

*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.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



**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)**

**CONNECTED TRANSACTION –  
EXTENSION OF THE MATURITY DATE OF  
THE CONVERTIBLE BOND**

**SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND**

The Board announces that on 24 August 2015, the Company entered into the Supplemental Deed with the Bondholder pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 5 years from the date falling on the fifth year to the date falling on the tenth year from the date of issue of the Convertible Bond, subject to the conditions precedent contained in the Supplemental Deed being satisfied.

**GEM LISTING RULES IMPLICATIONS**

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

The Bondholder is Mr. Leung, who is an executive Director and a substantial Shareholder and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Amendment of Terms as contemplated under the Supplemental Deed constitutes a connected transaction for the Company under the GEM Listing Rules and is subject to the announcement and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Supplemental Deed and the Amendment of Terms. Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the Amendment of Terms.

### **GENERAL**

A circular containing, amongst other things, (i) further details of the Supplemental Deed and the Amendment of Terms; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the Amendment of Terms; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 14 September 2015 in accordance with the GEM Listing Rules.

### **BACKGROUND**

Reference is made to the Company's announcement dated 24 June 2010 and the Previous Circular in relation to, among other things, the issue of the Convertible Bond.

As mentioned in the Previous Circular, upon completion of the very substantial acquisition and connected transaction, part of the consideration was settled by the issue of the Convertible Bond to the Bondholder, Mr. Leung (an executive Director and the chairman of the Company), in the principal amount of HK\$797,500,000. The Convertible Bond was issued to the Bondholder on 27 August 2010.

As at the date of this announcement, the Convertible Bond in the principal amount of HK\$104,100,000 remains outstanding, which is held by Mr. Leung. All outstanding principal amount under the Convertible Bond will mature on 27 August 2015 pursuant to the original terms and conditions of the Convertible Bond.

### **SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND**

On 24 August 2015, the Company entered into the Supplemental Deed with the Bondholder, pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 5 years from the date falling on the fifth year to the date falling on the tenth year from the date of issue of the Convertible Bond. Pursuant to the Supplemental Deed, the Amendment of Terms is conditional upon the satisfaction of the following conditions:

1. the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Supplemental Deed and the Amendment of Terms;

2. the Stock Exchange having approved the Amendment of Terms in accordance with the GEM Listing Rules and the Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled; and
3. all necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Amendment of Terms having been obtained.

The Conversion Period under the Convertible Bond, which is between the date immediately following the issue of the Convertible Bond and the maturity date (both dates inclusive), will be extended accordingly.

### **PRINCIPAL TERMS OF THE CONVERTIBLE BOND AS AMENDED BY THE SUPPLEMENTAL DEED**

Save and except the amendment to the maturity date pursuant to the Supplemental Deed, all the terms and conditions in the Convertible Bond remain unchanged, valid and in full force.

The principal terms of the Convertible Bond as amended pursuant to the Supplemental Deed are summarised as follows:

Issuer	:	The Company
Principal amount	:	The Convertible Bond in the aggregate principal amount of HK\$797.5 million was issued on 27 August 2010. As at the date of this announcement, the Convertible Bond in the principal amount of HK\$104,100,000 remains outstanding.
Conversion Price	:	HK\$1.20 per Share

The Conversion Price was initially at HK\$0.24 per Conversion Share, subject to adjustment upon the occurrence of capitalisation of profits and reserves, rights issue, subdivision of Shares, consolidation of share or reduction of share capital or other changes (including issuance of convertible securities, warrants or options to subscribe for the Company's securities) to the share capital structure.

As a result of the consolidation of shares effective on 27 February 2012 (as set out in the Company's announcement dated 19 January 2012 and the circular dated 8 February 2012), the conversion price was adjusted from HK\$0.24 to HK\$1.20 per Share.

- Interest : Interest free
- Transferability : The Convertible Bond may be transferred or assigned in whole or in part by the Bondholder to any person or company provided that (i) where such transfer is made to a connected person of the Company, such transfer shall comply with the requirements (if any) of the Stock Exchange and (ii) prior written consent of the Company is obtained.
- Maturity date : Originally the date falling on the fifth year from the date of issue. Pursuant to the Supplemental Deed, the maturity date is extended to the date falling on the tenth year from the date of issue.
- Conversion rights : The Bondholder may convert the whole or part (in multiples of HK\$100,000) of the principal amount of the Convertible Bond into Conversion Shares at the Conversion Price for the period commencing from the date of issue of the Convertible Bond up to the maturity date.

The Bondholder shall have the right to convert the Convertible Bond, in whole or in part, at any time at the Conversion Price set out above provided that:

- (i) no conversion of the Convertible Bond shall be made if immediately upon such conversion, the Bondholder and parties acting in concert with it will hold more than 29% (or any other voting right percentage which triggers a mandatory general offer obligation under Rule 26 of the Takeovers Code); and
- (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares at any one time in compliance with the GEM Listing Rules.

- Early redemption : Upon occurrence of an event of default set out in the conditions of the Convertible Bond, including among others, a sufficient number of authorised but unissued Shares is not available for the fulfillment of the obligations regarding the conversion of the Convertible Bond, a breach of the provisions of the Convertible Bond, breach of major terms of the Acquisition Agreement and dissolution or winding up of the Company, the Bondholder may give written notice to the Company that the Convertible Bond are immediately due and repayable. Upon any such notice being given to the Company, the Convertible Bond will become due and repayable on the business day falling the seventh business day from the date of such notice at their principal amount.
- Ranking of the Conversion Shares : The Conversion Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Conversion Shares.
- Ranking of the Convertible Bonds : The Convertible Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and rank pari passu and ratably without preference among themselves, and with other current and future unsubordinated and unsecured obligations of the Company.
- Voting : The Convertible Bond does not confer any voting rights at any meetings of the Company.
- Public float : The Company, at all times, shall use its reasonable endeavours to ensure that the relevant provisions as to the minimum public float requirement of the GEM Listing Rules are complied with. It will be a term of the Convertible Bond that the Bondholder shall not exercise any of the conversion rights attaching to the Convertible Bond, if following such exercise, the Company's minimum public float cannot be maintained.

No application will be made for the listing of, or permission to deal in the Convertible Bond on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Conversion Shares that may be issued upon the conversion of the Convertible Bond.

Please refer to the Previous Circular for further details of the Convertible Bond.

## **REASON FOR AND BENEFIT OF THE TRANSACTION**

The Convertible Bond would mature on 27 August 2015 under its original terms unless further extended. The extension of the maturity date of the Convertible Bond allows the Company to finance the debts under the Convertible Bond under the same terms for a further 5 years. The Board is of the view that the extension of the maturity date will enhance the sufficiency of working capital of the Group.

The Amendment of Terms is arrived at after arm's length negotiation between the Company and the Bondholder. The Board (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) considers that the terms and conditions of the Supplemental Deed are fair and reasonable, and the Amendment of Terms is in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the Amendment of Terms will not pose any significant impact on the operations of the Group.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

The Bondholder is Mr. Leung, who is an executive Director and a substantial Shareholder and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Amendment of Terms as contemplated under the Supplemental Deed constitutes a connected transaction for the Company under the GEM Listing Rules and is subject to the announcement and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules. The Bondholder and its associates will abstain from voting in the EGM for approval of the Supplemental Deed, the Amendment of Terms and the transactions contemplated thereunder.

## **GENERAL**

The Group's principal activities are the trading of computer hardware and software, the provision of lottery system management service and the operation of lottery sales halls in the PRC.

The Supplemental Deed, the Amendment of Terms and the transactions contemplated thereunder, including the issue and allotment of Conversion Shares, are subject to, inter alia, the approval of Independent Shareholders at the EGM. A specific mandate for the issue of new Shares will be sought in the EGM to cater for the issue of the Conversion Shares.

An Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the, among other matters, Supplemental Deed and the Amendment of Terms. Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to, among other matters, the Supplemental Deed and the Amendment of Terms.

A circular containing, amongst other things, (i) further details of the Supplemental Deed and the Amendment of Terms; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the Amendment of Terms; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 14 September 2015 in accordance with the GEM Listing Rules.

## **DEFINITIONS**

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

“Amendment of Terms”	the proposed amendment to the terms and conditions of the Convertible Bond pursuant to the Supplemental Deed to extend the maturity date of the Convertible Bond
“Board”	the board of Directors
“Bondholder”	holder of the Convertible Bond, being Mr. Leung
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Company”	China Netcom Technology Holdings Limited (中彩網通控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM under the stock code 8071
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Conversion Period”	the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)
“Conversion Price”	HK\$1.20 per Conversion Share, subject to adjustments, pursuant to the terms and conditions of the Convertible Bond

“Conversion Share(s)”	new Share(s) which would fall to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Bond
“Convertible Bond”	the convertible bond in the aggregate principal amount of HK\$797.5 million issued by the Company to the Bondholder on 27 August 2010
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Supplemental Deed and the Amendment of Terms and transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders as to the terms of the Supplemental Deed and the Amendment of Terms and the transactions contemplated thereunder
“Independent Financial Adviser”	Nuada Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the Amendment of Terms
“Independent Shareholder(s)”	the Shareholder(s) who are not interested or involved in the Supplemental Deed, the Amendment of Terms and the transactions contemplated thereunder
“Mr. Leung”	Mr. Leung Ngai Man, an executive Director and the chairman of the Company



“PRC”	the People’s Republic of China
“Previous Circular”	the circular of the Company dated 30 July 2010 issued by the Company in relation to, amongst other things, the issue of the Convertible Bond
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.005 each in the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed dated 24 August 2015 executed between the Company and the Bondholder in relation to the Convertible Bond
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent

By order of the Board  
**China Netcom Technology Holdings Limited**  
**Leung Ngai Man**  
*Chairman and Executive Director*

Hong Kong, 24 August 2015

*As at the date of this announcement, the executive Directors are Mr. Leung Ngai Man and Ms. Wu Wei Hua; and the independent non-executive Directors are Mr. Cai Wei Lun, Mr. Qi Ji and Ms. Xuan Hong.*

*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).*