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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)

**THE STOCK EXCHANGE'S NOTICE OF PROCEEDING TO
CANCEL THE COMPANY'S LISTING**

This announcement is made by the Company pursuant to Rule 9.17 of the GEM Listing Rules of the Stock Exchange and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**THE STOCK EXCHANGE'S NOTICE OF PROCEEDING TO CANCEL THE COMPANY'S
LISTING**

The Company has received a letter dated 20 October 2017 from the Stock Exchange (the "**Letter**"), which serves as a notice pursuant to Rule 9.15 of the GEM Listing Rules that the Stock Exchange has decided to proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules (the "**Decision**") after having considered, among others, the following:

- (i) the Company's principal businesses of long distance call services, telecommunication equipment trading business and recruitment services in Hong Kong have been at a low level of operations;
- (ii) the Company's new businesses have a relatively short or no track record and are still at an early development stage, and it is not clear whether the execution of the Company's business plans would substantially increase its business operations to support the viability and sustainability of the Company's new businesses; and
- (iii) the level of the Group's assets as at 31 May 2017 fails to demonstrate that the Company has assets of sufficient value to warrant the continued listing of its shares.

Pursuant to the Letter, the Company is required to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by Rule 17.26 of the GEM Listing Rules at least 10 business days before the expiry of the six months from the date of the Letter (i.e. 4 April 2018). If the Company fails to submit a viable resumption proposal by the aforesaid deadline, the Stock Exchange will proceed with cancellation of the Company's listing.

Under Rule 4.06(1) of the GEM Listing Rules, the Company has the right to have the Decision referred to the GEM Listing Committee for review. The Company may request that the Decision be reviewed by the GEM Listing Committee on or before 31 October 2017. If the Company does not make any review application by 31 October 2017, trading in the shares will be suspended from 9:00 a.m. on 1 November 2017. Before that, trading in the Shares will continue. The Company is still in the process of reviewing the Letter and is discussing the same with the Company's financial advisers, and would actively consider lodging a request for the Decision be referred to the GEM Listing Committee for review.

The Directors remind the Shareholders and potential investors that (i) the Company may or may not proceed with the review by the GEM Listing Committee; and (ii) the outcome of such review is uncertain, if undertaken.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules. Shareholders who have any queries about the implications of the Stock Exchange's notice of proceeding to cancel of the Company's listing are advised to obtain appropriate professional advice.

DEFINITIONS

“Board”	the board of Directors
“Company”	Netel Technology (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM
“Directors”	The director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of par value of HK\$0.02 each in the capital of the Company
“Shareholders”	“holders of the Shares”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 20 October 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.