

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中彩網通控股有限公司
China Netcom Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8071)

VOLUNTARY ANNOUNCEMENT
ENTERED INTO OF A LETTER OF INTENT FOR THE DEVELOPMENT OF
TELEPHONE WELFARE LOTTERY SALES SYSTEM
WITH HAINAN WELFARE LOTTERY

The Board is pleased to announce that Huancai Puda, a subsidiary in which the Company has controlling interest, has entered into the Letter of Intent dated 2 March 2011 with Hainan Welfare Lottery, pursuant to which both parties agreed to commence short messages, tones, IVR and other services of phones (including mobile phones and fixed-line phones) as well as mobile phone welfare lottery sales service within the administrative region of Hainan Province.

This announcement is made by the Company on a voluntary basis.

LETTER OF INTENT

The Board is pleased to announce that Huancai Puda, a subsidiary in which the Company has controlling interest, has entered into of the Letter of Intent dated 2 March 2011 with Hainan Welfare Lottery, pursuant to which Hainan Welfare Lottery agrees to engage Huancai Puda to develop welfare lottery sales business featuring fixed-line phones and mobile phones within the administrative region of Hainan Province. Huancai Puda will be responsible for the design, development, integration, promotion and maintenance of the telecommunication (such as short messages, tones and interactive voice responses (IVR)) and banking system for the welfare lottery sales and relevant approval has to be obtained from Hainan Welfare Lottery for the implementation of each part of the above work. All development cost of the telephone welfare lottery sales system will be borne by Huancai Puda and Huancai Puda will receive a fee based on a certain proportion of the total sales amount of welfare lottery from the telephone sales business developed and operated by itself.

Hainan Welfare Lottery procures the legality of the operation of the telephone welfare lottery sales system and provides necessary technology and marketing support to Huancai Puda for the development of the telephone welfare lottery sales system.

The Letter of Intent is not legally binding and is subject to further approval by the relevant PRC authority. If the relevant PRC authority grants the approval, Huancai Puda and Hainan Welfare Lottery will enter into a formal agreement. Further announcement regarding the progress of the Letter of Intent will be made by the Company as and when appropriate.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	China Netcom Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hainan Welfare Lottery”	Hainan Province Welfare Lottery Issuing Centre (海南省福利彩票發行中心), the welfare lottery issuing organization in Hainan Province, the PRC and a party named under the Letter of Intent
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huancai Puda”	深圳環彩普達科技有限公司 (Shenzhen Huancai Puda Technology Company Limited, being its unofficial English name), a subsidiary of which the Company has controlling interest and a party named under the Letter of Intent
“Letter of Intent”	the letter of intent dated 2 March 2011 entered into between Huancai Puda and Hainan Welfare Lottery
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
China Netcom Technology Holdings Limited
Ng Kwok Chu, Winfield
Executive Director

Hong Kong, 7 March 2011

As at the date of this announcement, the executive Directors are Mr. Leung Ngai Man, Mr. Ng Kwok Chu, Winfield and Ms. Wu Wei Hua; and the independent non-executive Directors are Dr. Leung Wai Cheung and Mr. Cai Wei Lun.

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 Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.chinanetcomtech.com.