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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)

**SUPPLEMENTAL AGREEMENT
AND
DELAY IN DESPATCH OF CIRCULAR
IN RELATION TO A
CONNECTED AND MAJOR TRANSACTION**

Reference is made to (i) the announcements of the Company dated 2 March 2011 and 9 March 2011 in relation to, among other matters, a connected and major transaction of the Company; and (ii) the announcement of the Company dated 31 May 2011 in relation to the delay in despatch of the Circular.

On 23 August 2011, a supplemental agreement to the Acquisition Agreement was entered into between the Purchaser, the Vendor, the Warrantors and MIL. Pursuant to the Supplemental Agreement, the Purchaser has conditionally agreed to acquire and the Vendor and MIL have conditionally agreed to dispose of the CIL Share and two shares of WMIL (being its entire issued share capital), at the Consideration of RMB73,500,000 (equivalent to approximately HK\$86,982,000). The sole asset of CIL and WMIL is their respective 30.87% and 18.13% (holding through SSIL) equity interests (collectively 49%) of Huancai Puda. Upon completion of the Supplemental Agreement, Huancai Puda would become an indirect wholly-owned subsidiary of the Company.

As additional time is required for the independent financial adviser 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 October 2011.

Reference is made to (i) the announcements of the Company dated 2 March 2011 and 9 March 2011 in relation to, among other matters, a connected and major transaction of the Company; and (ii) the announcement (“**Delay Announcement**”) of the Company dated 31 May 2011 in relation to the delay in despatch of the Circular. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the announcement (“**Announcement**”) of the Company dated 2 March 2011.

As stated in the Announcement, the Purchaser (being an indirect wholly-owned subsidiary of the Company), the Vendor and the Warrantors entered into the Acquisition Agreement on 2 March 2011 pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the CIL Share and MIL Shares, at the Consideration of RMB73,500,000 (equivalent to approximately HK\$86,982,000). The sole asset of CIL and MIL is their respective 30.87% and 18.13% equity interests (collectively 49%) of Huancai Puda. The remaining 51% equity interest of Huancai Puda is owned by the Purchaser. Upon completion, Huancai Puda would become an indirect wholly-owned subsidiary of the Company.

As stated in the Delay Announcement, the Company was given to understand that an internal corporate reorganisation (“**Internal Corporate Reorganisation**”) was contemplated among the Vendor and its subsidiaries (“**Vendor Group**”), and supplemental agreement(s) was/were expected to be entered into between the Purchaser, the Vendor, the Warrantors and other relevant party(ies). Prior to the Internal Corporate Reorganisation, 30.87%, 18.13% and 51% of the equity interests of Huancai Puda was held by each of CIL, MIL and the Purchaser respectively. Immediately after the Internal Corporate Reorganisation and as at the date of this announcement, Huancai Puda was held by each of CIL, Shine Smart Investment Limited (“**SSIL**”) and the Purchaser as to 30.87%, 18.13% and 51% respectively. As at the date of this announcement, SSIL was wholly-owned by Wise Mark Investments Ltd. (“**WMIL**”), a company incorporated in the BVI and a wholly-owned subsidiary of MIL.

On 23 August 2011, a supplemental agreement (“**Supplemental Agreement**”) to the Acquisition Agreement was entered into between the Purchaser, the Vendor, the Warrantors and MIL. Pursuant to the Supplemental Agreement, the Purchaser has conditionally agreed to acquire and the Vendor and MIL have conditionally agreed to dispose of the CIL Share and two shares of WMIL (being its entire issued share capital) (“**WMIL Shares**”), at the Consideration of RMB73,500,000 (equivalent to approximately HK\$86,982,000). The sole asset of CIL and WMIL is their respective 30.87% and 18.13% (holding through SSIL) equity interests (collectively 49%) of Huancai Puda. Upon completion of the Supplemental Agreement, Huancai Puda would become an indirect wholly-owned subsidiary of the Company.

Pursuant to the Supplemental Agreement, the Consideration shall be paid to the Vendor and the Consideration Shares shall be issued, allotted and delivered to the Vendor. Save as disclosed in this announcement, no material changes have been made to the Acquisition Agreement by the Supplemental Agreement.

As additional time is required for the independent financial adviser 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 October 2011.

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

Hong Kong, 23 August 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.