
4. Represents shares held by Mr. Chau Siu Keung (an independent non-executive director of the Company) in person.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

<b>Date of announcement(s)</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of net proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
20 May 2016, 8 June 2016	Issue of new shares	Approximately HK\$1.22 million	All will be used for general working capital	Use as intended. The proceeds had been used for general working capital such as staff salaries and rental costs as to: (i) approximately HK\$0.19 million for the Guangzhou Office, (ii) approximately HK\$0.15 million for the Shenzhen Office, and (iii) approximately HK\$0.88 million for the Hong Kong Office
25 July 2016, 5 August 2016	Issue of new shares	Approximately HK\$0.92 million	All will be used for general working capital	Use as intended. The proceeds had been used for general working capital such as staff salaries and rental costs as to: (i) approximately HK\$0.12 million for the Guangzhou Office, (ii) approximately HK\$0.11 million for the Shenzhen Office, and (iii) approximately HK\$0.69 million for the Hong Kong Office

25 October 2016, 28 October 2016, 25 November 2016	Issue of new shares	Approximately HK\$2.4 million	All will be used for general working capital	Use as intended. The proceeds had been used for general working capital such as staff salaries and rental costs as to: (i) approximately HK\$0.26 million for the Guangzhou Office, (ii) approximately HK\$0.18 million for the Shenzhen Office, and (iii) approximately HK\$1.96 million for the Hong Kong Office
11 January 2017, 23 January 2017	Issue of new shares	Approximately HK\$1.14 million	All will be used for general working capital	Use as intended. The proceeds had been used for general working capital such as staff salaries and rental costs as to: (i) approximately HK\$0.09 million for the Guangzhou Office, (ii) approximately HK\$0.09 million for the Shenzhen Office, and (iii) approximately HK\$0.96 million for the Hong Kong Office

Save as disclosed above, the Company has not carried out any fund raising exercises during the 12 months immediately preceding the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The gross proceeds arising from the Subscription will be HK\$6,000,000 and the net proceeds arising from the Subscription will amount to approximately HK\$5,760,000. The Company intends to apply the net proceeds from the Subscription as to: (i) approximately HK\$2,000,000 for the development of Big-data business and E-commerce business of the Group; (ii) approximately HK\$1,000,000 for hosting a cross-border recruitment event; and (iii) the remaining balance for the general working capital of the Group such as staff salaries and rental costs of Hong Kong office, Shenzhen office and Guangzhou office respectively. The net proceeds raised per Subscription Share arising from the Subscription will be approximately HK\$0.096 per Subscription Share.

The Directors consider that the Subscription represents an opportunity to raise capital for the Company while broadening its shareholder and capital base. Accordingly, the Directors consider that the Subscription is in the interest of the Company and its Shareholders as a whole.

Depending on the prevailing market conditions at the relevant time, the Company may enter into agreements for further issues of similar Subscription Shares from time to time with the Subscribers and/or other party. The Company will comply with the GEM Listing Rules to make all necessary announcement(s), where appropriate, if and when any such further issues do proceed.

## **GENERAL**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The principal activity of the Company is investment holding. The Group is principally engaged in research and development of telecommunication and recruitment applications, value-added service software and provision of related services, trading of telecommunication equipment, provision of long distance call services and online recruitment services in Hong Kong.

## **DEFINITIONS**

“Board”	means the board of Directors
“Business Day”	means a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)



“Company”	means Netel Technology (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange
“Completion Date”	means the date which the conditions precedent under the Subscription agreements are fulfilled
“Directors”	means the directors of the Company
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“General Mandate”	means the general mandate granted by the Shareholders at the annual general meeting held on 30 September 2016 authorising the Directors to allot, issue or otherwise deal with up to 213,862,943 Shares (representing 20% of the issued share capital of the Company as at that date) and to make or grant offers, agreements and options which might require the exercise of such powers
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	means the People’s Republic of China
“Shareholder”	means the holder of Shares
“Shares”	means the ordinary shares of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

“Subscriber I”	means Ms. Luo Ying, a businesswoman
“Subscriber II”	means Mr. Yeung King Pui, a businessman
“Subscriber III”	means Ms. Li Yun Chi Candice, a businesswoman
“Subscription”	means the subscription for the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreements”	collectively, Subscription Agreement I, Subscription Agreement II and Subscription Agreement III
“Subscription Agreement I”	means the conditional subscription agreement dated 22 May 2017 entered into between the Company as issuer and Subscriber I in relation to the Subscription
“Subscription Agreement II”	means the conditional subscription agreement dated 22 May 2017 entered into between the Company as issuer and Subscriber II in relation to the Subscription
“Subscription Agreement III”	means the conditional subscription agreement dated 22 May 2017 entered into between the Company as issuer and Subscriber III in relation to the Subscription
“Subscription Price”	HK\$0.10 per Subscription Share
“Subscription Shares”	a total of 60,000,000 new Shares
“%”	means per cent.

By order of the Board  
**Netel Technology (Holdings) Limited**  
**James Ang**  
*Executive Director*

Hong Kong, 22 May 2017

*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](http://www.neteltech.com.hk).*