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**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)**

**ACQUISITION OF THE ENTIRE EQUITY INTERESTS OF CIL AND MIL:  
CONNECTED AND MAJOR TRANSACTION**

Reference is made to the announcement of the Company dated 2 March 2011 in relation to the acquisition of the entire equity interests of CIL and MIL. The Board wishes to provide additional information regarding Huancai Puda (30.87% and 18.13% equity interests of which being the respective sole asset of CIL and MIL).

As stated in the Announcement, one or more of the applicable percentage ratios (other than the profits ratio) calculated under the GEM Listing Rules with respect to the Acquisition exceed 1% but is less than 5%. Such ratios were calculated with reference to the financial information of CIL and MIL provided by the Vendor. However, it is noted that the sole asset of CIL and MIL is their respective 30.87% and 18.13% equity interests (collectively 49%) of Huancai Puda. With reference to the audited financial statements of Huancai Puda for the year ended 31 December 2010 and the relevant values attributable to the 49% equity interests in Huancai Puda, the applicable percentage ratios calculated under the GEM Listing Rules exceed 25% but are less than 100%. On this basis, the Acquisition constitutes a connected and major transaction for the Company.

Further, as time is required for the Company to finalize the engagement with the IFA to collate relevant information for the IFA to prepare their advice and to coordinate with the auditors of the Company to prepare, inter alia, the required financial information, working capital and indebtedness statements, it is expected that the Circular will be despatched to the Shareholders on or before 31 May 2011.

Reference is made to the announcement (“**Announcement**”) of the Company dated 2 March 2011 in relation to the acquisition of the entire equity interests of CIL and MIL. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

## **ADDITIONAL INFORMATION ON HUANCAI PUDA**

The sole asset of CIL and MIL is their respective 30.87% and 18.13% equity interests (collectively 49%) of Huancai Puda.

According to the audited financial statements of the Huancai Puda, the audited net loss of Huancai Puda for the two years ended 31 December 2010 was approximately RMB5.6 million (equivalent to approximately HK\$6.6 million) and RMB6.9 million (equivalent to approximately HK\$8.2 million) respectively, and the audited net asset value of Huancai Puda as at 31 December 2010 was approximately RMB12.9 million (equivalent to approximately HK\$15.3 million).

## **IMPLICATION UNDER THE GEM LISTING RULES**

As stated in the Announcement, one or more of the applicable percentage ratios (other than the profits ratio) calculated under the GEM Listing Rules with respect to the Acquisition exceed 1% but is less than 5%. Such ratios were calculated with reference to the financial information of CIL and MIL provided by the Vendor. However, it is noted that the sole asset of CIL and MIL is their respective 30.87% and 18.13% equity interests (collectively 49%) of Huancai Puda. With reference to the audited financial statements of Huancai Puda for the year ended 31 December 2010 and the relevant values attributable to the 49% equity interests in Huancai Puda, the applicable percentage ratios calculated under the GEM Listing Rules exceed 25% but are less than 100%. On this basis, the Acquisition constitutes a connected and major transaction for the Company.

The Acquisition Agreement and the transactions contemplated thereunder are subject to the approval of the Independent Shareholders at the EGM. In accordance with the GEM Listing Rules, the Vendor, Mr. Lin Zhiwei and their associates will abstain from voting on the resolution to approve the Acquisition and any vote exercised by the Independent Shareholders at the EGM shall be taken by poll.

The Independent Board Committee will be established to consider the Acquisition and to advise the Independent Shareholders in relation to the terms of the Acquisition and on how to vote. An independent financial adviser (“IFA”) will be appointed to advise the Independent Board Committee and the Independent Shareholders regarding the Acquisition.

## **DESPATCH OF THE CIRCULAR**

As stated in the Announcement, the Circular containing, among other matters, further details of the Acquisition, the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the advice of the IFA to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and a notice convening the EGM will be despatched to the Shareholders on or before 31 May 2011.

As time is required for the Company to finalize the engagement with the IFA to collate relevant information for the IFA to prepare their advice and to coordinate with the auditors of the Company to prepare, inter alia, the required financial information, working capital and indebtedness statements, it is expected that the Circular will be despatched to the Shareholders on or before 31 May 2011.

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB0.845 to HK\$1.

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

Hong Kong, 9 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](http://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](http://www.chinanetcomtech.com).*