

**NETEL TECHNOLOGY (HOLDINGS) LTD:
THE COMPANY RAISES \$HK2.30 MILLION FOR WORKING CAPITAL**

The Message Should Be Clear

As the Losses Attributable to Shareholders continue to rise while the share price of [Netel Technology \(Holdings\) Ltd \(□\)](#) [Code: 8256, The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd] continues to fall, it is becoming more and more likely that the situation is approaching a critical phase.

On Friday, May 15, 2009, Netel Technology announced that it had raised the princely sum of about \$HK2.30 million from 2 investors by the issuance of 42,856,000 New Netel Technology Shares at 5.60 cents per Share.

The investors who put up the money were Messrs Au Yeung Kai Yin () and Lam Yuk Woo ().

These 2 gentlemen, today, own 3.95 percent and 3.77 percent, respectively, of the Issued and Fully Paid-Up Share Capital of the company.

The raising of the \$HK2.30 million was required as Working Capital, last Friday's announcement stated.

The Controlling Shareholder of the company is Dr James Ang () who is deemed to be beneficially interested in about 30.28 percent of the Issued and Fully Paid-Up Share Capital of the Netel Technology, as at today's date.

Netel Technology is principally engaged in the provision of long-distance, telephone-call services through an integrated network infrastructure, comprising both the packet-switched system and the circuit-switched system, focused in the Asia-Pacific region, including The Philippines, Indonesia, Singapore, South Korea, Taiwan, Japan, as well as the United States. The Group is, also, engaged in the sales of **VoIP** (**V**oice **O**ver **I**nternet **P**rotocol) gateways and related equipment.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Netel Technology raised \$HK2 million on September 2, 2008.

That \$HK2 million was, also, required as Working Capital.

The company is burning, therefore, about \$HK250,000 per month.

It needs regular injections of cash to keep the credit wolves away from its doors.

As at November 30, 2008, Netel Technology had cash and bank balances of about \$HK269,000 and owed Dr James Ang about \$HK5.89 million.

Also, as at November 30, 2008, Dr James Ang was said to have been beneficially interested in 47.99 percent of the Issued and Fully Paid-Up Share Capital of the Company.

Dr James Ang has been funding this company for some years, now, and it seems that he has been tapping

into investors, over the past few years, in order to take up the financial slack at the company.

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